

Torsten Bell MP
Parliamentary Secretary and Minister for Pensions

03/03/2026

Dear Minister

We are writing to reiterate our serious concerns about the mandation power in the Pension Schemes Bill, and the ability it would give Government to force pension providers to invest savers' money in assets of the government's choice.

As you know, we strongly support your ambitious pension reform agenda and the Bill more generally. We were delighted to create the Mansion House Accord alongside a number of our members, Pensions UK and the City of London Corporation. The Accord seeks to benefit savers and the UK economy through more investment into UK businesses and infrastructure projects on a voluntary basis, subject to fiduciary duty. We agree with the government's previous [statement](#) that in light of this, it is not necessary to mandate investment.

Every pensions policy should be judged on how it's going to deliver the best outcomes for savers, to support their future and a sustainable pension system. Unlike a voluntary initiative subject to savers' interests, a government mandate to channel pension money into particular assets would create a real risk of consumer detriment, from underperformance and from asset bubbles. As currently drafted, the savers' interest test lacks the operational detail industry needs to understand how it can be used to prevent material financial detriment to savers.

It also creates the risk of shifting priorities from one administration to the next which is entirely incompatible with long-term investment. We are concerned about how this power would give future governments the mandate to push policy objectives far from what this government intends. Trustees' and providers' fiduciary duty must remain sovereign in their decision making, continuing to make investment decisions themselves or with appropriate investment advice, in savers' interest.

The power in the Bill goes far beyond the government's stated policy intent of having a reserve power to address any collective action problem that would impact the delivery of the Mansion House Accord. It has very limited constraints on how and under what circumstances the requirements could be introduced, leaving the power open to be used in very different and potentially damaging ways in the future.

For these reasons, we remain opposed to the mandation power currently included in the legislation, and even at this late stage of the Bill, we would respectfully ask you to withdraw this provision from the legislation. To be clear, our members, unanimously, are concerned about the impact of mandation on outcomes for the savers they serve.

Should Government continue down this unpredictable path, we urge you to amend the power to limit the severity of the risks to consumers, and such that it reflects the Mansion House Accord:

- capping the percentage of investment that can be prescribed by the power, aligning it with the 10% and 5% figures in the Accord;
- constraining the circumstances under which the power can be used to mirror the government's stated intention and purpose, including by strengthening the savers' interest test; and
- imposing a hard time-limit on any minimum asset allocation, to ensure it falls away altogether unless renewed by further primary legislation.

We would be happy to meet with you to discuss our concerns further, as well as share our draft amendments, in the interests of preventing unintended consequences from this landmark legislation. We are also copying this letter to the Chancellor of the Exchequer and it will be made publicly available on the ABI's website.

Yours sincerely,



Hannah Gurga
Director General

Cc: The Rt. Hon Rachel Reeves MP, Chancellor of the Exchequer