

Pensions Dashboards

What are they, how will they work and why are they so hard?

21st June 2023

Agenda

- Background
- What is a pension dashboard?
- How will it all work?
- Why is it so hard?
- What does it mean for schemes?

Background



Slowly Does It!

2002 – Andrew Smith MP - Secretary of State

Government to create a web-based retirement planning tool (the Online Retirement Planner) showing people their total projected pension income

2006 – James Purnell MP – Pensions Minister

Online Retirement Planner should be scrapped because State Pension couldn't be included

2014 – Mark Hoban MP – Former Financial Secretary

A 'Retirement Saver Service' will be essential to support pension freedoms

2015 – George Osborn MP – Chancellor of the Exchequer

Government will ensure industry designs, funds and launches a pensions dashboards

2017 – Huw Evans – DG ABI

Prototype delivered with 10key recommendations

2017 – Guy Opperman MP – Pensions Minister

Government to conduct a feasibility study, including the recommendations

2018 – Feasibility study published

2019 – Command paper presented to Parliament committing to make dashboards happen

2019 – Money and Pension Service appointed to deliver the solution

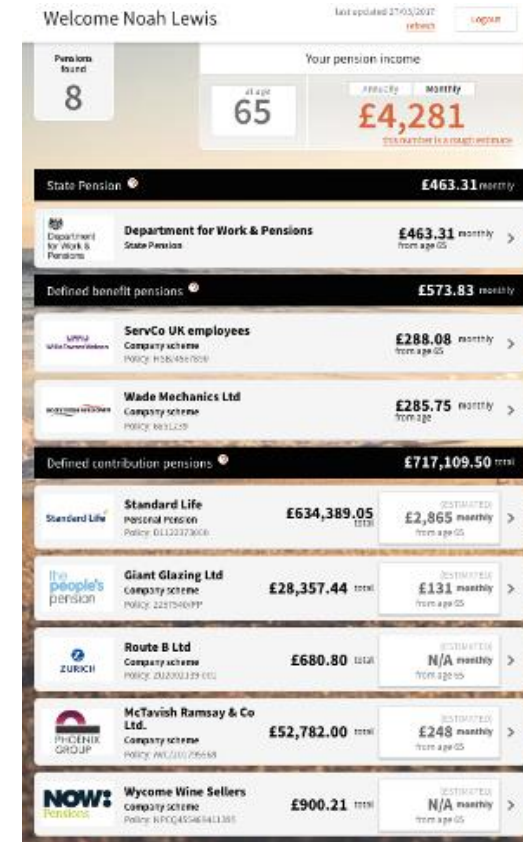
Why are dashboards needed?

- Only 1 in 5 people of working age understand what they have for retirement
- It is estimated that nearly two thirds of UK adults have multiple pensions
- According to DWP statistics the average person will have 11 jobs in their lifetime
- Since 2018, the value of lost pension pots in the UK has risen by 37% to reach a total of £26.6 billion*
- 43,000 pension providers and schemes**

* Association of British Insurers 27/10/2022

** Pensions Policy Institute Pension Fact May 2019

About dashboards



The Aims

- Increase individual awareness and understanding of their pension information and estimated retirement income
- Build a greater sense of individual control and ownership of pension
- Increase engagement, with more people (regardless of their pension wealth) taking advantage of the available impartial guidance and advice
- Support the guidance and advice processes by providing people with access to their pension information at a time of their choosing
- Reconnect individuals with lost pension pots, benefitting the individual and industry
- Enable more informed user choices in the retirement by making it easier to access the information on which to base these decisions.

What is a Pensions Dashboard?

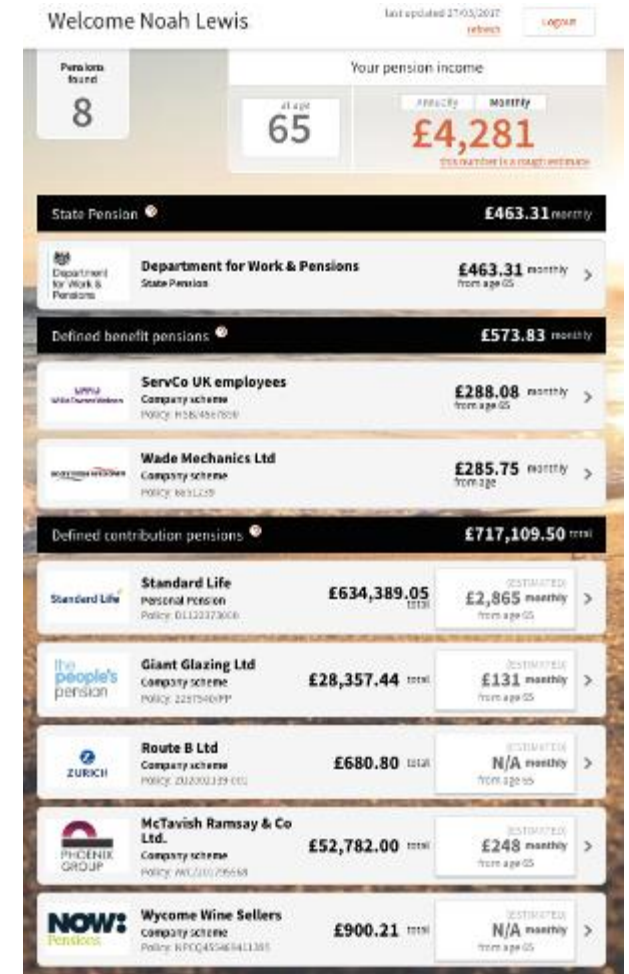
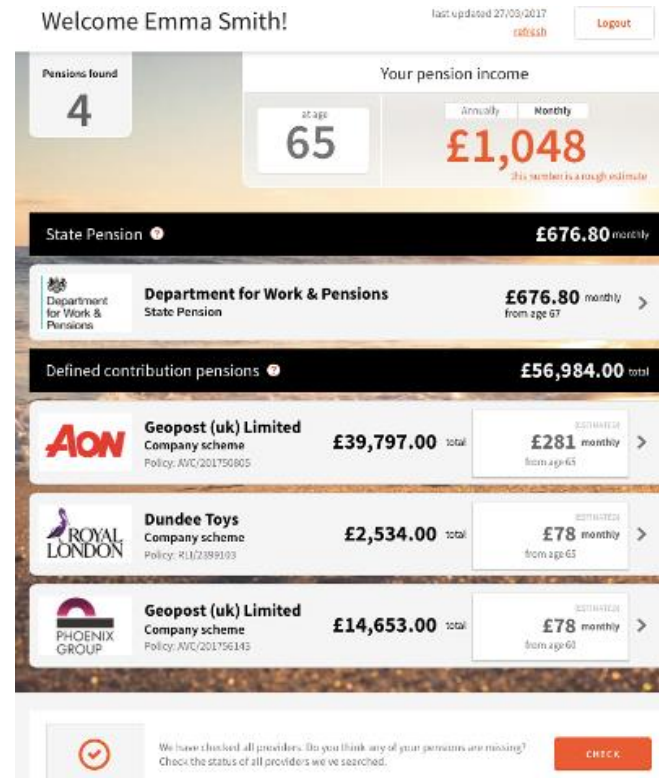
Pensions dashboards will enable individuals to access their pensions information online, securely and all in one place.

Supporting better planning for retirement and growing financial wellbeing.

Reconnecting individuals with any lost pension pots.

Provide clear and simple information about an individual's multiple pension savings, including their State Pension.

Dashboards will be required to display current and projected values for all of an individual's pensions.



Sample dashboards from the Pensions Dashboards Prototype Project 2017

How will it all work?



Money and Pension Service

DWP appointed Money and Pension Service to develop the architecture and create a non-commercial dashboard.

MAPs formed the Pensions Dashboards Programme (PDP) to oversee the delivery of the central architecture

PDP's remit includes:

- Setting standards
- Designing the core architecture
- Defining the security standards and approach
- Supporting drafting of legislation
- Engagement and onboarding of data providers and dashboard providers

Pensions Dashboards Ecosystem

Dashboards will present pension data

Pensions Dashboard Programme are responsible for central architecture

This incorporates all authentication of participants and facilitation of find requests on behalf of individuals

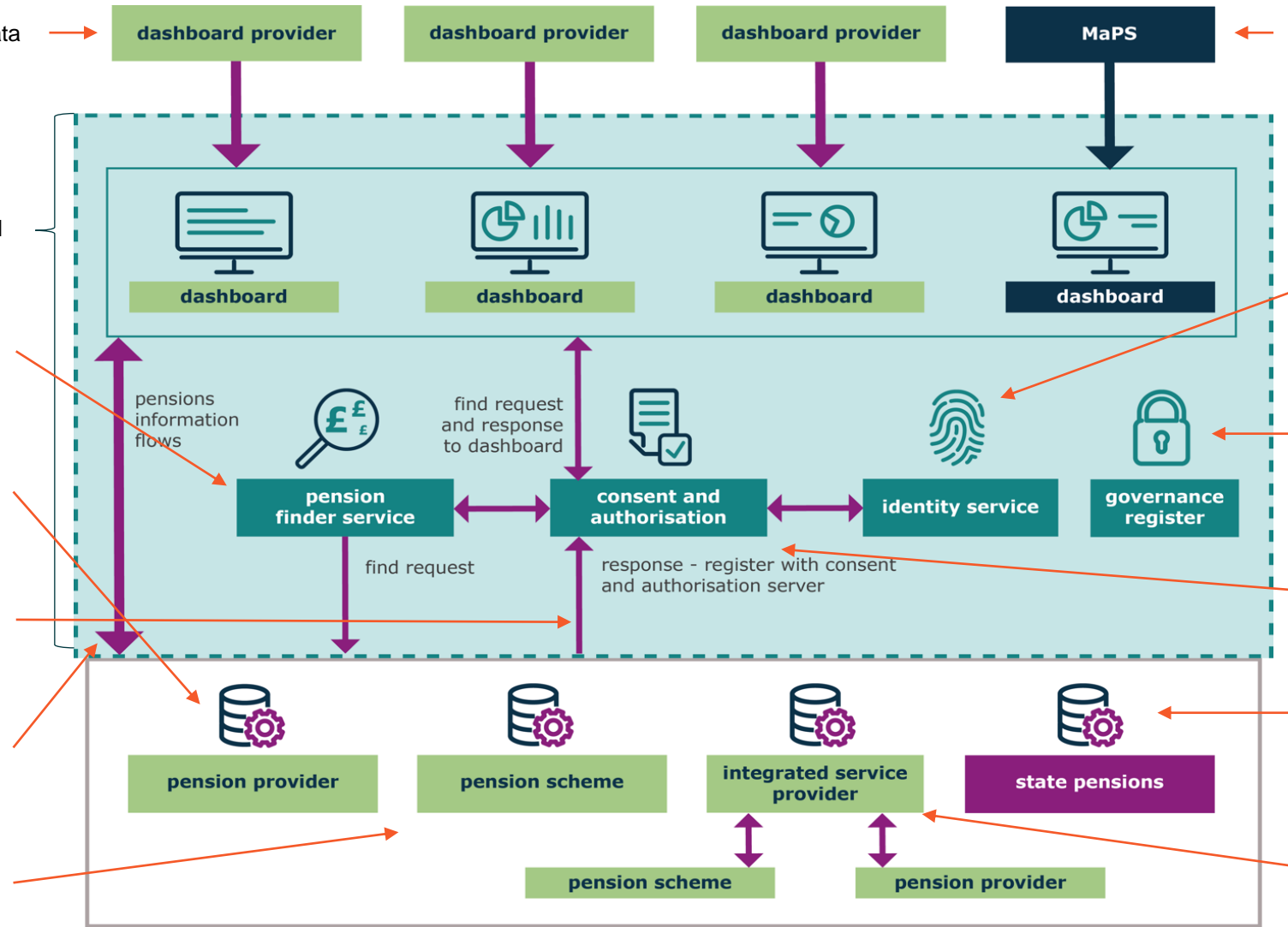
Pension finder service sends structured messages to connected 'data providers to initiate the finding of an individuals pensions

Pension providers, schemes or their agents must react to a find request and match the data contained to their records.

Pension providers respond to request with confirmation of found or potentially found pensions

Pension data moves between the pension provider and the dashboard provider directly, in accordance with defined standards

Pension providers, schemes or their agents must connect to the central architecture.



MaPS are creating non commercial dashboard

The identity service enables individuals to prove they are who they say they are

The governance register controls access to the ecosystem and ensures trust in the framework

The consent and authorisation module collects the individuals consent to use of personal data

The state pension is included as a 'scheme'

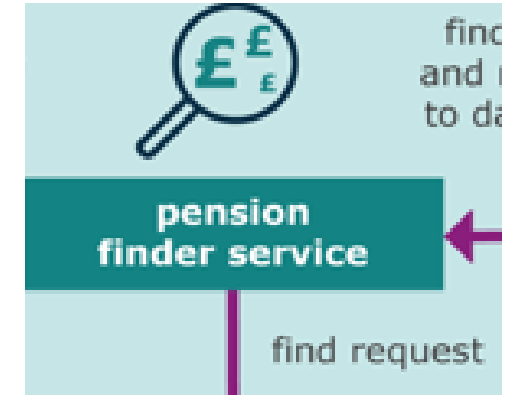
Integrated service providers (ISP) can provide connectivity for schemes where the cost / overhead would be prohibitive

Pension Find Request

A pension find request is sent to all schemes, providers or their agents that are connected to the ecosystem.

This will contain the following information:

- **given name**
- **name**
- **date of birth**
- current address
- National insurance number
- Previous names
- Previous addresses
- Email address
- Contact number
- +other security and consent related information



All data providers must 'match' the find request to their internal data sources and confirm whether they hold a pension for the individual

Depending on the match criteria used the out comes could be

- Positive match – definitely hold a pension for that individual
- Maybe match – some of the information matches but there is a discrepancy
- No match – certain that there are no holdings for that individual

Matching Criteria

Matching criteria defines how a data provider will use the information received to locate a pension.

It is anticipated that for many schemes primary matching will be based on

- NINO
- Last Name
- Date of Birth

For example:

- | | |
|--|-------------------------|
| • NINO, DOB and Last Name match exactly | Positive Match |
| • NINO, Last Name match exactly, DOB is one year out | Positive or Maybe Match |
| • NINO matches exactly but DOB and Last Name do not | Maybe or No Match |

May consider adding additional elements such as post code

If the result is a positive match or a maybe match, the data provider must return an identifier that the dashboard provider will use to request pension data.

If the result is a positive match the dashboard provider will initiate a call directly to the data provider who will return a defined set of pension information.

If the result is a maybe match the dashboard provider will display a predetermined set of contact information which will encourage the individual to contact the data provider to either confirm or disprove their claim to the pension record.

Why is it so hard?



Challenges and complexity

So what is so difficult?

Development has been problematic and taken longer than previously planned

Scheme Connection

PDP planned registration process is largely manual

Handling connections for > 20,000 schemes

Across 23 staging windows

Risk of bottlenecks

Testing Solutions

The phase plan included capability for ISPs and data providers to test connectivity

This included scope for evidencing and fine-tuning matching criteria

The test environment has not been delivered within planned timelines

Standards

Standards have been developed but there are still revisions required

Design standards for dashboard providers are not complete

Laura Trott – Pensions Minister 2nd March 2023
'additional time is required to deliver the complex technical solution to enable the connection of pension providers and schemes, in accordance with the connection deadlines set out in the Pensions Dashboards Regulations 2022 and the Financial Conduct Authority's corresponding pensions dashboard rules for pension providers.'

Laura Trott – Pensions Minister 8th June 2023
'In recognition that the requirement to connect to the digital architecture should remain mandatory, we will include a connection deadline in legislation of 31 October 2026. This is not the Dashboards Available Point – the point at which dashboards will be accessible to the public – which could be earlier than this.'

Challenges and complexity

So what is so difficult?

The problems cited were not limited development by PDP and MAPs

Scheme Preparation

Schemes must be ready for their staging date

DWP replanning provides more time for schemes to be prepared

Primary challenge for schemes is data quality and correction

Matching Criteria

Trustees need to define matching criteria

Without test capability it is difficult to evidence approach

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Reset and Delays

Complications and extensions

Original launch scheduled 2019

Planning indicated beta phases through late 2022 early 2023

Legislation set staging timeline between August 2023 and October 2025

Dashboard availability point was anticipated to be late 2024 or early 2025

Staging profiles have been revised – single fixed deadline of 31/10/2026

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What does it mean for schemes?



Preparation

TPR preparation checklist

The TPR has produced a checklist for schemes to follow to ensure they are ready

This includes:

- General Tasks – to support planning and establishing a basis for connection
- Data Tasks – ensuring that the data held for members is complete and accurate
- Ongoing actions – monitoring developments both internal and external

Focus should be on:

1. Assess the quality of the data held on members
2. Consider which data items will be used for matching
3. Determine matching approach



Regulation

Staging

A deadline for all schemes to connect is 31/10/2026

Staging profiles to be guidance only

Schemes should have regard to the guidance dates and should expect to provide regulators with a rationale if they choose to ignore it

Schemes have no wiggle room for the final deadline



What should schemes be doing?

1. We cannot advise schemes to cease activity
2. Continue to follow developments in dashboard delivery and regulatory expectations
3. Data quality should still remain a high focus
4. Communication with members remains vital
5. Understand the principles of matching and determine the criteria to be used
6. Engage with us to agree how we believe dashboards will move forward

What will we be doing?

1. Continuing dialogue with DWP, PDP and TPR on the roadmap for delivery
2. Providing comment on the pace and confidence in delivery
3. Continuing to develop connectivity through our integration service provider
4. Liaising with schemes to agree activities that will improve data quality
5. Providing recommendations on matching criteria that will support individual schemes needs

Any questions?