

The Pensions Regulator's AI Plan

Background

The Pensions Regulator (TPR) has published its first AI Plan, setting out expectations for trustees, administrators and scheme managers on the safe and responsible use of artificial intelligence (AI) in workplace pensions. The Plan also explains how TPR intends to use AI within its own regulatory activities and signals further guidance to follow later in 2026.

TPR recognises that AI adoption across the pensions industry is already well underway and is likely to accelerate rapidly. It highlights the potential for AI to transform key areas of scheme operation, including administration, investment decision-making and member engagement. However, these opportunities are accompanied by new risks, particularly in relation to fraud, data usage and accountability.

Key AI use cases identified

TPR highlights several areas where AI is already being used or is expected to develop further:

- Member communications and support, including personalised messaging and modelling of retirement outcomes.
- Administration and efficiency through automation and faster service delivery.
- Risk monitoring, including funding risks and employer covenant issues.
- Fraud detection and scam identification.

TPR also notes emerging technologies such as AI agents, which may create new use cases but remain uncertain in their impact.

Key risks identified

TPR identifies several risks associated with AI:

- AI-enabled scams and increasingly sophisticated fraud.
- Bias in decision-making.
- Cybersecurity threats.
- Member reliance on unregulated AI tools for financial planning.
- Poor data quality affecting outcomes.

Expectations of Trustees and Scheme Managers

Trustees and scheme managers remain fully accountable for outcomes, even where AI is used. They're expected to have clear governance structures, understand where AI is used, and ensure appropriate oversight of third-party providers.

AI systems should be rigorously tested before implementation and be subject to ongoing monitoring. Risks should be regularly reviewed and mitigated.

Data and data protection

Schemes must maintain a clear data strategy and ensure high-quality member data. Compliance with data protection legislation, including rules on automated decision-making, is essential. Trustees should understand how AI systems use and process data and ensure robust controls are in place.

TPR's approach

TPR takes a principles-based and technology-agnostic approach, focusing on fairness, accountability, transparency and explainability. It aims to encourage innovation while ensuring member protection and maintaining trust in the pensions system.

TPR's workplan

TPR's priorities include strengthening governance standards, improving data foundations, supporting responsible innovation, and using AI internally to enhance its regulatory effectiveness. It is already using AI to help identify scams and improve risk monitoring.

Final thoughts

TPR's AI Plan reflects a cautious but supportive stance. While AI offers significant benefits, strong governance, high-quality data and clear accountability are essential. Trustees should note that responsibility cannot be delegated to AI systems, and emerging technologies such as AI agents are likely to attract increasing regulatory scrutiny.

If you would like to discuss any of these matters further, please get in touch with your usual contact at Cartwright.

June 2026

250 Fowler Avenue
Farnborough Business Park
Farnborough GU14 7JP

Marlborough House
Victoria Road South
Chelmsford CM1 1LN

T: 01252 894883
E: enquiries@cartwright.co.uk
W: pensiontrusts.cartwright.co.uk