The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton BN1 6AF

By email: strategyconsultation@tpr.gov.uk

8 June 2026

Re: The Pensions Regulator Corporate Strategy Consultation

UK Private Capital (formerly the British Private Equity and Venture Capital Association, or BVCA) is the association of the UK private capital industry. We represent 600 firms including the wider ecosystem of professional advisers and investors. Private capital consists of private equity and venture capital which make long-term investments to grow British businesses and build a better economy. Private credit and venture debt also provide active and engaged debt finance to businesses.

The private capital industry backs 13,000 UK businesses, nine in 10 of which are small or medium-sized enterprises. Businesses backed by the industry employ 2.5 million people across the UK and contribute 7% to GDP. In 2025, £25.0bn was invested by private capital into UK business in sectors across the UK economy, ranging from consumer products to emerging technology. This investment has fuelled the growth of businesses across the UK, with more than half (57%) of the companies backed last year located outside of the capital.[1]

UK Private Capital welcomes the opportunity to respond to TPR's consultation on its five-year corporate strategy. Given the recent developments in the pensions landscape, including the Pension Schemes Act and the Mansion House agreements, we see TPR's role as critical to delivering the government's wider objectives for pensions investment. This includes the Mansion House Compact commitment for DC schemes to allocate at least 5% of default funds to "unlisted equities" by 2030. Investment into private capital, including venture and growth capital funds that drive UK innovation across Industrial Strategy sectors, will be crucial to the Government's aspirations for UK growth, and can also play a key role in supporting stronger DC saver outcomes.

UK Private Capital largely agrees with TPR's outlined direction of travel, including the focus on a more aligned regulatory approach, higher expectations of trustees, and recognition of the shift towards greater scale, consolidation and more sophisticated investment strategies. In particular, we support the aspiration to ensure DC savers have access to a broader range of assets, including private capital. This is essential to unlocking billions of pounds for UK start-ups, scale-ups and high-growth companies, supporting innovation, economic growth and job creation across the UK.

We strongly agree that consolidation and scale are the key trends likely to shape the pensions system over the next five years. Currently, the UK's pensions landscape remains fragmented, limiting schemes' ability to access diversified asset classes that support improved long-term member outcomes, such as private capital funds.

Evidence shows that larger and more consolidated schemes abroad invest more into private capital. Pensions UK reports that its members start to invest in private markets once they reach £20bn AUM.[2] Given the limited progress UK pension schemes have made towards the Mansion House Compact's 5% asset allocation target into private capital, with the latest ABI data finding that signatories currently invest only 0.6% into "unlisted equities", it is essential that scale and consolidation remain a top priority for TPR.[3] It is especially important that TPR facilitates a supportive regulatory environment to ensure that schemes are well positioned to meet these objectives.

Below, we have set out some high-level comments on further issues that we consider significant from the perspective of the private capital industry.

---

[1] UK-Private-Capital-Report-on-Investment-Activity-2025.pdf
[2] https://www.pensionsuk.org.uk/Portals/0/Documents/Policy-Documents/2024/Pensions-Review-PLSA-response-to-call-for-evidence-sept-2024.pdf
[3] mansionhousecompactprogressupdateoctober2025.pdf

Regulatory Alignment

We support TPR's commitment to promoting coherence across the pensions system. We consider it especially important that there is greater alignment of rules and regulatory requirements across trust-based and contract-based schemes. Where it occurs, existing misalignment between the regulatory frameworks creates unnecessary complexity, particularly for providers overseeing arrangements within both categories. In our experience, this can promote an overly cautious investment approach. The differing charge cap requirements for trust-based and contract-based DC arrangements provide a clear example of this. We therefore encourage the continued collaboration between TPR, DWP, and the FCA to address these challenges and deliver more consistent outcomes across DC schemes. Equally, it is critical that any harmonisation across frameworks does not hinder DC investment in private capital funds by imposing unnecessary prescription that is inconsistent with existing market practice.

Trustee capability and investment oversight

The DC pensions landscape is entering a new phase, shaped by pensions reforms outlined above, as well as the Pensions Commission exploring adequacy. These developments point towards larger, more consolidated DC schemes with greater scale and an increased expectation that pension capital will be deployed across a broader range of long-term investment opportunities.

In this context, trustee boards will face heightened expectations in relation to governance, investment oversight, and decision-making. As schemes grow in scale and investment strategies become more sophisticated, it is increasingly important that trustees have the appropriate skills and capability to assess and oversee a wider range of asset classes and investment opportunities in the best interests of members.

Continued scrutiny by TPR of trustee capability is essential to ensure that trustee boards are equipped to meet these evolving expectations. It is important to ensure that trustees have the skills, expertise, and confidence in assessing a broader range of investment opportunities so that more complex, but diversifying and potentially higher performing investments such as private capital funds, are actively included as options for savers' portfolios.

For example, we encourage TPR to consider publishing further guidance for trustees, and to ensure that its trustee toolkit remains up to date and fit for purpose in this new landscape. At present, TPR guidance that covers private capital remains relatively high-level and generic. Trustees would benefit from clearer, more practical resources to support decision-making. We would be happy to support the development or review of such guidance, and to work collaboratively with TPR over the coming years to strengthen the resources available to trustees.

Value For Money Framework

We support the TPR's commitment to utilising the Value for Money Framework as a market shaping tool to raise standards, identify where schemes fall short, and accelerate consolidation when required to protect members' best interests.

UK Private Capital is strongly of the view that regulators should ensure that UK pensions investment is focused on achieving the best long-term returns for savers and moves away from short-term cost considerations. As the Government recognised in its Pension Investment Review, the pensions industry has become extremely focused on short-term, low-cost, investment products, and this is to the detriment of savers. For this reason, it is essential that the Value for Money Framework is implemented within the planned timeframe, and that it is effective in its objectives.

We would welcome the opportunity to discuss any of these points in more detail and are keen to build on our continued collaboration. Please contact Karen Hurst at khurst@ukprivatecapital.co.uk and Tom Taylor at TTaylor@ukprivatecapital.co.uk for further engagement.

Yours sincerely,

Tom Taylor

Head of Policy, Legal and Regulatory, UK Private Capital