

PCST 360

IGG's third annual report exploring attitudes towards the Professional Corporate Sole Trustee model.



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PCST 360: Key Findings

January 2026

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This January 2026 edition of our PCST 360 report is IGG's third deep dive into the Professional Corporate Sole Trustee (PCST) model, helping sponsors to manage workplace pension schemes more effectively to deliver better experiences and outcomes for members.

The findings presented here are from research carried out in November 2025 among 12 advisory firms, who collectively advise almost 10,000 schemes, including more than 1,000 which use the PCST model.

The research also captures experiences from 19 sponsors of schemes which have transitioned to the PCST model.

With thanks to the late Andy Lane, whose exceptional analytical insight and dedication to this report were central to its development.

To discuss the findings and IGG's approach to PCST services, please contact Annabelle Hardiman, Trustee Director and Head of PCST, via annabelle.hardiman@weareigg.com

Part one: PCST market outlook



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Among a host of studies examining the PCST market:

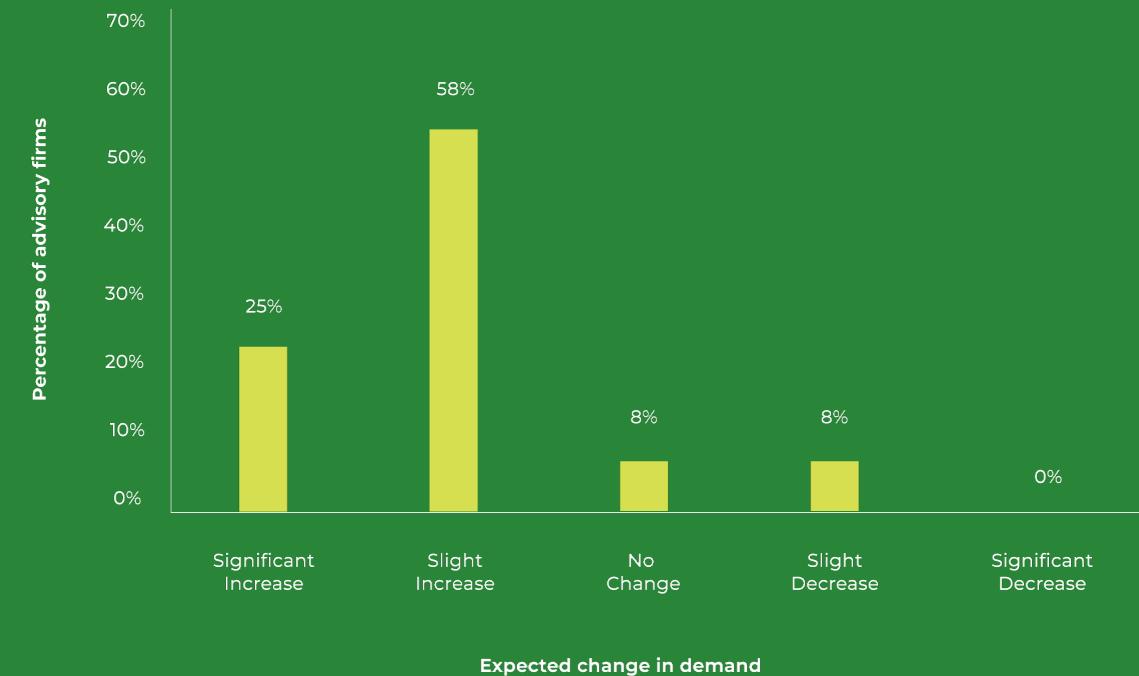
LCP's latest [Sole Mates](#) report shows 25% of UK pension schemes now use the PCST model, up from 12% in 2021.

Hymans Robertson's [2025 Sole Trustee Landscape Report](#) reveals that the proportion of professional trustee firms' appointments as PCST has grown from 35% in 2023 to 42% in 2025.

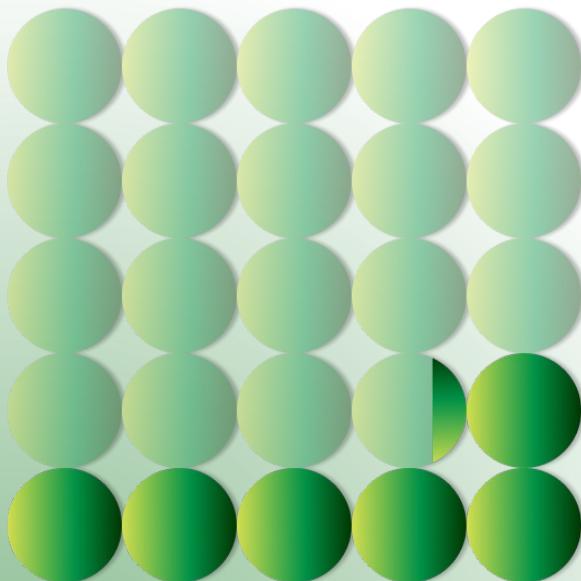
IGG's survey suggests consultancy firms remain largely positive that the PCST growth trend will continue during 2026.

A clear majority of advisory firms (83%) expect a significant or slight increase in growth, even though confidence is moderately lower than in 2025 (93%).

One firm expects demand will be unchanged while, for the first time, one firm predicts a slight drop.



What factors are predicted to drive a significant increase in demand?



25%

of advisory firms expect a *significant* increase in demand

Firms with strong growth expectations highlight three factors:



Many schemes where a professional trustee is already appointed intend to move to PCST in the next 12-18 months



Development in TPR's oversight framework and managing the complexities of the current market environment



More mid-to-large schemes are being impacted by the factors which have driven smaller schemes to adopt the PCST model

PCST scheme sizes:

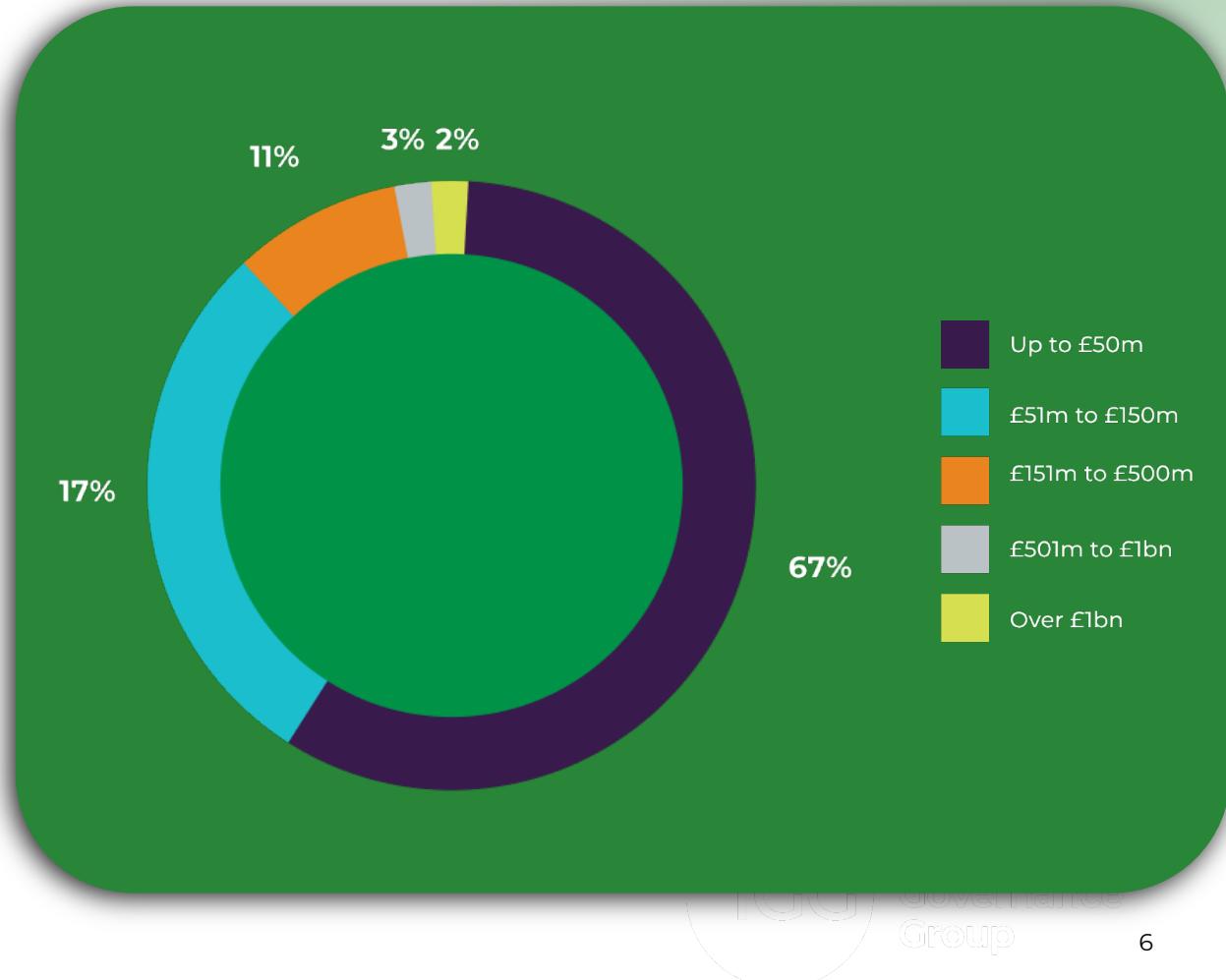
Examining a sample* of almost 400 PCST schemes:

- the majority (65%) are small schemes with up to £50m assets under management (AUM)
- more than four in five schemes (83%) fall into the two smallest size bands with AUM up to £150m
- large schemes with over £500m AUM make up 5% of those using the PCST model.

This balance may shift in future based on the observation that more mid-to-large schemes are being impacted by the factors which have driven PCST adoption among smaller schemes.

IGG is also seeing more PCST appointments from larger schemes.

**Based on data from eight leading advisory firms*

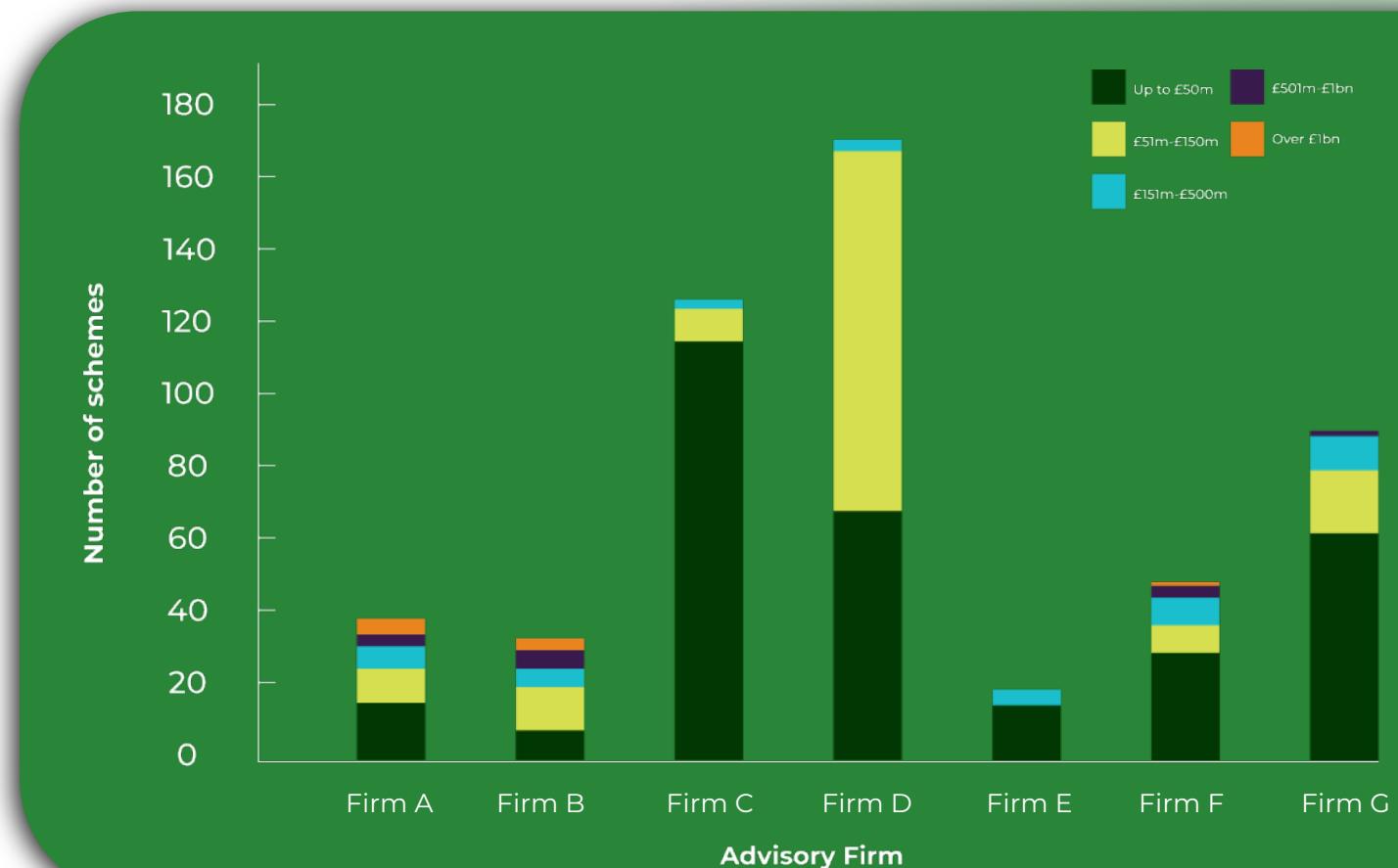


PCST scheme sizes:

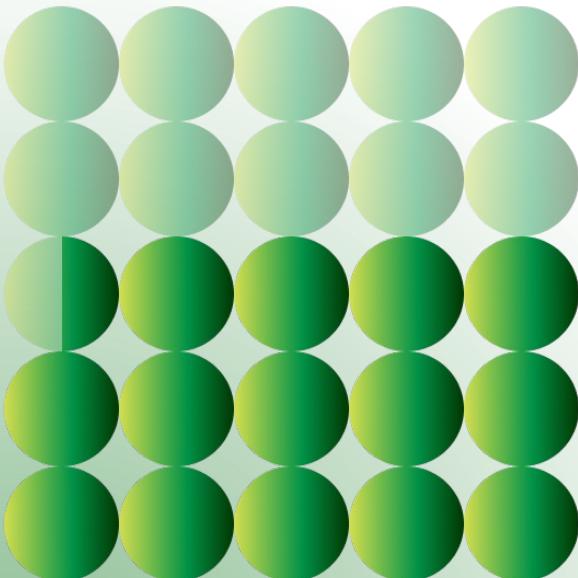
Half of firms who contributed portfolio data advise at least one PCST scheme with £1bn+ AUM.

For two firms, around one in ten PCST appointments sit in this top AUM bracket, despite advising fewer PCST schemes overall than some of their peers.

However, those firms with the most PCST appointments typically focus on serving the smaller end of the market, with most of their appointments falling into lower AUM categories (<£150m).



What factors are predicted to drive a slight increase in demand?

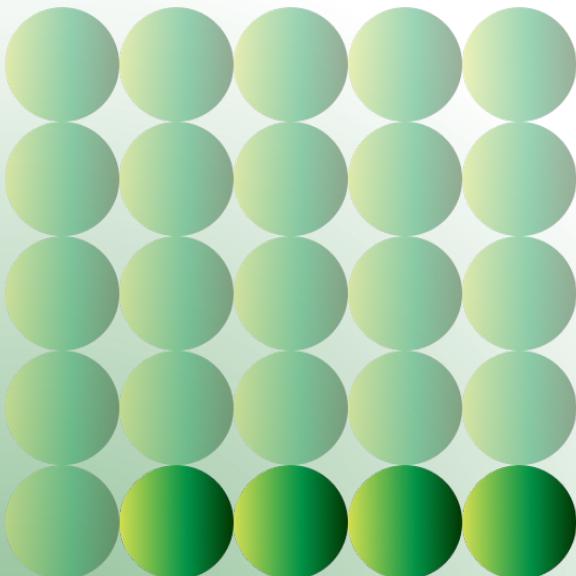


58%
of advisory firms
expect a *slight*
increase in demand

Firms with modest growth expectations point to these factors:

-  The pace and detailed decision-making needed to efficiently execute risk transfers
-  The increasing complexity and burden of governance requirements
-  Difficulties in finding member- or employer-nominated trustees
-  DWP's consultation on trustees and governance helping to reinvigorate the market
-  A growing consensus that professionalism of trustee boards create better outcomes.

What factors are predicted to weigh down on demand?



16%

of advisory firms expect demand will be unchanged or slightly drop

Firms who expect demand to remain stable or fall suggest:



Many sponsors have already considered PCST and adopted an alternative, so continued adoption will be a slow process



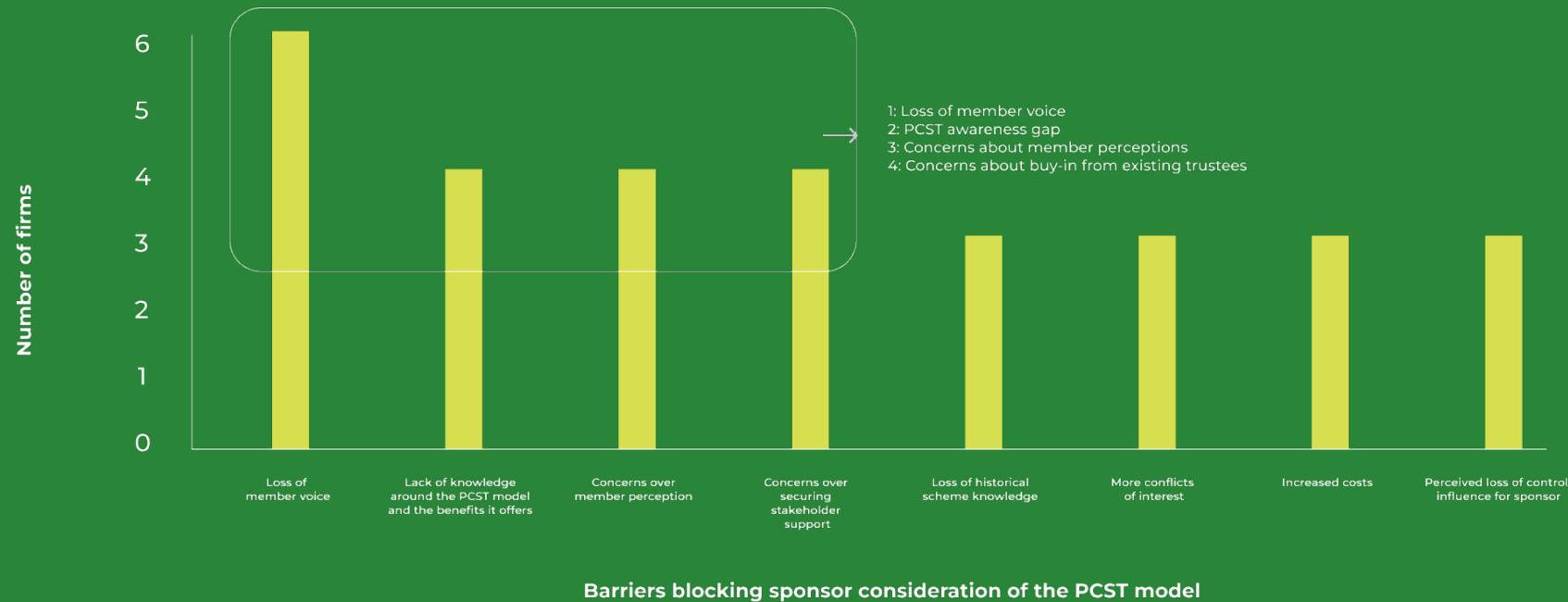
Fewer direct moves to PCST and more tenders for co-trustee roles



A lack of strong market signals that would suggest a significant change from previous years

What do advisory firms see as driving consideration among sponsors?

Efficiency, expertise and **ensuring continuity** are seen as the PCST model's primary advantages(<£150m).



What do advisory firms see as the main barriers to consideration?

Concerns over **participation** and **perception** stand in the way of wider PCST adoption



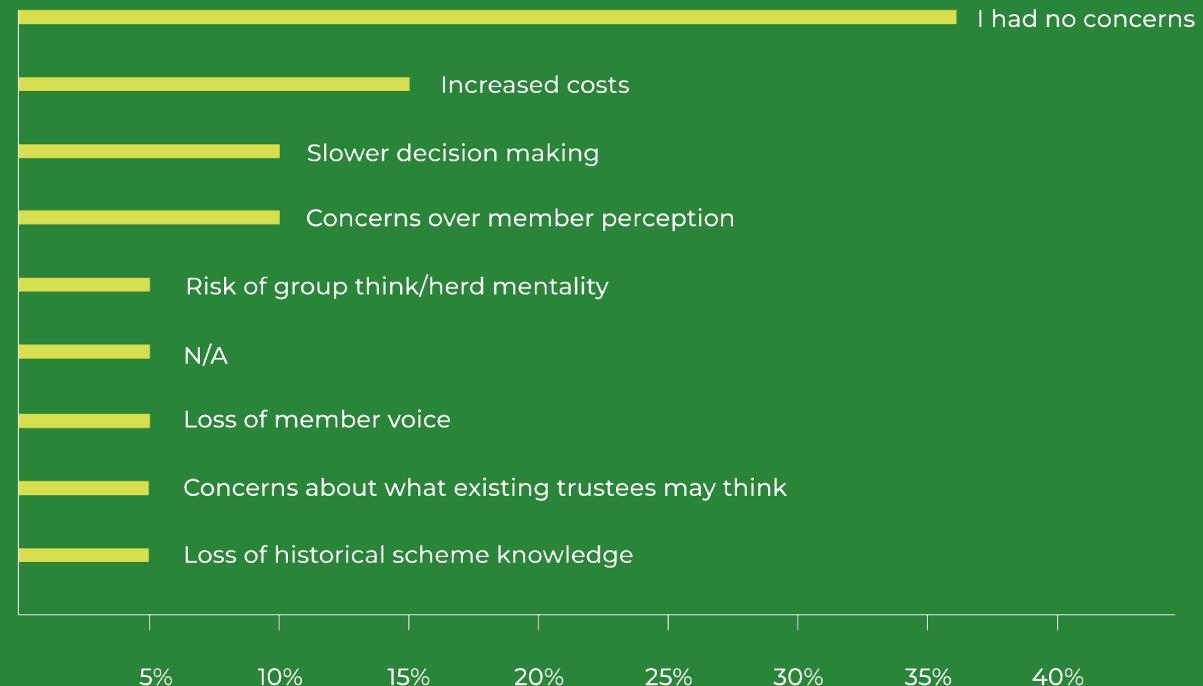
What are sponsors most concerned about before switching?:

Among schemes that have transitioned to the PCST model, IGG's research shows that **more than one in three (37%) had no concerns** before switching.

One of the concerns that registered most often was: **concerns over member perception** (11%)

Sponsors also cited concerns around **cost** (16%) and **slower decision making** (11%) as background factors triggering PCST discussions.

Sponsors' main concerns before adopting the PCST model



Part two: Implementing the PCST model



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Initiating a move to PCST

All advisory firms (100%) report that moving to the PCST model is primarily sponsor-led, compared with 73% last year and 53% in 2022.

The suggestion that corporates are increasingly driving change may be a sign that growing pressure points are leading to proactive reviews of their options.

Advisory firms regard succession planning as a key driver for both trustee-led and adviser-led recommendations, including when co-trustees are looking to exit their roles.

Adviser-led recommendations often arise from the view that trustee boards need more specialist expertise.



This move is often corporate-led in the first instance in that the corporate may articulate frustration with their status quo.

As advisers we then guide the corporate through their options, including implementing a PCST governance model

Advisory firm

What do sponsors gain from the PCST model?

Four main benefits experienced by sponsors when adopting the PCST model for the first time:



Governance

Every scheme reported improved governance, with 58% seeing a significant uplift.



Efficiency

Four in five (79%) now spend less time on pensions, helping sponsors focus on other priorities.



Expertise

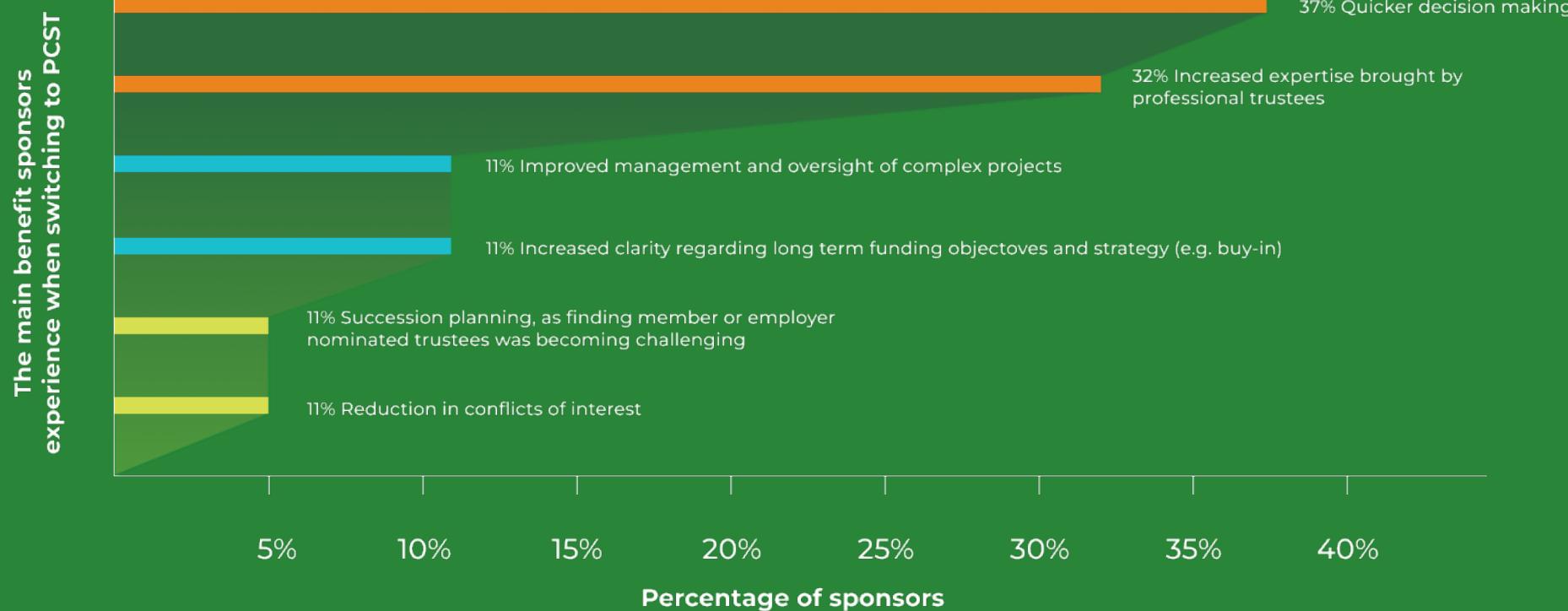
Nearly eight in ten sponsors (79%) cite increased professional expertise as a key benefit of the model



Decision-making

Over half of sponsors (53%) report quicker decision-making, with 37% naming it as the main benefit.

Quicker decisions and increased expertise are the biggest gains



How sponsors describe the experience



“Shorter meetings, less time spent explaining technical matters and more clarity over the vision for the scheme.”



“The expertise has been passed to the external trustee together with the secretarial duties – a perfect fit.”



“One point of contact makes it easier to work with the trustee and reduces time effort.”

Working together with PCSTs

Just under half of advisory firms (42%, equivalent to 5 of 12 firms) have a dedicated PCST team in place to work with schemes

Other advisory firms have senior leads with responsibility for their PCST proposition and how it is applied, with consultants working across all trustee models

Firms have typically maintained the same operating structure over the last year, with some making new senior appointments

2026 may bring more proposition developments as the market continues to grow and client needs evolve.



We may indirectly structure a dedicated PCST team for a particular opportunity, according to the needs of each situation, but the driving force behind such decisions tends not to be whether a PCST or Co-Trustee governance model is in place.

Advisory firm

Contact us

For more details of how the team at Independent Governance Group can help you and your business, please contact:



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