



SIPP and SSAS round up

Autumn 2026

In this edition, we cover key recent and expected developments, with practical insights and action points for SIPP and SSAS schemes. If you would like to discuss any item in further detail, please speak to a [key contact](#).

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News from the Team

We are delighted that **Helen Murphy** has joined our national Pensions team as a **Legal Director**. Helen is an expert in DC pensions, and her appointment further strengthens our growing SIPP & SSAS team.



We'll be at the **AMPS AGM & Seminar** at IET London Savoy Place on **3 November 2026**. If you're going to be there, please do get in touch with [Damien Garrould](#) if you would like to arrange a meeting.

Hot Topic

Inheritance Tax changes: Implications for SIPPs and SSASs

From 6 April 2027, certain unused pension funds and many scheme death benefits (subject to specified exclusions) will be taken into account for Inheritance Tax (IHT) purposes. The Finance Act 2026 does this by treating the member as holding “notional pension property” equal in value to their unused pension entitlements. That value will be combined with the remainder of the estate when calculating IHT.

Broadly, where the total value of the estate, including relevant pension funds, exceeds the nil-rate band (currently £325,000), IHT at 40% may apply. The effective tax rate can climb further in specific circumstances. Liability for any IHT payable will fall on the deceased’s personal representatives (PRs), with interest accruing on liabilities not settled within six months from the date of death. PRs can direct Pension Scheme Administrators (PSAs) to withhold up to 50% of taxable benefits for up to 15 months from death where they know or believe that IHT may be due and require PSAs to pay the IHT directly in some circumstances.

While Information regulations have been published, and two early technical notes have been shared, some of the detail is still awaited (despite the looming in-force date). Further technical notes, draft guidance, additional regulations, public-facing communications, finalised guidance and supporting materials are all expected between now and Spring 2027.

Challenges for SIPPs and SSASs

- SIPP and SSAS arrangements are generally weighted towards higher earners whose estates are more likely to be subject to IHT.
- Some SIPP and SSAS members will have based their estate planning on the current ability to pass unused drawdown funds to younger generations free of IHT, which will no longer be possible from 6 April 2027.
- SIPPs and SSASs may hold assets that cannot readily be converted into cash, including property, unlisted shares and

investments connected with a member’s business, such as sale and leaseback arrangements. Obtaining valuations and realising those assets to meet an IHT liability may involve delay, professional costs and disruption to the underlying business, with input potentially required from accountants, surveyors and other advisers. Concern about this aspect may lead to members trying to sell off property investments in advance of the changes.

- Business Property Relief and the ability to pay IHT on property assets over a 10-year period will not be available.
- Disclosure, valuation and administrative duties fall upon the PSA – which is usually the SIPP operator or SSAS provider (or in a SSAS where there is no professional trustee, the member trustees). In a SSAS, the member trustees may also be the deceased’s personal representatives responsible for administering the estate.

Actions may include:

- checking whether changes are required to scheme documents
- preparing for practical actions and process changes
- where you act as PSA and/or administrator, ensuring your processes meet information sharing and reporting obligations and timescales, and that you have appropriate protections
- updating customer literature; communicating changes to members
- making information available to PRs and beneficiaries on the pensions direct payment scheme
- reviewing your expression of wishes / nomination forms, and considering whether to move from discretionary powers to binding nomination, or offering members a choice
- reviewing scheme liquidity and how potential IHT liabilities might be covered.

If you decide to retain trustee discretion on the payment of death benefits from your SIPP or SSAS product, now is a good opportunity to revisit your trust deeds and rules, process steps and supporting documentation (including beneficiary questionnaires, trustee minutes and communications with beneficiaries) to ensure that legal risks are mitigated in relation to death benefit decisions.

We have expertise in IHT and all tax aspects of pensions and payments from SIPPs and SSASs.

Contact [Damien Garrould](#) or [Helen Murphy](#) for actions you should be taking in light of the forthcoming changes, to ensure your processes and scheme documentation are appropriate, and that SIPP and SSAS members are aware of the changes and prepared.

News

DWP Consultation: Proposed Amendments to Transfer Conditions

The Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 introduced a framework enabling trustees to intervene where there is a risk of scam activity while allowing legitimate transfers to proceed. In June 2026, the DWP **consulted** on long-awaited amendments following a review of the regime's practical operation. The consultation closed in July, and the response is awaited.

The consultation sets out targeted measures intended to address the risk of fraud within SSASs. The DWP refers to the consultation as part of a planned programme of work to “restore SSASs to their intended purpose as flexible retirement vehicles for legitimate users, closing down avenues for abuse.”

Key proposals

- New SSAS transfers red flag: where a member cannot demonstrate a genuine employment link to a receiving SSAS,

despite having been given the opportunity to provide evidence, the transferring scheme will effectively be required to refuse the transfer. The consultation explains that a missing employment link is a strong indicator that the receiving SSAS may be operating outside its legitimate purpose.

Other proposals are not specific to SSASs only:

- Transfers will be permitted where the receiving scheme is of a particular type, or where trustees are satisfied on the balance of probabilities that it is “reputable” (with a non-exhaustive list of relevant factors provided)
- The overseas investment amber flag (which triggered over a third of all MaPS safeguarding appointments) will be removed, on the basis that existing requirements already adequately address the underlying scam risk, and that removing this flag “reflects the reality that many legitimate schemes include overseas investments”





- Members who have taken MaPS guidance within the previous 12 months will be exempt from repeat appointments when consolidating multiple pots.

Responses

Among other submissions, the **PPF response** focuses on the SSAS proposals (reflecting on its experience of operating the Fraud Compensation Fund). It raises a number of concerns, including that scammers could still try to side-step the proposed protections in relation to the employment link through sophisticated documentation.

Implications for SSAS administrators and trustees

We will update clients as the legislation progresses. But administrators and trustees should begin initial preparations now.

- The new employment-link red flag requires a review of due diligence and evidence-gathering processes for SSAS transfers, along with updates to member communications and administrator guidance.
- SSAS providers receiving transfer requests should begin considering how they will

approach the proposed reputable scheme assessment and what internal due diligence processes they will adopt.

- All changes should be reflected in updated transfer checklists and operating procedures once the amending regulations are in force.

Financial Conduct Authority

FCA Consultation on Adapting Rules for SIPPs

The FCA published [Consultation Paper CP26/20](#) in June 2026, proposing new Handbook rules for SIPP operators aimed at strengthening consumer protection, improving standards and reducing the risk of harm. The move from principles-based expectations and non-binding guidance to Handbook rules is a qualitative change in the regulatory relationship between the FCA and SIPP operators, and the proposals carry significant operational implications. The proposals reflect the FCA's concerns that existing arrangements should be improved.

What is being proposed?

The consultation introduces two principal sets of new (minimum) requirements:

- SIPP operators will need to conduct initial and ongoing risk-based due diligence on relevant third parties (including introducers, advisers and discretionary investment managers) and on investments accepted into schemes. Additional checks would be required for higher-risk parties and assets. Where concerns cannot be resolved, firms

must reject or cease accepting the relevant investments or third-party business and consider steps to mitigate harm to existing members. SIPP operators will be required to maintain documentation demonstrating their compliance with the due diligence requirements.

- A new Pension Scheme Money and Assets (PSM&A) regime would apply to SIPP operators that use an unauthorised trustee to hold scheme money or assets and which are not already subject to the Client Assets Sourcebook (CASS), requiring accurate client-level records, daily internal money reconciliations, at least monthly external reconciliations, prompt investigation of discrepancies, senior manager oversight and annual independent audit reports.

The proposals are targeted at risk, not at restricting legitimate investment choice. There may however be a knock-on effect of reducing investor choice, as the regulatory framework is strengthened and operators become more risk averse. The FCA recognises that compliance costs may also lead to further consolidation in the SIPP operator and investment manager markets.

The proposed implementation period is 12 months for due diligence rules, two years for the PSM&A regime, and a possible additional year for firms facing significant third-party data dependencies.



What you should do now

The final rules are targeted for the first half of 2027. Operators and trustees should assess whether existing third-party agreements, due diligence processes, monitoring arrangements and record-keeping infrastructure meet the proposed standards, and begin mapping any gaps ahead of the implementation windows.

Consumer Duty

In July, the FCA published **Unit-linked pensions and savings**: Multi-firm review of Consumer Duty price and value practices (unit-linked funds can be used in SIPP accumulation). The FCA wants consumers “to receive fair value for unit-linked pensions and savings products”. It has identified some good practices, which it asks all firms with unit-linked pensions business to take account of. However, it also found that complex charging structures, older product design and weakness in firms’ data meant some savers are not getting as much value as they could.

Firms should act promptly where their assessment indicates fair value is not being clearly evidenced and engage with the FCA at an early stage where they face barriers to improving value.

This work supports wider reforms (including targeted support and pensions dashboards) to help consumers get the most from their pensions, falls under the FCA’s Pensions Regulatory Priorities, and forms part of its broader work on modernising pensions and long-term savings.

June’s Consultation **CP26/23 - on Consumer Duty scope and proportionality** notes that

the FCA intends to continue to apply the Duty where UK firms conduct activities, including providing advice or arranging transactions, for UK pensions to customers who are not usually resident in the UK. This would include pension transfer advice and activities relating to QROPS. A policy statement and new rules are expected in Q1 2027.

The FCA consulted on a new regime for **digital pension planning tools** for personal pension schemes, including SIPPs, earlier in the year (see our **Spring briefing**). Handbook Notice 144, published at the end of September, contains amendments (among others), enabling firms to provide interactive pension simulation tools, allowing pension providers to include additional retirement projections in annual benefit statements without requiring a modification by consent, and simplifying TCFD reporting requirements for FCA-regulated pension providers that provide a ready-made selection of investments and have £5 billion or more in AUM or administration.

Our Financial Services Regulatory team are experts in this area and support clients with these developments – please contact **Andrzej Wieckowski** if you would like to know more.



Financial Ombudsman Service

Determination: Decision 6319032 – SIPP delays

Mr S passed away in March 2024, leaving a SIPP holding a mix of investments. The provider decided that his widow (Mrs S) was the sole beneficiary in July 2024. Over a year later, nothing had been distributed, prompting a **complaint** about delay and poor communication.

FOS identified three specific periods of avoidable delay attributable to the provider (two weeks was considered reasonable in each case):

- 14 weeks to formally instruct solicitors after being told to do so
- four weeks to review a second draft Deed of Transfer, and critically, it failed to spot an issue on the first draft that it only raised on the second
- three weeks to confirm it was happy to proceed after receiving the final Deed of Transfer.

FOS also found it was fair and reasonable to expect the provider to have transferred the liquid asset proceeds to Mrs S's SIPP significantly before March 2026, notwithstanding its policy against piecemeal distribution.

FOS awarded £500 compensation for distress caused by the delays, plus 8% simple interest on the liquid investments until each sum was paid to Mrs S.

Key lessons for SIPPs

- Act promptly on death benefit distributions. Implement and monitor clear internal timeframes at each stage. Communicate proactively with beneficiaries and keep them meaningfully informed throughout. D&I awards may be higher in bereavement cases.
- Act promptly when instructing third parties and review documents thoroughly first time.
- Piecemeal distribution policies must be applied flexibly. Where a valuable illiquid asset remains in the deceased's SIPP and is likely sufficient to cover any costs, and resolution is causing delay, liquid assets should be transferred to the beneficiary's SIPP promptly.
- Holding liquid funds in low-interest accounts beyond a reasonable transfer period will not prevent an 8% interest award.
- Monitor tax deadlines and escalate cases approaching hard deadlines. In this case, failure to distribute before 5 April could have caused adverse tax consequences.
- Delays in settling death claims can create potential investment loss claims.

Other FOS developments worth noting

- The High Court has handed down its long-awaited judgment in *The King (Barclays Bank UK Plc & Others) v Financial Ombudsman Service* case, providing welcome **clarification to financial services providers** on the extent of FOS's jurisdiction and time barring rules.
- R (Wills & Trust Independent Financial Planning Ltd) v Financial Ombudsman Service Ltd confirmed FOS's scope in interpreting complaints and reliance on FCA Principles, while placing an important rationality boundary on its discretion when calculating redress.
- Following our Spring report on FOS's proposed complaints process overhaul, FOS has now **confirmed its approach**; see our Insight on **What firms need to know** in practice. Changes effective from 1 October include new and expanded dismissal powers, a new complaint registration stage, and clarification of FOS's "fair and reasonable" test. The reforms aim to improve complaints handling, operational processes, and complaint escalation strategies.

The Pensions Ombudsman

Operating model reform

TPO continues to work on transforming its service, to reduce waiting times and to improve understanding of its role and remit.

TPO will continue to put in place strategies such as the use of **Lead Cases** (where the material facts affecting multiple individuals are similar across a scheme or the industry) and Significant Decisions (key Determinations on a specific issue, where the legal basis is set out in detail, to support decision-making by the sector for similar issues), and new guidance on topics such as overpayments to help resolve issues before they reach TPO.

TPO also aims to make it clearer that it cannot necessarily help in all circumstances. TPO's latest **Annual Report** notes a case where TPO declined jurisdiction in a SIPP complaint (about delayed sale execution). The loss was £27.18, and an offer of compensation had already been made at a higher figure. TPO held that even if it investigated and upheld the complaint, it would not make an additional award for non-financial injustice as the circumstances did not amount to "significant" inconvenience.

While the member had raised the question of whether this indicated a more wide-scale problem, TPO concluded that it did not have jurisdiction to look more widely unless further individual complaints were made.

Use of AI in complaints: TPO has noted that the ability of potential claimants to use AI means that the length of an average complaint has risen. TPO will issue guidance restricting the length of submissions and will have the ability to strike a claim out where AI renders the claim nonsensical. It is developing a formal AI policy, which it aims to publish by the end of the year.

We are seeing an increase in AI-generated TPO complaints and longer TPO waiting times resulting in complaints being brought in other forums, including through the Courts. Our team can support with this – please contact **Damien Garrould** and **Helen Murphy**.

SIPP and SSAS providers should keep themselves informed of TPO's publications and key determinations. We understand that several updates may be issued in the coming weeks and months. Schemes should ensure they have compliant and effective complaints processes, and that they signpost TPO and its guidance publications at relevant points to complainants.



Recent determinations of interest

In **CAS-119011-R3F8**, Mr N sought a refund after his employer contributed £180,000 into his SIPP, exceeding his annual allowance and generating a £12,000 tax charge. TPO dismissed the complaint, taking a helpful look at Finance Act 2004 requirements, HMRC guidance, and relevant aspects of SIPP terms and conditions and rules. The determination confirms that employer contributions into SIPPs fall entirely outside both cancellation rights and the refund of excess contributions lump sum regime under the legislation; that the “genuine error” carve-out is narrow, and providers should not rely on it when members seek refunds of employer contributions made following a miscalculation or misapplication of carry-forward rules; and refunding an overcontributed employer contribution could itself constitute an unauthorised payment.

Providers may encounter this issue in practice from time to time (in SSASs in particular, employer contributions are routine). Providers should pay particular attention to scheme documentation and trustee communications on this point. Clear terms and conditions were central to TPO’s reasoning here, and providers should ensure their documentation explicitly sets

out member responsibility for contributions and associated tax charges. As ever, tax and refund questions can be complex and require careful advice.

CAS-67734-Q1T5, while not a SIPP or SSAS case, is a reminder of the proper process for exercising discretions. Following a member’s death, the trustee paid the entire death benefit to his widow as legal personal representative (LPR), rather than making its own allocation between eligible recipients — including the deceased’s minor, financially dependent, son. TPO upheld the complaint, finding that the trustee had improperly used the LPR route to avoid exercising its own discretion in a complex family situation.

It is a firm reminder to professional trustees (particularly in a SSAS context) that taking an active role (subject to trust deed and rules) in exercising discretions is a genuine fiduciary duty, not an administrative convenience. The party with the discretion needs to engage properly with a death benefits allocation decision and not seek to delegate it. Fear of challenge cannot justify avoiding an allocation decision. Failing to identify the full class of potential beneficiaries, or consider all relevant information, renders the exercise of discretion fundamentally flawed.



Horizon Scan

Recent regulatory and industry developments

- The **Value for Money framework** was published in July and closed in September; workplace SIPP providers should review their position to ensure they are prepared before the 2028 launch. The FCA has also noted in its **Regulatory Priorities** that “there are also opportunities to improve the price and value of non-workplace pensions.” The consultation confirms that SSASs will initially be excluded from the VFM Framework requirements.
- TPR has published the **response** to its consultation on its New Approach to Enforcement. Together with its newly published **enforcement approach**, it outlines clear principles for when it investigates and how it applies its powers. The aim is to allow TPR to respond to risks more quickly, proactively and proportionately, to prevent harm, raise compliance and standards, and support a pensions system “that works in the best

interests of members.” The new approach will be phased in, starting with high-impact areas. Schemes should make sure they understand the new approach.

TPR specifically notes that “Some feedback did not relate directly to the consultation questions but is relevant to implementation. This includes... closer scrutiny of [SSAS] markets... We will feed these points into related workstreams for consideration and development.”

- The twice-yearly **Regulatory Initiatives Grid** was published in May, setting out initiatives across financial services regulators due over the coming 24 months to help the industry plan. Timings may change or discontinue. The pensions agenda is, as ever, very broad. See also the Government’s updated **pensions roadmap**.
- HMRC **Newsletter 184** may be of interest, particularly in relation to information on **Disposal of non-standard assets** and **Non-statutory clearances**. Unfortunately it offers no new solutions to assist with dealing with

distressed assets in SIPP and SSAS books.

- AI: with risks, opportunities and (for example) member usage for guidance and decision-making on the rise, it is vital that schemes stay on top of AI developments while ensuring strong governance and risk awareness. Consider updating your training in this area. The SPP published a **practical Framework paper** on responsible governance in the age of AI in July. This followed TPR’s publication of its **AI Plan**, setting out its expectations of AI use. TPR urged schemes to seek professional advice to support safe adoption, enable innovation and protect members from AI-driven fraud. More detail on good practice will be set out in forthcoming guidance; schemes should keep an eye out for this.



TLT SIPP and SSAS round up

Key developments to look out for over the coming months

- Trustee investment duties: a consultation on statutory guidance to give trustees reassurance that when investing in members' best interests, they may take into account broader systemic risks and opportunities is expected imminently.
- A response to the FCA's consultation on **simplifying pensions and investment advice rules** is expected in Q4 2026.
- We await a response on the Government's **pension trustees and governance** consultation.
- We will update you as soon as possible if any significant announcements are made in October's Budget.

Keep on your radar

- Pension Dashboards: Schemes **should now be ready for connection**, with robust governance in place to manage risks and promote data quality. (SSASs are not yet caught but may be brought into scope in the future.) See our **Insight** for recommendations for schemes on addressing the data protection and cyber security risks presented by connection to dashboards.
- General Code: Schemes should be well underway in their progress towards General Code compliance. Our **Insight** summarises the key considerations for SSAS trustees and SIPP operators.
- Cyber-attacks and scams continue to grow in complexity and spread, and all SIPP and SSAS providers should ensure they are prepared for the challenge. Speak to us for advice.

Key contacts

We are experts in SIPP and SSAS pension schemes.

We advise operators, professional trustees, scheme administrators, independent financial advisers and wealth managers on the full range of legal issues relating to SIPPs and SSASs.

Our experienced team comprises SIPP and SSAS experts across a wide range of specialist legal areas, including pensions, trusts, property, employment, tax, data protection, corporate and commercial.

We have an excellent understanding of how SIPPs and SSASs are structured and the key issues – this enables us to deliver clear solutions, based on commercial and practical considerations, to help our clients achieve their aims.

For more information on our SIPP & SSAS experience and relevant insights, visit our [SIPP & SSAS Hub](#).



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