

Press Release | 15 May 2026

## **EU PENSIONS REFORM: BETTER FINANCE WELCOMES IMPROVEMENTS BUT WARNS SAVERS STILL LACK POWER, TRANSPARENCY AND FAIR RETURNS**

BETTER FINANCE welcomes the European Commission's new "Supplementary Pensions Package", which includes proposed reforms to occupational pensions (IORP II), the Pan-European Personal Pension (PEPP), and new recommendations on pension tracking systems, dashboards and automatic enrolment.

The organisation says the package contains several important improvements for European savers, particularly on governance, flexibility and disclosure. However, it warns that key gaps remain in ensuring that citizens receive fair, transparent and good-value retirement outcomes.

### **Hidden fees still eroding pensions**

BETTER FINANCE highlights the continuing lack of awareness among savers about the long-term impact of pension fees, warning that even small annual charges can significantly reduce retirement income.

The organisation stresses that annual fees of around 2% can cut final pension returns by nearly half over a working lifetime compared with low-cost alternatives, often without savers realising it.

It therefore broadly welcomes stronger EU efforts to improve transparency, including clearer pension benefit statements and better disclosure of cumulative costs and long-term performance.

*"People deserve to know how much of their retirement savings is being eaten away by charges,"* said Sébastien Commain.

### **More flexibility for pension managers, but stronger safeguards needed**

BETTER FINANCE supports the proposed introduction of a Prudent Person Principle and an explicit duty of care for pension fund managers in the revised IORP framework.

It says this could give pension schemes more freedom to invest for long-term returns, rather than relying on overly conservative strategies that may fail to deliver adequate pensions.

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However, the organisation insists that greater flexibility must be matched with stronger accountability and meaningful oversight, including better supervision and clearer information for savers.

It also criticises the fact that pension participants still have too little influence over how their money is managed.

*“Retirement systems cannot rely solely on ultra-safe, low-return investments if they are to deliver adequate long-term real returns for savers,”* said Aleksandra Mączyńska, Managing Director at BETTER FINANCE.

### **Savers still too passive in their own pensions**

BETTER FINANCE warns that European pension systems remain overly paternalistic, with investment decisions largely taken without meaningful input from those whose money is at stake.

It calls for pension savers to have a stronger voice in governance and greater ability to influence investment choices, including whether their savings support European industry, the green transition, or defence-related projects.

The organisation also calls for stronger legal protection for savers, including easier access to collective redress when pension providers fail to act in their best interests.

### **PEPP: welcome simplification, but cost concerns remain**

The organisation supports the simplification of the Basic PEPP and greater flexibility for providers, but questions whether proposed value for money rules will be strong enough to ensure that the PEPP remains a genuinely low-cost and competitive pension option across the EU.

### **Tracking tools and auto-enrolment: missed opportunities**

BETTER FINANCE expresses disappointment with the Commission’s recommendations on pension tracking systems and dashboards, warning they may fall short of delivering truly comprehensive and user-friendly tools to help citizens plan for retirement.