



Portfolio Media, Inc. | 230 Park Avenue, 7th Floor | New York, NY 10169 | www.law360.com  
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

## 4 Securities Trends For Pension Trustees To Watch In 2026

By **Guillaume Buell, Jamie Hanley and Charles Wood** (February 4, 2026, 2:29 PM EST)

2025 was a significant year for securities regulation, enforcement and litigation. Throughout the year there were signs of a shift in how regulators, courts and investors address disclosure risk, corporate governance failures, and the rapid adoption of new technologies.

Staying apprised of regulatory and litigation trends has never been more important for U.K. pension funds and their trustees in light of the Dec. 3 announcement by Pensions Minister Torsten Bell that there will soon be statutory guidance clarifying the expected breadth of a trustee's fiduciary duties.[1]

While the full extent of such guidance remains unclear, the consensus is that trustees will be expected to take a more active approach to fiduciary stewardship.

Trustees should anticipate trends of enhanced market and regulatory scrutiny of artificial intelligence, cybersecurity risks, and other technology-related disclosures, alongside increased expectations that investors actively protect and assert their legal rights where appropriate.

These developments carry implications not only for U.K. pension funds, but also for nearly all market participants, including other institutional investors, asset managers, shareholder-owned firms, regulators and their legal advisers. As disclosure standards tighten, issuers will face heightened litigation risk, regulatory enforcement regimes will expand and legal advisers will be presented with new theories of liability.

### 1. Growth of Collective Redress in U.K. and EU

Collective redress mechanisms continued to mature globally in 2025. The 2025 CMS European Class Action Report, published last July, documented sustained growth in group litigation across multiple EU jurisdictions, including the Netherlands, Portugal, Spain and Germany.[2]

However, the lion's share of these actions remain focused on consumer or competition claims, with only 3% of such actions being securities or shareholder matters. That said, the underlying procedural frameworks will be increasingly relevant to investor disputes in the U.K. and EU, as demonstrated in the following examples.

#### ***Merricks v. Mastercard***

In the U.K., opt-out collective proceedings before the Competition Appeal Tribunal gained enhanced notoriety following approval of the *Merricks v. Mastercard Inc.* **settlement** on May 20 last year.[3]

This development confirmed the viability of large-scale collective actions and demonstrated judicial willingness to facilitate mass redress where appropriate. *Merricks* had previously been certified as a



Guillaume Buell



Jamie Hanley



Charles Wood

collective proceeding in May 2022.

### ***Bulk Mail Claim v. Royal Mail***

In March last year, the CAT **certified collective proceedings** against Royal Mail under the Competition Act in *Bulk Mail Claim Ltd. v. Royal Mail PLC*, with certification granted for claims alleging abuse of dominance in the bulk mail services market. This illustrates continued use of the opt-out collective mechanism beyond Merricks.[4]

### ***U.K. Collective Action Against Google***

Also in March, the CAT **certified** a collective action brought on behalf of thousands of U.K.-based app developers against Google LLC, reflecting expanding procedural use of collective actions.

While European collective actions have not yet matched the scale or frequency of U.S. securities class actions, they represent a growing complementary avenue for recovery against companies that trade on European exchanges, particularly where misconduct affects U.K. investors directly.

## **2. Guidance on Active Fiduciary Stewardship Forthcoming**

As noted, Bell announced in December that clarity was forthcoming regarding the underlying expectations of active fiduciary stewardship. The guidance is expected to clarify how trustees may consider long-term and systemic risks, including governance, disclosure and technological risks, while remaining compliant with their obligations to scheme members.

Although the precise content of the guidance is not yet known, the announcement supports an expectation that trustees will adopt a more active approach to stewardship. This includes monitoring risks that may not immediately manifest into near-term financial losses but may have material long-term implications.

Importantly, the policy direction also supports the view that asserting legal rights — such as participating in securities litigation — can be consistent with fiduciary duty where it serves the financial interests of beneficiaries.

Finally, evolving fiduciary duty expectations are not confined to pension trustees alone. Asset managers, investment consultants and issuers must actively identify, manage and disclose material risks with renewed vigor.

As these duties expand, so too does the potential for litigation when such expectations have not been met. In this regard, the far-reaching impacts of increased fiduciary expectations are expected to act as a catalyst for increased regulatory enforcement and private litigation.

## **3. Busy Year for the Securities and Exchange Commission**

For U.K. pension schemes with exposure to the U.S. public equity and bond markets, monitoring the actions of the U.S. Securities and Exchange Commission has and will continue to be the threshold for diligently monitoring investments.

Indeed, U.K. investors frequently access U.S. markets through direct holdings, American depository receipts, mutual funds, exchange traded funds and other pooled investment vehicles.

As a result, enforcement actions and disclosure standards applied in the U.S. will continue to have far-reaching financial implications for U.K.- and EU-based beneficiaries.

## **4. AI-Washing and Other Technology Risk in Action**

If green-washing was the theme of 2024, AI-washing was one of the themes of 2025. AI-washing refers to the practice of companies overstating the maturity, autonomy or financial impact of artificial intelligence systems.

In the U.K. and EU, 2025 saw enhanced scrutiny regarding the risks associated with overstated or

misleading AI disclosures. While regulators currently police AI-related claims under existing market abuse, consumer protection and disclosure regimes, the forthcoming application of the European Union Artificial Intelligence Act indicates a significantly sharpened and bespoke focus on AI at large. [6]

U.K. and EU issuers also faced intensified attention on cybersecurity incident response and prevention.[7] Indeed, several high-profile cyber incidents and supply-chain vulnerabilities in 2025 — and the financial and operational impact associated therewith — demonstrated that cybersecurity risk remains as relevant as ever. Perhaps the best-known example relates to Jaguar Land Rover Ltd. in the U.K.

On Aug. 31 last year, Britain's largest automaker was forced to shut down its IT systems and halt production across its U.K. factories for five weeks as part of containment and recovery efforts.[8]

There was a significant **knock-on impact** for U.K. car production, which fell by approximately 27% in September. Direct costs to Jaguar Land Rover were disclosed at approximately £196 million (\$269 million).[9]

Further, the percentage of issuers required to make AI-related disclosures is increasing at an exponential pace. A 2025 report out of Maastricht University evaluated discussions and disclosures of AI by publicly traded companies, based on a large-scale analysis of more than 30,000 annual financial performance reports in the form of SEC Form 10-K filings from 7,000-plus public companies over the past five years.[10] This data shows how AI risk disclosures have increased significantly over recent years.

Specifically, the same report illustrates that, at the time of its publication, approximately 40% of all companies that trade on the U.S. markets referenced AI risk in their annual reports. This figure is up steeply from 4% in 2020.[11]

Given the explosive adoption of AI on a global scale, this proportion is expected to increase dramatically in 2026 across all markets.

### Looking Ahead to 2026

Looking forward, several trends are likely to shape the U.K. and EU securities landscape in 2026. Continued scrutiny of AI-related disclosures, sustained focus on cybersecurity and governance, and further maturing of collective redress mechanisms are all expected.

Ultimately, investors must monitor their investment portfolios and determine when they may have exposure in the hundreds of securities claims filed each year.

---

*Guillaume Buell and Jamie Hanley are partners, and Charles Wood is an associate, at Labaton Keller Sucharow LLP.*

*The opinions expressed are those of the author(s) and do not necessarily reflect the views of their employer, its clients, or Portfolio Media Inc., or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.*

[1] House of Commons, Debate on the Pension Schemes Bill, Ministerial Statement on Fiduciary Duty (Dec. 3, 2025), <https://hansard.parliament.uk/commons/2025-12-03/debates/FF8C2879-8D4F-4956-A23E-1886832F538B/PensionSchemesBill>.

[2] CMS Legal, European Class Action Report 2025, <https://cms.law/en/media/international/files/cms-european-class-action-report-2025?v=3>.

[3] **Walter Hugh Merricks CBE v. Mastercard Inc. and others**  : May 20, 2025 [2025] CAT 28. Commentators broadly opine similarly on this conclusion. See: <https://www.hausfeld.com/en-us/what-we-think/competition-bulletin/collective-actions-certification-in-the-united-kingdom-two-years-after-the-supreme-court-judgment-in-imerricksi>.

[4] **Bulk Mail Claim Ltd v. International Distribution Services Plc (formerly Royal Mail PLC)**  : <https://www.catribunal.org.uk/judgments/16397724-bulk-mail-claim-limited-v-international-distribution-services-plc-formerly-royal>.

[5] U.S. SEC, Press Release No.2025-26, "SEC Division of Enforcement Announces Strong Start to FY 2025" (Jan. 17, 2025): <https://www.sec.gov/newsroom/press-releases/2025-26>.

[6] See Global Regulators Turn Up Heat on Exaggerated AI Claims, A-Team Insight (Aug. 19, 2025): <https://a-teaminsight.com/blog/global-regulators-turn-up-heat-on-exaggerated-ai-claims/>; AI Act | Shaping Europe's Digital Future, European Commission (updated 2025): <https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai>.

[7] See U.K. warns business leaders as 'highly significant' cyber incidents rise 50%, Reuters (Oct. 14, 2025), <https://www.reuters.com/world/uk/uk-warns-business-leaders-highly-significant-cyber-incidents-rise-50-2025-10-13/>; UK National Cyber Security Centre (NCSC) Annual Review 2025, <https://www.ncsc.gov.uk/files/ncsc-annual-review-2025.pdf>.

[8] See JLR Hack is Costliest Cyber Attack in UK History, Say Analysts: <https://www.bbc.co.uk/news/articles/cy9pdl4y81o>.

[9] See Jaguar Land Rover posts heavy loss after cyber-attack: <https://www.bbc.co.uk/news/articles/ckg1w255gy1o>.

[10] See Lucas G. Uberti-Bona Marin et al., Are Companies Taking AI Risks Seriously? A Systematic Analysis of Companies' AI Risk Disclosures in SEC 10-K Forms, arXiv (Aug. 26, 2025): <https://arxiv.org/abs/2508.19313>.

[11] Supra, note 8.