

PASA Consultation Response

DWP Consultation on the draft Pensions Dashboards Regulations 2022

March 2022

Acknowledgments

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1. Introduction – About PASA

The Pensions Administration Standards Association (PASA) was created to provide an independent infrastructure to set, develop, guide and assess administration standards.

PASA acts as a focal point and engages with industry and government to create protocols for understanding good administration - but also appreciates there's no one size fits all. PASA develops evidential Accreditation practices allowing benchmarking across and between the industry regardless of how the administration is being delivered.

As well as raising the profile of pension administration generally, PASA focuses on three core activities.

1. Defining good standards of pensions administration relevant to all providers, whether in-house, third party or insurers
2. Publishing Guidance to support those standards
3. Being an independent Accreditation body, assessing the achievement of good standards by schemes

There's no organisation providing such services across schemes, yet there's a demand for evidence of service quality from scheme trustees, sponsors, administrators, insurers, savers and regulators.

About PASA Accreditation

PASA Accreditation is open to all corporate members of PASA (DB, DC, trust-based and contract-based schemes).

PASA Accreditation is granted following an independent evaluation and assessment process, which includes on-site visits and the review of documentation to evidence controls, procedures, process, staff development and contractual positions with clients.

Full details on PASA can be found by visiting www.pasa-uk.com

2. Executive Summary

PASA welcomes DWP's consultation on the draft Pension Dashboard Regulations 2022. The PASA Pension Dashboards Working Group have reviewed the consultation and whilst we welcome the clarity in key areas such as data, and specifically value data, as well as staging and reporting requirements, there are important wider impacts surrounding the delivery of dashboards we'd like to highlight.

PASA represents schemes, administrators and support services across the full spectrum of scheme types. A concern raised by all stakeholders is the peripheral end-to-end impact of dashboards. This concern goes beyond the role of data provider or scheme administrator, to how the dashboard ecosystem cannot be considered in isolation, but as part of a much wider interconnected pension system. It's clear this is recognised from many of the questions posed within this consultation around response times, operational impact, and resolution of possible matches. It's vital for a greater strategic plan to be in place to ensure all parts of the industry can work successfully together when planning the live dashboard launch.

The Dashboards Accessible Point (DAP) is the crucial point in the delivery of dashboards. It's crucial the operational and administrative sectors within the industry can input into plans and have clear and advanced notice. Schemes and providers foresee multiple risks and challenges ahead, many of which we have never faced before, particularly at the scale and demand we are expecting for dashboards. It's important we can use the DAP, or ideally, multiple incremental DAP's to control and monitor the performance and success over time, ensuring we're able to deliver the best possible experience to savers whilst delivering high levels of protection.

Our highest priority is protecting savers and keeping them, and the schemes providing their data, safe. In this regard, the liability model is a repeated and consistent concern and one requiring as much clarity as possible, as soon as possible. Further detail is needed on this, with more information from both the TPR and the ICO on how these dashboard regulations and data protection regulations will work alongside each other and how they will be enforced.

We have, in theory, agreed with much of the approach outlined within the consultation. However, our response highlights how, in practice, challenges may present themselves. In particular we have highlighted key areas of challenge around the presentation of value data, response times and the complex obstacles some schemes will face in achieving this.

3. Consultation questions and responses

Chapter 1: Overview of Pensions Dashboards

Question 1: Do you have any comments on any aspect of the Regulations or consultation, that is not covered in the following consultation questions?

There are three areas where we would like to make more general comments which are not covered in responses to the consultation questions:

1. Importance of liability model and GDPR

The PDP Programme Timeline detail for the (now complete) Phase One states PDP will publish its “approach to liability indicating who is responsible should things go wrong ... to help data providers begin to understand their liabilities relating to pensions dashboards”.

PASA is not aware of the ‘Liability Model’ being published yet. It’s essential schemes and providers can comment on the proposed liability model with the key aspects being enshrined in the Regulations as appropriate.

There are two stand out areas of liability our practitioner and scheme members are understandably concerned about:

- **Liability resulting from the provision of indicative or incomplete pension values**

Firstly, as discussed in our responses to Questions 8 and 21 in this response, we support the proposal for allowing a ‘simplified method’ of calculating accrued entitlements for deferred members of DB schemes, at least as an interim measure. However, pension entitlement figures returned under such a method will only ever be indicative estimates, and the many different and varied scheme-specific complexities and options which exist will not be covered.

We also note Reg 26(2)(i)(iii) / DUG Ref 2.313 “PAR” prescribes a flag to indicate the projected value data may be only a partial picture, but it’s not yet clear how this ‘incompleteness’ will be communicated clearly to users of dashboards. We therefore assume there will also be other circumstances where this flag is used, in addition to any use for a simplified method of calculating deferred member accrued entitlements.

Trustees are therefore concerned dashboard users may not realise, or understand, the simple figures they see do not represent their ‘full picture’. It’s vital neither schemes nor administrators are liable if users fail to understand this indicative and incomplete nature of dashboard figures.

- **Liability for pensions not found or mis-found**

Separately on liability, Reg 22(1) requires trustees to “decide on criteria to use for matching”. In making this decision, the process flow on page 53 of the Consultation Document describes the need for trustees to “balance [their existing GDPR duties not to disclose data to the wrong person] with their [new] dashboard duty to match and return an individual’s data to them”.

Trustees (working with their administrators) will therefore be making a judgement between ICO-regulated GDPR duties and TPR-regulated dashboard duties. Annex C of the consultation document confirms, once the Regulations have been laid, TPR will consult on its compliance and enforcement policy setting out its proposed approach to regulating schemes’ compliance with dashboard duties.

However, no mention is made of a parallel ICO policy. It is essential ICO publishes a detailed statement on this issue so trustees can properly understand their liability for not finding (or, worse, ‘mis-finding’) pensions, thus enabling them to decide on the most appropriate matching criteria to use for their scheme.

In the meantime, we have made assumptions the policy will be biased towards preventing ‘mis-finding’, and on this assumption we consider how the current regulations need to develop to support a workable matching process in the next section.

2. Ensuring regulations support a ‘self-improving’ matching process

The regulations do provide welcome detail on how the data matching process is envisaged to work, including how ‘possible matches’ can be resolved. There is still however an understatement of the core challenge or carrying out data matching without the benefit of a unique identifier to support it. Of the successful pensions dashboards roll outs in other European countries we are aware of, most of them had the benefit of a unique identifier, except for the example of the Netherlands which originally used a matching approach along the lines proposed in the UK, but ended up creating and maintaining additional data sets matching individuals to pensions.

This is not to say a matching approach cannot be made to work in the UK, however some of the statements in the consultation document present an unrealistic picture of the matching problem as being solvable by trustees just by exercising diligence, choosing appropriate criteria and referring to emerging guidance.

As detailed in our comments on liability above, the consultation document clearly describes the conflict between compliance with data protection legislation (not providing someone else’s data following an incorrect match) and compliance with dashboard regulations (making sure you do provide data to your member when they use the dashboard). The reality is we know practitioners are not going to choose matching criteria and approaches which leave them in any material doubt they have found the correct

scheme member, unless a liability model was to be established which provided some additional protection (as discussed above).

In our view the resolution to the conflict described in Section 3.4.4 will not be found in a magic set of matching criteria which fit the bill, but instead will be found through the process by which possible matches can be handled. The consultation sets out a possible process for this, which involves the administration team upgrading a possible match to a match made. We have commented further on this in our response to Question 16 below, but view this as a vital part of the dashboards infrastructure. It will however have a significant impact on pension administration resources which become a key part of the matching process and this needs to be accommodated when planning the required capacity, although logically this would not be needed until the Dashboards Available Point had been reached.

The other aspect of making matching work as a long term solution for the UK pensions dashboards is to allow the system to self-improve over time and make matching easier and more effective. This self-improvement will be partly driven by dashboards users providing updated identifying data through the pensions finder process, as long as data providers are allowed to make use of this information for the purpose of improving future matching, and take whatever steps are necessary to make the process work better and be slicker over time.

With this in mind, our key request is the regulations should be developed in a manner which encourages the self-improvement of matching data over time, so an outcome not dissimilar to the Netherlands example could be achieved, for example:

- Encouraging data providers to update the identity data they hold following a find request which results in a successful match, and to disseminate that data back to the scheme administrators where it is in addition to that currently held, or different to that currently held, for the benefit of future matching and also BAU administration. While this is potentially in line with the statement in Section 2.8 of the Consultation Document, it would be helpful for it to be confirmed this is allowable for the purpose of better locating pension records both now and in the future. This may have implications for the data consent that the user needs to provide when they use the dashboard
- Encouraging data providers to establish data which identifies where individuals have multiple records in the data provider's estate, even where those individuals are in different schemes under different data controllers. This data may come as a result of successful pensions dashboard matches, or from 'offline' analysis carried out by the data provider. This may have implications for the contracts those data providers enter into with the schemes as data controllers

While both these areas may present some data protection implication challenges (although identity data improvement seems well aligned with the principles of GDPR), we believe the international example of the Netherlands provides a clear indication the medium term success of the DWP's proposed matching approach will be reliant on self-improvement of matching data, and the regulations should reflect and encourage this.

3. Are 'response times' the right way of measuring service levels?

The concept of response times has been introduced as a way of measuring service levels. The idea of a 'delayed response' doesn't seem to sit well with the model of a pensions dashboard - for example the user needing to check back in another day to see any pension values which were not provided first time around. However, the reality is the dashboard's response can only be what the user sees in their dashboard's session.

If the response the user sees is not complete in some way, for example a 'possible match', or a 'match made, but pension values not available', then the user needs to be directed to the relevant scheme administrator to resolve the match, or to request the relevant pension values for the pension schemes for which they wish to find the answers - putting the onus on the user to decide which they want to follow up.

We suggest a better measure of service level is a combination of both quality of matches and data provided to dashboards alongside a comparison against schemes of a similar size and type, benchmarked over time. In this way, regulators are able to properly monitor overall performance and set realistic targets which take into account issues which other schemes are also likely to face. This seems like a better, well-rounded approach to regulate service levels than response times as suggested within this consultation.

Question 2: Do you agree with the proposed approach to the oversight and approval of standards?

We agree with the approach to oversight and approval of the standards.

Chapter 2: Data

Question 3: User testing shows that the inclusion of date of birth for display logic purposes could be useful for individuals using dashboards, so we are minded to include it. Does this cause concern?

Utilising date of birth in itself does not give cause for concern. Date of birth (DoB) is considered a key data item and for many schemes, a core personal identifier used for matching individuals to their pensions. However, if using DoB for logic purposes, for example, years to expected retirement date, it would make sense to show a verified dashboard user the DoB used to display this figure. This provides a dashboard user with the opportunity to view the data upon which the logic was based upon and also provides an opportunity for data correction (albeit via direct contact with schemes and administrators) should the DoB presented be incorrect.

Question 4: Will it be feasible for trustees or managers to provide administrative data to new members making a request for information within three months of joining the scheme?

In general, we would anticipate being able to provide administrative member data for new savers making a request within 3 months **of being informed** they have joined a scheme. In many cases this will be the same date the member joined the scheme. However, for occupational, public sector schemes, and those used for auto enrolment, it's often the case the scheme is reliant upon the member's employer informing them they have joined. We therefore need to consider the delay in the receipt of the notification of new joiner information from employers.

Further consideration is also needed for the type of scheme and the volumes and processes used for new joiners – such as automated and bulk processing. New joiner processes in respect of auto enrolment and re-enrolment trigger dates, in particular for master trusts with large employers re-enrolling thousands of employees on one date, generally poses operational challenges for schemes and we would want to be mindful not to exasperate this.

Question 5: To what extent do schemes currently make use of the exemptions under Disclosure Regulations 2013, regulation 17(6)(c), which exempt money purchase schemes from issuing projections if certain criteria are met? Do many choose instead to issue SMPs to individuals in these circumstances?

There are vast differences amongst the money purchase schemes we have spoken to about the ways they make use of the Disclosure exemptions. Some schemes choose to issue projections to savers within two years of Normal Retirement Date, while others do not. Similarly, for small, deferred DC pots, some schemes choose not to issue a projection, however the definition of 'small' varies and may be lower than £2k, £5k etc.

We believe dashboard users will expect consistent treatment, standards and definition in this respect from different providers, and question whether the research to date has shown any user preference. The findings from any user testing needs to be balanced with the feasibility on the deliverability of changes to current process and systems for administrators if some uniformity is expected. This should be factored in when considering the multitude of other changes administrators may need to make to comply with other areas of the provision of value data within these regulations and FRC changes.

Question 6: Do schemes apply exemptions when providing information in respect of cash balance benefits, which they think should be transferred over to dashboard regulations?

We did not respond to this question.

Question 7: Do the Regulations reasonably allow for our policy intent for deferred non-money purchase schemes to be achieved, and does it reflect current practice?

Our understanding is only a small minority of non-money purchase schemes (which are not public service schemes) actually provide annual statements to scheme members showing revalued deferred benefits. Although a larger proportion of schemes carry out annual processing to calculate revalued deferred member benefits ‘behind the scenes’ in their administration platforms, this is still almost certainly a minority. Some of these schemes will not rely on the revalued values held in the system at present, but instead recalculate the revaluation when scheme members retire.

Our view is the proposed method for providing pension values for deferred members in non-money purchase schemes cannot be said to reflect current practice as a whole. Although, where such values are produced (by a minority of schemes) it’s most likely consistent with the methods which would be used.

The proposed method will therefore require additional work for most schemes to build into their pensions dashboards implementation. This additional work will start with confirming the historic deferred data at date of exit is fit for purpose for all members. This would clearly be required under any method, not just the one proposed in the consultation. Once the historic data is confirmed as fit for purpose, then for many schemes a new annual calculation process will need to be specified, built and tested, with results validated each year. For any one scheme this may not be a huge undertaking, but the fact we predict over 500 schemes may need to have carried this out by 30 September 2024, and a further 2,000 to have done so by 31 October 2025 (from our understanding of the data provided with the consultation), means it will be a huge challenge for industry capacity.

In terms of considering other simpler options, we agree the provision of historic values (usually at the member’s original date of exiting employment) without any revaluation is not really appropriate for pension dashboards, as noted in the consultation clause 2.24.

However, there is merit in allowing a simplified approach as covered in our response to Question 8 below. This simplified approach could be calculated directly on the pensions dashboards platforms which connect to the dashboards ecosystem, rather than having to be implemented on the administration platform itself, therefore meeting dashboard requirements and allowing a longer period for schemes to update their administration platforms.

In conclusion, we think the proposed method can meet the policy objectives from a deliverability perspective, but a simplified approach should be allowed as an option at least for an interim period to reflect the industry capacity.

Question 8: Would provision of an alternative, simplified approach to calculating deferred non-money purchase benefits as described make a material difference in terms of coverage, speed of delivery or cost of delivery of deferred values for any members for whom the standard calculation (pension revalued to current date in line with scheme rules) is not available?

As we have seen from the user research, the importance of providing a value is integral to the success of dashboards. However, for many schemes, calculating deferred non-money purchase benefits is not currently an automated, immediate process. Value data does not currently exist, and, where it does, it's not always in a form which is immediate, extractable and in using the prescribed format.

Ideally, the information deferred members will see on dashboards should reflect their value, revalued to the current date and in line with scheme rules. However, many schemes don't currently carry out these calculations annually for deferred members. Where they do, the calculations are not always automated within the administration platform, and the values are not always stored. This makes providing this information to pensions dashboards particularly difficult for many schemes.

These regulations set out an ambition for instantaneous value data – if not now, then in the future – in the best interests of dashboard users. For those schemes where an automatic, instant, revalued, scheme-specific value can't currently be provided for deferred members, the simplified calculation approach offers a realistic alternative. In our view, this represents a fair indication of the non-money purchase benefit, subject to our comments in response to Question 8a below, and therefore would enable those schemes to present values on dashboards sooner than they may otherwise be able to do and help to manage the industry capacity bottlenecks that could otherwise arise, as noted in our response to Question 21.

The exception to this is public service schemes, which should be able to provide the proposed value detail as prescribed with the draft regulations, as they already have to provide deferred annual statements.

Question 8a: If a scheme were to use the alternative, simplified approach to calculate the deferred non-money purchase value, would the resulting values be accurate enough for the purposes of dashboards and as a comparison with other pension values? Is the potential for this degree of inconsistency of approach reasonable? What are the potential risks to consumers or schemes in providing a value based on a simplified calculation?

We have assumed the simplified approach is fully defined, independent of any scheme rules, and indistinguishing of benefits such as GMP and non-GMP. It's clear if deferred revaluations were recalculated based on actual scheme entitlement, they would therefore differ from the simplified approach. There are several key areas of difference:

Inflation measure – RPI is expected to run at about 1% pa higher than CPI and over a 10-year revaluation period this can lead to a disparity greater than 10% between the simplified calculation and the scheme benefit. This could be mitigated by incorporating enhanced revaluation into the simplified approach for schemes which have continued to have RPI links in deferment.

Non-inflation linked benefits – There's a wide variation of scheme revaluation provisions in the private sector. Although a significant majority will be in line with the statutory minimum, it's not unusual to find revaluation provisions such as fixed at 5% pa, underpins set at fixed 3% pa or to have the 5% cap applied on an annual basis for example (all underpinned by the statutory minimum). Depending on the level of inflation, the discrepancy between the results from the simplified approach and the scheme provision could be significant. For example, if inflation is running at 2% pa then the discrepancy between the simplified approach and the scheme provision could be more than 30% over a 10-year period.

Different revaluation requirements between GMP and non-GMP pension – For a member of a scheme providing fixed rate revaluation or section 21 on GMPs, the impact on the GMP of applying inflation-linked revaluation instead of the fixed revaluation could be significant. The impact is greater the earlier the date of leaving of the member because the fixed rate revaluation will be higher, the greater the proportion of their pension that GMP constitutes and the lower the rate of inflation. For example, for members with a date of leaving between 1993 and 1997 the fixed rate revaluation is 7% pa while actual inflation since then has been significantly less. This issue is largely irrelevant for public sector or quasi-public sector schemes because of the single-rate revaluation that applies to deferred benefits, and these would not be expected to use this simplified approach anyway as they usually provide annual statements to deferred members.

Showing an approximate revalued figure on the dashboard is better than showing a non-revalued pension at date of leaving. However, the analysis above suggests, in some cases, the difference between revalued pension calculated using the simplified approach and scheme provisions could be significant.

The potential for inconsistency across providers and schemes cannot fully be understood until we garner a greater view on the feasibility of schemes and providers' ability to revalue on a scheme rules basis within the timeframes set out. At this point in time it seems reasonable to provide a simplified option for those schemes whereby a simplified basis can be used. However, this will need to be balanced against the risks to members and schemes set out below.

Risk to members:

The simplified approach is more likely to underestimate benefits given the closeness to the statutory minimum requirement and the long term target for inflation of 2% pa. This may be an acceptable risk, however, members may make financial decisions based upon inaccurate information and dashboards should ensure adequate protection is in place to protect members. Discrepancies between benefits described in scheme-direct communications may also confuse members.

Risks for schemes:

Members may query benefit differences with administrators, increasing the operational burden and the reputational risk for schemes.

Risks for industry:

Pensions as an industry have struggled to build trust with consumers. Pensions dashboards has an opportunity to increase transparency and improve these relationships. However, if retirement values are misunderstood, viewed as misleading or different from a scheme-supplied revalued figure then this could be detrimental to a member's view of pensions in general.

Our conclusion is the simplified approach is an attempt to balance practicality and accuracy. For DB schemes where their current systems, processes and calculations for deferred members will impede their ability to onboard to dashboard, on balance, the simplified approach provides a viable option, and as noted in our separate response to Question 21 this could be an option which significantly improves the deliverability of pensions dashboards for DB non-public service schemes.

Question 9: Do the regulations as drafted fulfil our policy intent for cash balance benefits, and do the requirements reflect current practice in delivering values?

The regulations are sufficient in delivering value data for cash balance benefits.

Question 10: Is displaying more than one value, to account for legacy and new schemes, in respect of members affected by the McCloud judgement and Deferred Choice Underpin a feasible approach? Do consultees believe it is the correct approach in terms of user experience?

At the moment, it's still unclear as to whether displaying two values is the best approach. It's sensible the figures required to be reflected on dashboards are the same as those which are required to be shown in Annual Benefit Statements – supporting both ease of provision of schemes and simplifying the presentation for members.

There are currently many unknowns in respect of the McCloud judgement, the Deferred Choice Underpin and the ways in which certain public sector schemes will be impacted. For example, it's our understanding LGPS has not retained a legacy scheme and has instead transferred all scheme members to a new CARE arrangement from April 2014 in England & Wales and 2015 in Scotland. Because of this, LGPS offers an automatic underpin, therefore, it is our understanding, once the McCloud remedy is implemented for LGPS, all annual benefit statements will automatically output the highest value in respect of the underpin period. Given the underpin is automatic the member should expect to see no fluctuations in values over the years.

Giving a single value in this way simplifies the view for a member, without needing to provide potentially confusing explanations.

This is the case for LGPS and for other public sector schemes the approach is still far less clear. Because of this, we feel it would be in the interests of DWP to be far less prescriptive about the exact value figures required at this stage for affected schemes. However, any values required should reflect those needed for Annual Benefit Statements.

Question 11: We have proposed that hybrid schemes should return the value data elements as outlined for money purchase/non-money purchase schemes depending on the structure of the individual's benefit within the scheme, within the relevant timescales. Are the regulations drafted in such a way as to deliver the policy intent stated, and is this deliverable?

In principle we agree the approach set out in the regulations is sensible for hybrid schemes, i.e. a member who is entitled to both money purchase and non-money purchase schemes separate benefits should have value data returned for each of these benefits in line with the relevant approach for this type of benefit. One aspect to note is this means hybrid schemes would only be able to supply the DC element of the projected benefit once they had implemented the new SMPI calculation approach, as we assume they would be required to do from October 2023.

However, we believe more clarity is needed in definitions around how Additional Voluntary Contributions (AVCs) impact the classification of a scheme as 'hybrid' for the specific purposes of pensions dashboards, and where the responsibilities then lie for supporting pensions dashboards requirements - for example where there are external AVC providers.

For example, from a public service pension scheme/LGPS perspective, the draft Regulations would appear to class the LGPS as a 'hybrid scheme', whereas the other public sector schemes would be 'non-money purchase scheme'. This stems from the different way the LGPS treats AVCs compared to the other schemes:

- The LGPS approach – although the AVC is administered by a separate AVC provider the AVC elements remains attached to the main LGPS benefit (i.e. on crystallization a member can take their AVC as part of the schemes 25% tax free cash, or purchase additional scheme pension as an alternative to purchasing an annuity on the open market)
- Other public service schemes approach – our understanding is the AVC element is usually separate from any main scheme benefits. Where this is the case, it is not clear who is responsible for providing the pension values to the pensions dashboard? Indeed, the wider question is who is responsible for connection to the pensions dashboard in its entirety, including data matching?

There will be similar questions for non-public service schemes and we believe this is an area which needs further consideration to ensure a) everyone knows where responsibilities lie and b) whoever is responsible has the capabilities to obtain and hold the required money purchase information on their systems from the AVC providers, in the timeframes required for their annual calculation of accrued and projected entitlements.

Question 12: Our policy intention is that where a benefit is calculated with reference to both money purchase and non-money purchase values (as opposed to hybrid schemes with separate values), schemes should only provide a single value. The regulations do not currently make this explicit. Would a requirement that a scheme must supply only the data for the greater benefit of the two cover all scenarios with mixed benefits? Are there other hybrid scenarios which are not covered within these regulations?

Value data must be presented for the benefit of the member, in a way which supports their understanding. Due to the nature of underpins, they are usually only really relevant at a future point in time and can add complexity for little gain for the member. Additionally, these requirements would be a significant additional complexity for schemes and providers.

There are specific exceptions where underpins are already incorporated into calculations. In the example of the McCloud remedy for LGPS, there's an expectation underpins will be expected to be calculated automatically for members, as noted in our response to Question 10 above.

It's also worth noting again the Regulations (26(2)(i)(iii)) and Data Usage Guide state an explicit flag will be able to be returned to alert the user the pension value returned may only show a 'partial picture'. This flag seems tailor-made for most underpin scenarios, where the partial picture often will transpire to be the full picture, but it's not practical to try and predict this until the point of retirement.

Question 13: Are the accrued values for different scheme and member types deliverable, and can they be produced in the time frames set out in the ‘Response times’ section? Are these values necessary for optimal user experience?

In our response to Question 1 we gave an overall view on the proposals around ‘Response times’, and how we believe they don’t really fit with the concept of pensions dashboards. Our view expressed in Question 1 is accrued values should be pre-calculated, and hence provided, for as high a percentage of individuals as possible, and regulation should focus on the percentage coverage schemes achieve, and the justification for why values can’t be provided for certain users.

However, for the purposes of this question we provide our views on why a 3/10 day turnaround would not be practical if it were to be part of the final Regulations.

Where schemes are unable to provide accrued values immediately this is often because:

- Calculations are not automated
- Calculations are complex
- Calculations need to be referred to a third party, for example a scheme actuary for input, or to an employer for further information
- Underlying benefit and data discrepancies need to be verified and corrected prior to individual calculations
- Calculations are held outside of the core admin system

If schemes are unable to provide these accrued value figures immediately, it’s extremely unlikely they will be able to resolve, recalculate, update systems and ensure values are updated to the dashboards ecosystem within the 3 and 10 day proposed response periods.

For some complex cases, for example, in pension sharing orders, it may never be logical to require schemes to provide value data to dashboards and the regulations should enable some exceptions for those outliers. More generally, we would be concerned about the operational impact on day-to-day admin needing to be de-prioritised in order to handle dashboard-related queries and calculations if these 3/10 day response periods were applied.

However, we see the benefit in value data and have consistently seen this highlighted as a priority in the research carried out with prospective dashboard users. Instant values should be the aim for all schemes, with a focus on automated, scheme-specific accrual values wherever possible - our response to Question 21 provides more details of our views on the deliverability of pension values to the deadlines of the Staging Timetable. The simplified accrual values approach is a reasonable alternative option, also providing an instant value to dashboard users.

We see very little value in a 3/10 day response time for the benefit of either member or scheme, and it is not in-keeping with the concept of the pensions dashboard, but we do believe effective regulation can still be applied to monitor a scheme's provision of pensions values and encourage, and ultimately mandate, improvements in coverage where they become needed.

Question 14: Do you believe our proposals for data to be provided and displayed on dashboards, particularly on value data, provide the appropriate level of coverage to meet the needs of individuals and achieve the aims of the Dashboard programme?

Initially, the value data to be displayed on dashboards seems to meet the expected level as indicated by the early research with dashboard users. However, this is difficult to answer without more in-depth user testing. It's also difficult to provide comment on the display of data without having seen the dashboard design, where context and additional surrounding information play a large part in how the value data's appropriateness and coverage meet users' needs.

The primary initial aim for dashboards has always been about reconnecting savers with their pensions. For an industry of our scale, complexity and largely unconsolidated, the challenge of connecting, showing admin data and then basic value data are the core focus points in achieving the aims of the programmes.

One point of note specific to value data raised by our practitioner and scheme members is in respect of guaranteed lump sum values, and the potential lack of presentation within dashboards where these are a specific part of a member's benefits. This may give rise to queries where users are aware this is an important part of their benefit.

Question 15: Are there ways in which industry burden in terms of producing and returning value data could be reduced without significant detriment to the experience of individuals using dashboards?

Producing and returning value data for dashboards, where it doesn't already exist, can only truly be supported by technology and automation. When this is the case, enabling schemes to use a simplified approach supports the use of additional technology. Potentially this could be as part of their dashboard connection, enabling schemes to reduce the effort they need to invest in producing values. The potential to flag benefits as only showing a 'partial picture' defined in the Regulations and Data Usage Guide is also an important area to develop in the evolving Data Standards, so schemes can use this appropriately.

Its likely dashboards will increase the volume of savers looking at their pensions, and once found, looking for further information. In order to reduce the ongoing operational impact on the industry it's important dashboards consider the wraparound information and support it provides to dashboard users. Providing

links to information on their pension providers' own websites, or high quality information provided by MaPS will be an important resource which will deflect direct operational contact and enable providers and schemes to focus on providing the value data and other information required.

Chapter 3: How will pensions dashboards operate? Find and View

Question 16: Is 30 days an appropriate length of time for individuals to respond to their pension scheme with the necessary additional information to turn a possible match into a match made?

In principle 30 days seems a reasonable length of time for an individual to make contact with their pension scheme and provide additional information which may help to turn a possible match into a confirmed match. However, in practice the variables in this situation are so vast, and the processes adopted by schemes, providers and administrators vary greatly for verification and updates for different key data items. Due to this, it's impossible to create a one-size-fits-all approach. For example, a basic possible match failure due to a difference in surname may quickly be resolved with proof of name change. However, discrepancies with a National Insurance number may take months to resolve.

We must also take into account administration and operational processing times, admin backlogs and potential peak periods (e.g. if the annual statement season is regulated) where the demand on providers may impact on their ability to respond to dashboard enquiries from potential members.

30 days is appropriate, but we must exercise reasonable judgement and expectations when enabling schemes, providers and administrators to balance this against other operational demands.

Clarity is needed on whether schemes are obliged to pursue the correction of data when possible matches are identified. Within regulation 22(4) it's implied trustees will be given responsibility to resolve a possible match, however within the consultation document (Pg 61 Ch 3 Para 35) it suggests the onus is placed on the dashboard user.

In our view, the possible match resolution process needs to be initiated by the dashboard user responding to the contact information contained in the view data provided with the possible match response. An expectation around how long the process should then take to complete could be an obligation on trustees, subject to our comments above in this question response. There's the separate matter of how long a possible match pension identifier will be allowed to be retained within the pensions dashboards ecosystem if there is no attempt by the dashboard user to respond to the contact information provided. We suggest this is something for PDP to define as part of the development of the core ecosystem and the alpha testing programme.

Question 17: Do you think that the response times proposed are ambitious enough?

The consultation sets out various response times, with a view matches should be made and administrative data provided immediately. We agree with this approach where a clear match has been made and see this as both in the provider and saver's best interests. We also agree wherever possible, value data should also be provided instantaneously, avoiding any delays and creating an optimal experience for dashboard users.

It is our understanding many schemes will be able to provide some form of value data in an instant format – either under a scheme-basis or a simplified approach - because they will have pre-calculated this data. In practice, any pension value which is going to be exposed to a pensions dashboard is likely to be pre-calculated because even schemes with the most automated administration platforms won't want a calculation call to be performed in the tiny response window for providing view data.

Where schemes have not been able to pre-calculate this data then the question is why, and how quickly could this be remedied? We've considered this in more detail in our response to Question 13, and also below.

Any response time should be triggered by the dashboards user making a request of the administrator using the contact information or links provided in the initial view response. This ensures the dashboards user is properly engaged in the request, and complexities which may have prevented a standard pre calculation from being performed can be communicated. It also limits the industry workload to just those savers who make a request. There will be dashboard users whose original enquiry was based on an interest in another pension. Giving the dashboards user the information and choice of which scheme to contact and help to manage the best use of industry capacity.

The actual response times proposed for value data, don't seem to reflect the complexity and nuances of the UK pension system. Although most Money Purchase schemes will be able to provide value data instantaneously for most users, where they can't, the issues preventing them from doing so are unlikely to be resolved within the 3-day window provided within these draft regulations. For example, they may need to obtain better salary data from an employer, and are dependent on the employer responding. Similarly, where non-Money Purchase schemes can't provide a scheme-specific accrual value or a simplified calculation the reasons are likely to be complex and require longer than 10 days to resolve. We provide further details about these challenges within Q18 below.

We agree all schemes should aim to provide value data instantly and should set objectives to work towards immediate value data in the future. However, this is far more complex and, at this stage, the regulations shouldn't aim to impose penalties on schemes which can't provide instant values for a myriad of reasons. Our view is regulators should monitor schemes where values aren't being provided in a consistent or timely way and seek explanations and approaches to improvements these schemes and providers are making to move towards an instant value approach.

This regulation may be much better positioned around reporting of pension values which are pre-calculated and ready for pensions dashboards, rather than attempting to regulate service levels for administrators carrying out the necessary pension value calculations. This could report on missing pension values, pension values flagged as being incomplete, and also pension values held which are now out of date – if these are allowed to be retained, which could be helpful for bespoke calculations which are unlikely to be requested to be repeated each year by dashboard users once they've seen a recent pension value.

The ambition can then be set through meaningful targets, and eventual enforcement action, supported by comprehensive and consistent reporting. For example, a re-statement of the ambition for dashboards in respect of pension values could be as follows:

- all pension values are pre-calculated where possible, and where not there's an agreed reason for the value being unavailable, taken from a central (and evolving) list, so over time the Regulator can form a clear picture of where the problems lie, and take action to encourage Schemes to make improvements
- all requests by dashboards users direct to administrators are met under existing disclosure deadlines and agreed service levels, despite the increased uptake of requests - this is still ambitious

Question 18: What issues are likely to prevent schemes being able to return data in line with the proposed response times?

There are three main (and overlapping) reasons why pension value data may not be able to be pre-calculated and hence returned in line with the response times:

- The member's benefit entitlement is unclear or inherently complex to calculate, in a way which means it's never been able to be automated, for example if actuarial review is required
- The required calculation automation has not been developed to allow efficient bulk calculation of pension values
- The member's data, for whatever reason, is not complete and accurate enough to allow the benefit to be pre-calculated

Where the first of these three applies, i.e. the benefit is inherently complex or unclear, then it is very unlikely to be practical to set a response time of the kind envisaged in the Regulations. Complex calculations sometimes require referrals to third parties such as actuaries, or additional checks on scheme rules and the application to different tranches of benefits.

Where the only reason for the difficulty is automation has not been developed, as per the second scenario above, then schemes can be encouraged to develop and improve automation but we do need to be realistic about the capacity challenges. The primary example of this being required is the calculation of pension values for DB deferred members, which we covered in our responses to Question 21 and elsewhere.

This leaves the third scenario where schemes are unable to provide value data instantly ultimately because of underlying data problems. Here we expect the main reasons are because:

- The data does not currently exist. Missing or poor data is an unfortunate but not uncommon hurdle, in particular where employer data is required to support the calculation of value data for users. Schemes may need to obtain missing data, such as employment dates, before they are able to calculate values. Schemes may be able to work towards improving their data to reduce the impact missing or incomplete data has on their ability to provide instant values in future, however many occupational schemes are dependent on working with employers.
- The data is complex/requires human intervention. Additional complications may be added by any doubts concerning the underlying data, or a known need to rectify data issues, which may require an administrator to investigate further before providing value data. These scenarios typically take much longer than the 3 or 10 day periods allowed under these regulations. For some schemes, working towards automated calculation models will improve the situation however, for particularly complicated schemes, or complex cases, there will likely always be some element of manual interaction.

The data cannot easily be accessed (or is in an incorrect format). Value data has traditionally been used for annual benefit statements and therefore is not always stored on the administration system. Sometimes, the calculation engine utilised is isolated from the core admin system with figures extrapolated only for statements. This can create challenges for schemes and providers and require fundamental developments in order to create the changes necessary. Additionally, where value data does exist, these results may not fit within the prescribed dashboards format.

Question 19: We are particularly keen to hear of where there could be specific difficulties to providing this data for exceptional cases, how many cases this might include, and whether consultees have views on how exceptions could be made without damaging the experience of individuals using dashboards for most cases where values can be provided more readily. Are there any specific cases when providing the information asked for would be particularly difficult?

As discussed in Question 18, there are different reasons why pension values may prove difficult for schemes to calculate in, or to calculate quickly on demand.

We feel there could be challenges in these particular scenarios:

- Equivalent Pension Benefits
- Untraced deferreds
- Beyond late retirement cut off (over 75's)
- Those over State Pension Age
- If benefits are required from a third party to calculate benefits (eg. Retained benefits in another scheme)

Members over Normal Retirement Date where the scheme doesn't allow late retirement and benefits will be backdated if claimed.

Chapter 4: Connection: What will occupational pension schemes be required to do?

Question 20: Do the proposed connection requirements seem appropriate and reasonable? If not, what alternative approach would you suggest and why?

The connection requirements seem reasonable at this stage, subject to more details being available after both the early stages of development and Alpha testing are complete. We particularly noted the statement in 4.37 “the policy intention and design is to enable the mass connection of multiple schemes through single endpoints” and the expectation administrators of multiple schemes may wish to onboard them in batches.

This expectation should be taken account of in rules around early onboarding of occupational pension schemes. A scheme being onboarded early but to a previously connected endpoint is a very different process to a scheme being onboarded early by setting up a new data point. In our view the early onboarding of schemes to previously connected data points shouldn't be discouraged, not least because it enables the industry to spread the effort required to meet the staging timetable over the longest period possible, and the approval process described in 4.38 should be streamlined to be seen as more as a business as usual process, rather than anything that needs special approval.

Chapter 5: Staging – the sequencing of scheme connection

Question 21: Do you agree that the proposed staging timelines strike the right balance between allowing schemes the time they need to prepare, and delivering a viable pensions dashboards service within a reasonable timeframe for the benefit of individuals?

Introduction

There's undoubtedly a balance to be struck when setting deadlines for connection to pensions dashboards. If set too ambitiously early then the plans will be unachievable for many schemes, but if not ambitious enough then dashboards will simply slip down the priority list. Potentially this leaves the same challenges to be overcome a year or two later, but delaying the benefits of dashboards for savers.

We have however focused this question response on the staging objective of 'deliverability' as it is this objective which most relates to the efforts and experience our practitioner and scheme members will need to bring to the pensions dashboards rollout to enable its delivery. We've also focused on the aspects of deliverability which are under industry control, such as understanding and addressing the wraparound operational impact, preparing data and creating the necessary 'data points' to connect to the pensions dashboards ecosystem. We're making assumptions the key dependencies discussed elsewhere in this response, such as around liability models and core development of the ecosystem itself, will fall into place in time to support the staging deadlines.

First staging deadline

The first staging deadline in the draft regulations is 30 June 2023. This covers 25 master trusts with a total of c 19m memberships, with NEST alone accounting for roughly 10m. This is only 25 schemes, so a maximum of 25 data points, but there will be specific challenges in preparing these large schemes for dashboards, such as the difficulties of any data improvement which requires liaison with some of the huge numbers of employers involved.

It is also important to note, as currently stated in the FCA consultation document, the vast majority of the c 28m personal pension entitlements are also proposed to be onboarded by this date. This will be across a much wider range of providers and including some products administered by third party administrators such as bulk purchase deferred annuities. There may be a need to stagger the onboarding of this cohort more than is currently proposed in the FCA consultation and we will respond to this effect.

State Pension information and Dashboards Available Point

We note State Pension information has not been reflected in the staging deadlines, but instead covered by the statement the Government is committed to "making State Pension information available via dashboards from day one - the initial Dashboards Available Point". This is almost the only reference to the Dashboards

Available Point (DAP) in the consultation. However, it's a key concept, and schemes know once onboarded their data will only be accessible to a very restricted audience until the DAP is reached. DWP providing a view as to when the DAP is likely to be given the final agreed staging profile, and whether there will be a single DAP or a series of phased DAPs incrementally increasing the use of dashboards, is a key input which will impact the way schemes approach their onboarding, as noted later in the response to this question.

In order to give any indication of the DAP, then clearly the DWP will need to have a target date for provision of State Pension Information, and we would ask that this is something which can be provided in response to this consultation.

Large schemes staging timetable

The overall timeframe for large schemes requires the last of these to have staged by 30 September 2024, i.e. 15 months after the first staging deadline. From the backing data provided with the consultation, this includes just short of 1,000 occupational pension schemes, and also all public service pension schemes. Given the policy objective of having mass connection of schemes to single data points, it's reasonable to assume this 15 month period would be sufficient for a relatively small number of data points to be tested and onboarded.

The question is then whether 15 months is sufficient time for 1,000 schemes to be prepared for pensions dashboards and successfully onboarded, given each scheme will require some work specific to them to enable this to happen. To answer this question, we've considered schemes by three main categories - DB (non-public service), DB (public service) and DC. While hybrid schemes present some specific complexities, as we have discussed in our response to Question 11, for the purposes of this response the benefit types are considered separately.

DB non-public service

From the data linked from the consultation, 656 of these schemes are classed as large DB schemes which are not public service schemes. We are aware the majority, and probably the vast majority, of these schemes will need to carry out some work to improve coverage of members with pre-calculated pension values - particularly for their deferred membership, but also for the active membership where current benefit statement practices may in some cases deviate from what will be required for pensions dashboards. The achievability of this by September 2024 will rely on a number of factors:

- Clarity as early as possible in 2022 of the requirements, including what the options are to use a simplified approach for deferred members, at least for an interim period
- Visibility of the likely date range for the DAP, as discussed earlier in this question response, will also be particularly important for these schemes as they may choose the option to complete some of

the work on improving coverage of pre-calculated pension values after their staging date, but before the DAP

DB public service

Public service schemes have a single staging deadline within the large schemes period of 30 April 2024. They have a number of characteristics which present challenges for onboarding to pensions dashboards – they are DB schemes, but they are open to new members, and many have multiple employers and support new employers over time – in these respects their challenges are similar to master trusts. There are other complexities which are common amongst public service schemes, complicating the data provision to pensions dashboards. This includes members with multiple concurrent employments, and backlogs of unprocessed leavers which build up often through difficulties engaging with employers to obtain the necessary data.

On top of these characteristics there is of course the issue of McCloud rectification. In our separate responses to question 10 we cover the provision of pension values following the implementation of the McCloud remedy and recommend scheme managers should not have to provide pension values which go beyond what they have to provide for annual benefit statements. It's a positive for dashboards compliance that public service schemes do usually provide benefit statements to deferred members as well as active members, unlike most non-public service DB schemes. Therefore, ensuring the requirements for pension values for dashboards go no further than those for benefit statements, both in content and timescales for provision, will give public service schemes the best chance of complying within these timescales.

Our practitioner and scheme members have expressed some concern over the potential impact of McCloud, and the potential conflict in prioritisation of operational resources in supporting with both the onboarding to pensions dashboards and the remedial work necessary for McCloud. It's very difficult at this stage to understand how these two demands may conflict or indeed could potentially work together, however, it is hoped the experience of earlier onboarders to dashboards may have helped to streamline the process ahead of public sector onboarding.

DC schemes

The remainder of the large schemes are mostly occupational DC schemes. In the backing data to the consultation there are 280 DC schemes used for auto enrolment, and 35 which are legacy schemes, these numbers also include the smaller master trusts. In terms of scheme numbers these are about half of the DB total, but the staging deadlines are phased earlier in the period, completing by 29 February 2024, which is 8 months after the first staging deadline. DC schemes will be implementing the revised approach to Statutory Money Purchase Illustrations (SMPIs) which is currently being consulted on by the FRC, and from October 2023 should be able to provide pension values on this new basis. They won't be required to provide illustrations to dashboards on the current basis in the meantime. If dashboards fundamentally requires no

more information from schemes than will be required for benefit statements, then this should be achievable off the back of the separate industry implementation of the SMPI changes. However, this would also require a practical approach being taken to provision of pension values to dashboards for savers for whom SMPIs cannot currently be produced, most likely due to data issues, as covered in our response to questions 13 and 18.

Medium schemes staging timetable

As noted in the consultation, there are around 2,000 medium schemes, with between 100 and 1,000 eligible members, which would have staging deadlines between 31 October 2024 and 31 October 2025. From the backing data provided these schemes are heavily weighted to DB (90% plus) so our comments above for DB non-public service schemes apply. As most data points are already likely to be established by this time, including the establishment of the commercial ISP market as referred to in the consultation, the work to be carried out for this cohort will be predominantly focused scheme-by-scheme, and will inevitably focus on the provision of pension values – particularly for deferred members. At the smaller end of scheme sizes, we would also expect issues around general digitisation of data to affect a scheme’s ability to prepare for onboarding.

It may be a reasonable assumption to assume the DAP will be set no later than the end of this period – if so, then these schemes will be onboarding and having significant volumes of view requests, relative of course to their overall size, from Day 1. If anything, the preparation work required for medium schemes over this timeframe may be more challenging than for the larger schemes – unless they choose to commence preparation much earlier.

Overall view of proposed staging timetable

If the recommendations we have made in our consultation response are accepted, and subject to a DAP being set in a reasonable way, with visibility of plans as soon as possible, then the staging timetable outlined seems reasonable. The first staging deadline of June 2023 and the subsequent large schemes staging timetable is a very challenging but achievable timeframe to be met. It strikes a reasonable balance between early delivery of the benefits of dashboards to consumers with the implementation challenges the industry will face. The medium schemes and primarily smaller DB schemes and will have specific challenges as we have outlined above.

However, for all schemes – large and medium – there’s one key caveat to this: schemes need to start preparing as soon as possible, and staging deadlines shouldn’t be treated as a reason to delay making a start. A later staging deadline simply reflects the fact a scheme is likely, on average, to need longer to carry out its preparatory work. There are key aspects of preparation where requirements are already clear enough for schemes to start work, for example preparing the scheme’s member identity data for the demands of matching.

The other implication however is it's essential the response to this consultation, development of the regulations, and the evolution of the various standards which support the regulations, reach a point later this year to provide enough certainty for schemes to start planning those aspects of pensions dashboards preparation which will require the most time and effort. For example, any changes required to pension administration platforms to create new bulk calculations to support the requirements for pension values need to be planned early and scheduled in by the relevant teams on top of their existing commitments. It's only once this view takes shape the feasibility of completing this work ahead of any specific dashboards available point will be able to be properly assessed.

Question 22: Apart from those listed in the table 'classes of scheme out of scope of the Regulations' are there other types of schemes or benefits that should be outside the scope of these Regulations? If you have answered 'yes,' please provide reasons to support your answer.

We did not respond to this question.

Question 23: Do you agree with the proposed sequencing as set out in the staging profile (Schedule 2 of the Regulations), prioritising Master Trusts, DC used for Automatic Enrolment and so on?

As in our response to Question 21, we've focused our response on the staging objective of 'deliverability' as it is this objective which most relates to the efforts and experience all our practitioner and scheme members will need to bring to the pensions dashboards rollout to enable its delivery.

The staging principles as set out in section 5.15 of the consultation are sensible and we support them, subject to the comments we have made in our response to Question 21.

We agree the proposed detailed sequencing of schemes is broadly sensible, but make the following comments:

- As noted in our response to Question 21, there's concern the FCA-regulated providers are currently being asked to onboard all schemes with more than 1,000 individuals accumulating by the first staging date of June 2023. We will respond separately to the FCA on this point, but this lack of staging seems out of kilter with the DWP approach and will skew a lot of early activity to providers and schemes falling under the FCA regulations
- It makes sense for DB non-public service schemes to be scheduled later given the difficulties expected, particularly over provision of pension values as commented in our response to Question 21, but this

‘extra time’ has to be fully-utilised to start planning the required changes to administration platforms as early as possible - there shouldn’t be a view of ‘focus on DC first at the expense of DB’

- It’s sensible for the public service schemes staging date to be later, but even the 30 April 2024 date wouldn’t work if it required schemes to produce information over and above what is required to be produced for annual benefit statements following the McCloud remedy. Public service schemes also have some particular challenges beyond McCloud, which again means the ‘extra time’ would need to be well utilised for them to prepare for onboarding at this later date.

We don’t support the proposed staging approach for hybrid schemes for the reasons set out in our response to Question 26 below.

Question 24: (Cohort specific) If you represent a specific scheme or provider, would you be able to connect and meet your statutory duties by your connection deadline? If not, please provide evidence to demonstrate why this deadline is potentially unachievable and set out what would be achievable and by when.

PASA’s membership spans a wide spectrum of organisations, including: LGPS funds, private sector DB and DC schemes, master trusts (MTs), pension providers, third party administrators (TPAs), software providers, legal advisers, employee benefits consultants, and others.

As such, PASA does not solely represent a specific scheme or provider. However, as you might expect, PASA members have had numerous conversations with a number of different pension schemes about Question 24. Currently, there appears to be a spectrum of views: some schemes have good confidence they will be able to connect and meet their new statutory duties by their connection deadline; other trustee boards, though, have relatively low levels of awareness of the requirements so are not currently well placed to judge whether their TPA / ISP will be able to connect them on time (especially in the context of other work that trustees have underway with these same service providers).

The common theme from our conversations with schemes is the critical dependency they have on their administration software providers, TPAs, ISPs and other providers (such as AVC providers). In our response to Question 21 we set out our views on the deliverability of the staging timetable from the perspective of these providers – but most of our practitioner and scheme members don’t really have the visibility yet to answer this question for themselves because of these dependencies.

There’s also a lot of interest across our membership on how pensions dashboards will be regulated, and for more understanding of the liability models, most notably around matching users and provision of pensions values. Our practitioner and scheme members are dependent on these matters being resolved from the

centre as part of the further development of the pensions dashboards ecosystem that will follow this consultation.

Question 25: Do you agree that the connection deadline for Collective Money Purchase schemes/Collective Defined Contribution schemes (CDCs) should be the end of April 2024?

We did not respond to this question.

Question 26: Do you agree with our proposition that in the case of hybrid schemes, the connection deadline should be based on whichever memberships falls in scope earliest in the staging profile and the entire scheme should connect at that point?

Our view is the reverse approach would be more sensible, with the rationale being the later staging dates are reflective of the fact these schemes require longer to prepare for pensions dashboards, so taking the latest staging date which applies is a more sensible approach.

However, to simply reverse this would leave loopholes, such as a 10,000 life DB scheme with a 2 person DC section falling out of staging altogether, so one alternative approach would be to identify the scheme size (large, medium, small) which applies to both DB and DC benefits. If either of them counts as a large scheme, then the staging date wouldn't be allowed to be set any later than the final date for a large scheme (i.e. 30 September 2024), and if not then apply a similar rule with regards the final date for a medium scheme.

Question 27: Do you agree that the Regulations meet the policy intent for hybrid schemes as set out in Question 26?

We did not respond to this question.

Question 28: Do you agree with our proposals for new schemes and schemes that change in size?

We agree with the approach for new schemes. Schemes change size for a multitude of reasons, in particular within the Money Purchase market at the moment, smaller schemes are increasingly consolidating into larger schemes. This doesn't give cause for concern, with larger schemes likely to have an earlier dashboards staging date. However, where similar sized schemes merge, consideration may need to be given about the overall impact. Where schemes change in size whereby a smaller scheme significantly increases in as much as it would now classify as a medium or larger scheme, we agree the original staging date should apply however schemes may choose to stage earlier where it is deemed to have a significant benefit to members.

The proposals might also consider where a scheme's size has significantly decreased and it no longer reaches the thresholds for its staging profile. Where this is the case, we feel it may be appropriate for the scheme to be able to reclassify and stage at a later date.

Question 29: Do you agree with the proposed approach to allow for deferral of staging in limited circumstances?

We agree there has to be a mechanism to defer staging, just allowing change of administrator may be too tight a definition. For example, some providers may have to introduce and/or upgrade existing administration systems to allow for dashboards so a broader set of circumstances should be allowed to apply for deferral.

It's worth noting transitioning pensions dashboards connections will be another element to consider in administration transitions, and possibly administration platform changes, in the future.

Question 30: Are there any other circumstances in which trustees or managers should be permitted to apply to defer their connection date to ensure they have a reasonable chance to comply with the requirements in the Regulations?

As noted in our response to Question 29 we believe there are related circumstances where administration services which are in a transition process and should be similarly allowed to defer their staging date.

There are other circumstances which may warrant a deferral of staging date, for example:

- Schemes in wind-up, where connection to the dashboards infrastructure may be temporary
- Schemes going through a merger, where members are in the process of being transferred to another scheme
- Schemes in the PPF assessment period

We also expect there will be other unanticipated situations and suggest TPR has broad discretion to agree to deferrals in circumstances it considers appropriate.

Chapter 6: Compliance and enforcement

Question 31: Do you agree that the proposed compliance measures for dashboards are appropriate and proportionate?

There's strong support for the pensions dashboards initiative across the pensions industry so all parties will be working hard to ensure compliance.

However with an industry-wide, novel, digital initiative of this scale and complexity, there will undoubtedly be a very significant number and variety of teething issues to be resolved, both through the staging profile and particularly following the Dashboards Available Point (when Find Requests and View Requests, and responses to them, will be flowing in very significant numbers for the first time).

This must be reflected in the compliance and enforcement approaches of regulators – we note from Annex C of the Consultation Document that TPR will be consulting on its compliance policy once the Regulations are laid.

The TPR compliance policy also needs to make clear the approach it will take in respect of multiple contraventions of the Part 3 Regulations. For example, the same contravention affecting multiple scheme members should potentially be regarded as one breach, not one per member. For example, breaches could reflect poor administration processes or lack of resource to deliver service, or could reflect poor employer engagement and support in provision of data. If breaches are reflective of endemic problems then a 'per request' basis wouldn't necessarily seem to be appropriate.

While we agree with the sentiment expressed in the Consultation Document that dashboards have “the potential for any errors in the provision of pensions information to be amplified and cause detriment to multiple individuals and undermine public confidence in pensions savings,” the focus on a 'per request' basis in this document feels overly harsh, and not reflective of the shared industry challenge of implementing pensions dashboards, and the reality dashboards processes will evolve, and data will improve over time.

Chapter 7: Qualifying Pensions dashboard services

Question 32: Do you agree that our proposals for the operation of QPDS ensure adequate consumer protection? Are there any risks created by our approach that we have not considered?

We agree proposals for the operation of QPDS provide consumer protection however the level of protection offered over time needs careful monitoring alongside the level and types of pension scams in operation. Whilst dashboards is rightly ensuring millions more consumers are reconnecting with their savings it could also expose those financially vulnerable, or with little knowledge of pensions products, into making decisions which could have an adverse effect on their wellbeing.

In addition to the protection provided within the DWP proposals and the FCA's proposals, consumers should also be provided with some way of identifying a genuine QPDS site from a fraudulent or unofficial service.

Question 33: We are proposing that dashboards may not manipulate the view data in any way beyond the relatively restrictive bounds set out in Regulations and Standards, as a means of engendering trust in Dashboards. Do you agree that this is a reasonable approach?

We broadly agree with this approach however this could be somewhat flexible where its of particular benefit to consumers. Some consumer research, including some for European dashboards, have found value figures expressed as a monthly or weekly income amount rather than an annual income amount can be more relatable to consumers. They can provide a better indication of projected 'lifestyle' at retirement, helping to better plan savings for the future. This may be an option for some QPDS and where they are available, this could provide an enhanced service for consumers - where figures don't all have to be manipulated to achieve these values.

Question 34: Do you agree that not constraining the content placed around dashboards is the right approach for dashboard providers and users?

We don't wholly agree with this approach. Context is important to the information dashboard users are viewing in a dashboard. The data they're viewing can't be looked at in isolation without taking into account the information provided in and around the dashboard they're viewing these details within. It's important guidelines are provided which ensure the information provided both within QPDS and surrounding these services is relevant, accurate, fair and supportive. We agree dashboard providers should have some freedom over the content they provide, but should be encouraged to ensure it's suitable to the broad spectrum of consumers and pension types viewable via dashboards, and not targeted towards particular products or services which would only support particular segments.

Dashboard providers should also have a high level of responsibility to ensure their dashboard service remains free from misleading, fraudulent or dishonest advertisements, and should be penalized for content surrounding their dashboard which offers unregulated advice or leads to scams or fraudulent activity.

Question 35: Do the proposals set out here provide the right balance between protecting consumers and enabling dashboards to deliver the best user experience? Are there ways in which consumers might be afforded more protection without negatively impacting the user experience?

Dashboards is the first initiative to bring much of the UK pension industry into digitisation – forcing many schemes to provide data and calculations in a far more automated, instantaneous way than ever before. Consumers have become far more familiar with ‘instant’ finance, with services such as banking, savings and investments available immediately. Expectations will be high, and it’s likely there will be an initial gap between what the industry is able to deliver in terms of user experience, and what users would like. Recent research has indicated consumers expect there will be much more functionality on dashboards than will be the case, although additional services may be offered by commercial dashboards.

A core focus for dashboards is in making data available in a ‘safe’ way. This is why it’s crucial the DAP strategy is incremental, planned in stages and monitored extremely closely. There are many elements of dashboards’ success. In particular the true success of data matching, possible matches and performance at scale and at peaks, which cannot properly be tested until live. During this live testing it’s important we learn and make regular incremental improvements to support savers and ensure both they and schemes are protected.

The key to protecting savers will be in ensuring they understand the values they’re being shown and what this means to their later life savings plans. At this stage there is insufficient user research to understand this. With increasing understanding, researching and improved functionality, over time we can improve the user experience whilst keeping consumers safe.

Question 36: Does the introduction of a 3rd party audit sound workable for potential dashboard providers? We are particularly keen to receive views on:

- **The deliverability of such an approach.**
- **The availability of relevant organisations to deliver such an audit.**
- **The degree of assurance that individuals can take from this third-party audit approach.**
- **Who should be this third-party trusted professional to carry out the assessment on dashboards compliance with design and reporting standards.**

We did not respond to this question.

Question 37: In what ways might prospective dashboard providers expect a third-party auditor to assume any liabilities?

We did not respond to this question.

Question 38: What would dashboard providers expect the cost of procuring such a service to be?

We did not respond to this question.

Question 39: What are your views on the potential for dashboards to enable data to be exported from dashboards to other areas of the dashboard providers' systems, to other organisations and to other individuals?

We can see some benefits to dashboards users being able to export data. However, we also see some major risks involved and feel this process first requires assurances and controls to protect savers, schemes and the dashboard ecosystem from exploitation. For this reason, we feel these plans should be considered at a much later date.

Question 40: If data exports were prohibited, would prospective dashboard providers still be keen to enter the market to provide dashboards?

We did not respond to this question.

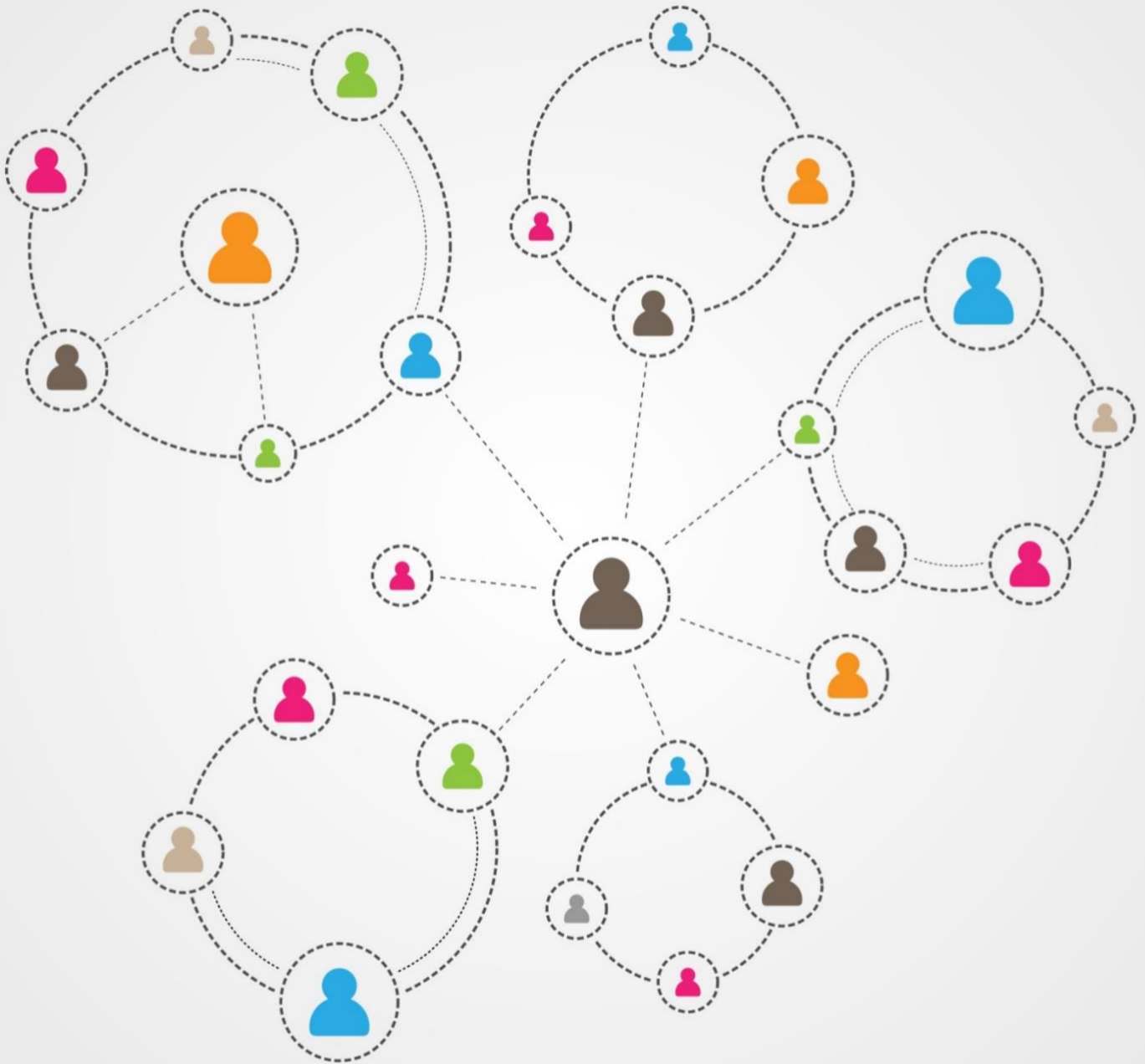
Question 41: Do you have any comments on the impact of our proposals on protected groups and/or views on how any negative effects may be mitigated?

Pension dashboards rightly aims to reconnect savers with their pensions. With this comes great benefit however, also significant risk. In general, public knowledge about pensions is generally low – with a multitude of qualitative research from the DWP, the ABI, the PLSA, the PPI and various other sources spanning a number of years supporting this point. Raising awareness amongst savers about the different pensions they hold must be supported with adequate information and protection from scammers.

'Protected groups' is undefined within the regulations, however, we have assumed all vulnerabilities and minority groups are included under this heading. The biggest risks are associated to:

- Accessibility:
 - initially in ensuring dashboards are as accessible as possible to those identified as protected
 - Information is clear, presented in a way which is not misleading or confusing, with adequate signposting to further reliable information and guidance
- Protection:
 - From making ill-informed decision based on a lack of knowledge or where to seek advice
 - Or from scammers

The regulations provide for delegation to FCA-regulated advisors, but where a Power of Attorney exists, this doesn't seem to be accounted for in dashboard regulations. Therefore, providing very little support for the most vulnerable and protected groups of individuals. This may be something dashboards will want to consider including in the future, however it will require additional data fields, verifications etc.



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