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XPS Briefing

DWP responds to transfer regulations consultation

What you need to know

- The Department for Work and Pensions (DWP) has set out its response to the June 2026 consultation on amendments to the 2021 transfer regulations, with a plan to implement the proposed changes (which are in line with those proposed in the consultation - read more here) from April 2027.
- The most consequential change is the significant broadening of the First Condition, allowing transfers to proceed without additional checks where trustees are satisfied that the receiving scheme is 'reputable'.
- While the proposed amendments have not yet provided any clear definition of 'reputable', DWP has confirmed that it will work with The Pensions Regulator to develop a non-exhaustive list of factors to help trustees determine whether a receiving scheme meets this standard.
- Whilst this change is expected to reduce transfer processing times, transfers to these 'green-listed' schemes would effectively bypass the checks carried out under the Second Condition. This could result in transfers proceeding that would previously have been blocked, highlighting the importance of retaining a robust scam protection process.
- In response to increasing concerns around Small Self-Administered Schemes (SSASs), a new red flag has been added where evidence of an employment link with the receiving scheme is insufficient. All transfers to a SSAS will also require a MoneyHelper safeguarding call before they can proceed.
- Multiple transfers within a 12-month period will now only require a single MoneyHelper call, unless the transfer is to a SSAS.
- The Overseas Investments amber flag will also be removed as the risks previously addressed by this flag are covered by other amber flags within the regulations.

Actions you can take

- **Review** whether your scam protection processes remain robust, particularly given the widening of the First Condition.
- **Check** that your administrators are prepared to update their processes in line with the changes.
- **Prepare** to identify 'reputable' schemes once guidance is available.

Find out more

For further information, please get in touch with **Becky Elnaugh, Andrew Beattie** or **Helen Cavanagh**, or speak to your usual XPS Group contact.



Becky Elnaugh
Associate
becky.elnaugh@xpsgroup.com



Andrew Beattie
Consultant
andrew.beattie@xpsgroup.com



Helen Cavanagh
Senior Consultant
helen.cavanagh@xpsgroup.com

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