PASA Consultation Response

Pensions Dashboards Programme (PDP) Consultation – Standards

August 2022

Acknowledgments

PASA is grateful to the authors of the response and members of the PASA Dashboards Working Group (PDWG) and their employers.

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.

2. Executive Summary

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 Dashboards ecosystem can't be considered in isolation, but as part of a much wider interconnected pension system. 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 Dashboards launch.

PASA welcomes MAPS developing and consulting on the Dashboards Standards. We understand the availability and development of the various standards is crucially important to all stakeholders to enable successful development and launch of a fully functioning Dashboards ecosystem. We know the standards will be a key input to configuration at an individual scheme level and appreciate the opportunity to respond to this consultation.

In most instances, the standards as drafted cover the issues required and, where appropriate, broadly set sensible performance and other metrics. However, alongside our largely positive responses to the questions posed in the consultation we've highlighted areas of concern or uncertainty with each set of standards.

While the Dashboard standards must provide a framework for launch, they'll continue to evolve based on experience. We see a need for this iteration to continue both before, during and after the staging period.

The standards don't stand in isolation and must be considered holistically. We appreciate how difficult this is to do theoretically and certain gaps or misalignments will only become visible at various points in the testing cycle or even after Dashboards are fully live. We welcome the expectation the standards will continue to evolve and look forward to being able to contribute further to proposed changes at a later date.

There is potential benefit to all users of increased industry collaboration as soon as practicable to avoid inconsistencies in approach. This can support a level of detail standards can't provide and there's potentially the need for guidance.

We haven't responded to the questions on the Code of Connection and the Technical Standards, because these matters are to a large extent dependent on the type of dashboards connection PASA members are planning, so they're better covered in consultation responses directly from our members or the providers who will be assisting them with dashboards connection.

For the same reason we also didn't respond to the following three questions in the Reporting Standards section:
- Are there any barriers to providing both the auditing and monitoring data feeds in mostly near real time?
- Management information and oversight data is to be provided daily. Do you have any alternative suggestions which would achieve our aims?
- The transport method for data is to push data to an API housed on the central data architecture API gateway. Do you perceive any risks with this approach?

3. Data Standards

Overview

The Data Standards as currently drafted are comprehensive. We understand the need to balance the 'find' and 'view' data required with the needs of the user and dashboards while also minimising data being processed.

We've considered the data standards, data standards usage guide and appendix and the draft regulations together and identified areas where we believe more consideration or clarification is required.

Page 7 of the data usage guide notes 'view' data will include 'contextual information about the pension', but it isn't clear how and where this information is to be provided. If this is referring to the various optional descriptor codes to support certain data items, we don't believe these are sufficient in all instances in the current draft.

We also have a specific observation on possible matching – it's very important for the administrator to receive a unique reference when a possible match is made. This will allow the saver to supply the reference to the pension administrator to match to the possible match record in the ISP (or similar). This will ensure the resolution process is simple and efficient, rather than the administrator having to try and find which possible match response the saver received. It's been suggested this could make use of existing administrator fields, although other contributors preferred a specific new field to be added. The possible match process is certainly something which will require extensive testing end-to-end from dashboard to data provider.

Our other observations are around individual data items and we have tried to frame these in the context of the examples in the Data Usage Guide Appendix wherever possible.

Data Item(s)	Problem	Data Usage Example
NI Number (1.004)	It would be useful for all if the NONINO data was aligned to the NINO and to require users to highlight where they don't have a NINO as opposed to not knowing NINO (which would be the implication of this field being blank and not scrolling down to complete fields 1.022/1.023)	N/A
Retirement date (2.008)	This presents a single field on a summary page for a single benefit where multiple tranches with potentially multiple retirement dates will exist – how is it determined which retirement age takes priority?	Example 2
Retirement date (2.008)	The Data Standards' description of pension retirement date is *"A date identifying when the pension arrangement is set to start paying a retirement income to the individual"*. The draft regulations say *"the date from when the estimated retirement income value is expected to be payable from, where (i) this is the normal pension age under the scheme rules"* but then states 'normal pension age' has the same meaning as in section 180 of the Pension Schemes Act 1993(c). Pension Scheme Act 1993 says 'normal pension age', in relation to a scheme and a member's pensionable service under it, means (a) in a case where the scheme provides for the member only a guaranteed minimum pension, the earliest age at which the member is entitled to receive the guaranteed minimum pension on retirement from any employment to which the scheme applies; and (b) in any other case, the earliest age at which the member is entitled to receive benefits (other than a guaranteed minimum pension) on his retirement from such employment. These aren't the same thing and the definition of them will vary between tranches of benefits within schemes. In most cases none of the above will be consistent with State Pension Age either. This will lead to inconsistent supply of data, make it difficult to explain to savers what the above means and complicates projections. This needs to be made much clearer for pension providers.	Example 2
ERI basis (2.303)	ERI basis isn't prescriptive enough. 'Benefit Specific' method could mean anything - especially in conjunction with lack of consistency in retirement date definition. There appears to be no requirement for different tranches to be separated out - merely an option. This could lead to inconsistency in benefits presented to users and potentially even misrepresent benefits as no wider context is given. This however, must be balanced against the need for flexibility which is welcomed by some as it creates options to reuse existing data/calculations. The amount of work (and therefore cost) required would potentially increase substantially if this flexibility was removed.	Example 4.1
ERI (2.306)	There's no way for the saver to understand this example is a bridging pension without further contextual data. This will lead to confusion and potentially queries for administrators. Is it possible for benefits with end dates to allow descriptor codes? The approach to delivering this data is also inconsistent with the options provided for the different tranches in example 4.5. Intuitively, £10k from 2036 with no end date plus £4k from 2036 ending in 2041 is more sensible and allows a much easier opportunity to identify the reason for a reduction in benefit.	Example 4.2
ERI amount type (2.302)	There's limited opportunity for the saver to understand the impact of McCloud remediation. Some McCloud remedy savers' legacy and reformed benefits will have differing retirement dates and look very different. How will other underpin arrangements work? The hybrid example 7 is a DB + DC, not an underpin and further examples are required to flush this out.	Example 4.3
Data Values 1,2,3	Why is there a need for two options on how to supply the one thing which (in conjunction without enough clarity on design standards) could lead to confusion? It seems Option B is preferable as it reflects more closely how the benefit will be paid and is more likely to be reflected accurately on a QPDS. While option A is workable from a supply perspective for providing the data, graph 5A isn't a reasonable description of this benefit. Displaying tranches of benefit from one scheme as though they're different benefits is misleading and causes problems in understanding how benefits will be paid and the practicalities of claiming benefits in partial retirement/flexible working towards retirement. Graph 5B is better, but still potentially misleading as to the options on claiming these benefits.	Example 4.5
ERI increase (2.309)	A binary yes or no isn't enough information - there should be a much more detailed list of codes - at least allowing a definition of what 'yes' means. This could have particular issues for DC conversion as it'll impact on the consistency of understanding between different pots and their attaching ERIs. This may be less of an issue depending on how it's displayed on a QPDS, which hopefully will become clearer when the draft design standards are published.	All
ERI survivor benefit (2.310)	A binary yes or no isn't enough information - there should be a much more detailed list of codes - at least allowing a definition of what 'yes' means. This could have particular issues for DC conversion as it'll impact on the consistency of understanding between different pots and their attaching ERIs.	All
ERI/Accrued values (2.3xx and 2.4xxx)	There's no hybrid underpin example - how does this work? Does it need different ERI amount type codes? Could this just be notes or even an ERI warning?	No Hybrid underpin example

Specific consultation questions

Are you confident that the proposed data standards adequately cover the benefit structure of all pension providers? Can it express the correct values to all savers? If not, please share a brief description of the relevant benefit structure?

Any benefit structure where benefits are dependent on the benefits from another arrangement are likely to be troublesome - as is the issue of savers beyond their NRD. However, providers are likely to uncover other examples as they start looking at their schemes. In other words, it's not the structure but the definitions within the structure which are the issue.

As outlined above, some of the definitions are insufficient to ensure absolute clarity e.g. pension retirement date is defined as *"A date identifying when the pension arrangement is set to start paying a retirement income to the individual"*. That doesn't mean much for consistency between all types of schemes and isn't enough to suggest how a DB scheme with multiple 'Normal Retirement' dates would have to outline those.

Our concern is it's unclear at this point how these benefit values will be presented to savers. Therefore, it's not possible to be confident that while values are correct, they are understood by savers. This is the key barometer to which we should be concerned about whether we are providing correct values.

Are the values allowed for the accrued benefits (2.4xx) and ERI (Estimated Retirement Income) (2.3xx) warnings sufficient? Are there any other common reasons or scenarios you think these warnings should cover (bearing in mind we cannot support scheme-specific warnings)?

Broadly yes, but perhaps there may be potential to allow for industry wide issues which could impact benefits from time to time (e.g. GMP rectification, GMP equalisation).

It would also be sensible to provide a warning if there's been significant market events between effective date of data and today.

As mentioned in the previous answer, the lack of clarity about what information the savers will see makes it difficult to understand whether the warnings presented are of value. This will need to be tested as part of Beta user testing. Also, some of the Decodes won't help the layperson understand what benefits they'll receive.

Finally, in conjunction to the warnings, we feel some general glossary terms would be of benefit to help savers to understand the different types of benefit e.g. a single DC scheme vs a collective DC scheme.

Would the ability to add a short piece of free text to cover pension provider specific issues be workable for you, or introduce a new burden? If so, how many characters would be required and what topics would it cover?

This would be more valuable than the 'OTH' option which is likely to drive unnecessary contact if it can be explained at source. However, this should be driven by user testing.

This could cover scheme/provider specific information about ongoing changes/activity which might impact benefits (e.g. data cleanse or other project work). We estimate roughly 200 characters would be sufficient for all reasonable circumstances. A drawback to be considered is the flexibility of text, which could lead to the end user viewing pension terms in differing language descriptions.

Without a new unique reference to link two pension elements together, the benefit values may get presented separately in a dashboard. Would the requirement for a scheme to create that new reference and share it with their other administrators be more onerous than dealing with any potential downside from not presenting the benefit values together onscreen?

Having a unique reference and therefore showing the pensions together won't alleviate all issues here if other elements of data are recorded inconsistently.

Further information is needed to understand how the unique reference is created. We assume the admin platforms will need a way to create the reference so this is a burden on both the platform(s) and the administrators to ensure the ID is created correctly, shared and used by the other provider(s) (e.g. AVC providers). This will likely represent a significant overhead in set up and maintenance to share these details between providers, therefore the need for one must have a clear benefit case.

It should also be established if this will be optional or compulsory.

Related to this item is the matching considerations for AVC providers. Will they need to follow the main schemes matching process? And how will this be decided?

It's crucial these complexities are communicated appropriately with AVC providers.

Consideration will also need to be given to where the saver is likely to contact if they have a subsequent query. This will vary depending on type of scheme/benefit but an industry example would be AVC benefits on a trust-based scheme where the saver is likely to contact the main scheme administrator rather than the AVC provider. In this situation we'd look to take on the AVC data and present as part of the overall scheme benefit return as part of a saver request rather than try and link the two records with a GUID.

Overall, this isn't an insignificant challenge, but it's not possible to know whether the effort required to achieve it is comparable with dealing with the potential downside of having to deal with queries where benefits aren't linked. We'd suggest this isn't a requirement initially, but experience in this area should be monitored.

4. Design Standards – Call for Input

Overview

We've responded to the specific questions posed in the call for input below. PASA's observations on areas which lack clarity or require further attention have been broken down against the core user journey steps in this section. We've outlined a number of areas where greater user testing will be required and a timetable for confirming/clarifying aspects of the Design Standards may be appropriate to reflect this need.

Step 1: Arriving at a dashboard:

The current proposals require a very large volume of notes, disclaimers and information to be presented to, and consumed by, savers. As it's likely the majority of engagement will be via mobile devices, generally smart phones, the design and delivery of this information could cause disengagement at an early stage due to difficulty in reading/absorbing information

- Where possible it would be beneficial to visualise information, rather than recite large bodies of text. Consideration should be given to providing links to full versions of notes/disclaimers, rather than defaulting to displaying large bodies of text

- Where possible, a user should only be expected to view and accept bodies of information once and not have them re-presented every time they access a QPDS

- Any break in the process (e.g. when a certain provider can't provide information immediately) is likely to lead to disengagement with the process. The method of re-engaging when information is available should be as simple as possible

- Possible matches could potentially deliver one of two outcomes: cessation of the engagement, or increased administrative burden and a frustrating saver journey. As such, best efforts by all parties to reduce possible matches are vital

- Whilst transparency is important, it's possible a 'not fully completed' dashboard will harm confidence and deter further engagement. At what point would the 'not all pensions providers are included' point cease to be the case?

Step 2: Hand off to/back from the CDA:

- What positive/enhanced experience will the user receive when handover/handback happens? If the rationale for providing information about the CDA is to handle legal responsibilities, are they really necessary to the user experience? (especially as PDP's research shows users can be confused by the handover/handback). This will need extensive testing.

Step 3: Search results:

- Display of the find request results - Mandating QPDSs to display encoded holdernames seems odd, or is a 'holdername description' not encoded? This isn't clear in the Call for Input

- Further clarification is required of a 'logical and neutral' approach to the sequence in which pensions are displayed

- Display whilst waiting for results: Only once many schemes have connected and response times from ISPs, at scale, are properly understood, can it be decided what should best be displayed in the waiting period. This won't be until late 2023/early 2024, so it's unlikely this aspect of the Design Standards can be confirmed prior to this

- Resolution of possible matches isn't adequately covered in the Call for Input. This requires extensive user testing before Standards are settled

- Display of the View Request results - the proposed Summary display contains a lot of information for a summary

- As long as it's thoroughly user tested, PDP's proposed blended approach of mandating how pension information is presented whilst allowing QPDSs optionality around further explanations could be acceptable

- Display warnings and explanations: From an operational perspective, for the wider pensions administration industry, this is probably the most critical aspect of the display. The ways in which explanatory and warning context is delivered could have a significant impact on the volumes of enquiries (online and phone) which pension administrators and providers receive after a user has used a dashboard. This contextual information should be extensively user tested, including testing the extent to which users actually read and understand the information, and how this impacts what they do next (see Step 4)

Step 4: Ongoing service:

- Administrators know savers have many questions when they see pension information, particularly around next steps, e.g. 'What can I do?', 'What should I do?', or other enquiries

- The Design Standards CfI is silent on these critical user next steps. This should be a focus of upcoming beta user testing, i.e. once users start seeing their real pensions on real dashboards, what next steps do they want to take? How prevalent are different types of users' desires to, for example:

  1. request definitive pension quotations from one or more of their schemes
  2. use the found pension information to model different future total income
  3. increase contributions

4. manually add any missing pensions
5. make permanent connections to pensions through existing Open Finance APIs
6. see pensions alongside other assets
7. consolidate pensions
8. other next steps?

- Clear signposts to the most efficient, ideally digital, ways for users to take these next steps should be mandated by the Design Standards to minimise dashboard users contacting administrators unnecessarily

- Mandatory links to MaPS' materials could be a good, consistent experience for users, as long as these are extremely high quality materials, e.g. short video content and not wordy explanations

- Perhaps more, or at least as, important though are the links to the providers/administrators of each of a user's pensions, which should be mandatory

- It's unlikely QPDS support functions will be able to answer many user questions about other providers' pensions. The user queries which QPDS support functions can help with will be limited

- The queries which users raise should be thoroughly explored in extensive user testing, and design standards for supporting those queries shouldn't be settled until those queries are properly understood

- Explaining the service again to returning users, and links to the CDA, should be acceptable to users if it doesn't hinder user journeys

- Extensive user testing should inform both the FCA rules and the PDP standards around leaving the QPDS protected environment

Specific Questions

Do you have any challenges (or support) in relation to our developing policy on design standards?

We believe being led by **iterative user testing is the right approach,** but this means testing and refinement of full Design Standards won't be possible until a large number of schemes have connected in, say, **early 2024,** which can then be tested at scale with their real savers, with consequent knock on impacts for Standards iteration and the DAP.

Do you have any evidence to support your input?

Principle 5 of the Government's own Design Principles from the Cabinet Office's Central Digital and Data Office (CDDO) stresses the importance of repeated iteration:

"5. Iterate. Then iterate again. The best way to build good services is to start small and iterate wildly … releasing

*MVPs (minimum viable products) early, testing them with **actual users**, moving from alpha to beta to live, adding features, making refinements based on feedback … reducing risk, and making big failures unlikely."*

Have we omitted any issues in developing our policy on design standards?
There should be an assumption of mobile-first throughout the policy. We know from open banking and international experience, a significant majority of users will use dashboards on their phones or tablets.

The Design Standards Call for Input is largely silent on the critical user next steps, i.e. what are the range of things different types of users will want to do next after using a dashboard? Testing and understanding these next steps is critical to enable the pensions administration industry to prepare adequately for the launch of dashboards to the general public.

Provision of a unique reference for possible matches to enable users to assist administrators in investigating these cases would be very helpful for all parties.

Do you agree with our approach to design standards principles and assumptions?
Principles: The 'Users' principles of **'broad consistency'** across different dashboards, **'minimum level of comprehension'** and **'good experience'** are critical aspirations. If dashboards fail to meet these principles, it'll be the administration industry which suffers the burden of a potentially very substantial increase in demand from confused users of dashboards. Understanding the next steps of users is a key part of the user testing which **must** be done to support development of the Design Standards and certainly prior to dashboards being launched to the public.

In you or your organisation's experience (please provide evidence if you are able), are there any important principles or assumptions missing in our approach?
It's difficult to comment on the PDP Design Standards without the FCA COBS Rules for QPDSs in place. A proper consultation on standards, but more importantly, extensive user testing of dashboards with real users will identify any gaps.

Are we right to favour the user over the QPDS where there is any conflict between their needs?
Yes - The needs of QPDS users should be paramount, but with the burdens on schemes and providers also taken fully into consideration.

5. Reporting Standards

Overview

The reporting standards appear to be the least mature of the standards under consultation. While the breadth of information required has been considered at length and appears comprehensive, there's insufficient detail on the specifics of what, how and when reporting is expected to take place. We understand this will develop further and by its nature will run behind some of the other standards, but this makes a detailed response to the questions asked and views on the necessity of each data item difficult to provide.

Specific Questions

Please provide comments on our overall breadth of information required

The breadth of information listed appears comprehensive and appropriate.

Are there any technical barriers to you in supplying the reporting data?

There are some elements of the reporting on Dashboard activity which may be integrated with current business processes and technology platforms which aren't connected to the Dashboard ecosystem. For example, complaints and query data will most likely be held within separate work management tools. Extracting this information will therefore be a constraint on how easily and often the data can be provided or how up to date it is.

Items like complaints are subject to other reporting and audit outside the Dashboard ecosystem and it's worth considering the frequency and necessity of providing this type of information with this in mind.

The complaint item specifically may be difficult to implement without a clear and practical definition of what constitutes such a complaint - e.g. if a saver phones up to disagree with an ERI displayed on the dashboard does this need to be reported (even if the saver is incorrect).

A further specific barrier is the protective monitoring requirement. Security concerns are tightly controlled and sharing these with a third party is both a technical and security challenge - especially if needed in real time.

6. Early Connection Guidance

Overview

We've no concerns with the early connection guidance as the notice periods suggested are short enough not to envisage any schemes seeing value in attempting to agree a connection date closer to, but before their regulatory staging point.

Specific Questions

Do you consider the notification requirement to be reasonable?

Yes.

Do you consider the minimum requirement for at least a month's extension (for schemes with an existing date) to be reasonable?

Yes.

7. Governance of Standards

Overview

We agree with the proposed approach to governance of the standards. There'll will be a need to iterate on the standards quickly as experience of Dashboard usage begins and increases. However, we agree some change will require further engagement with, and insight from, industry which your proposals will allow.

Specific Questions

Do you have any comments on the change process and timeframes?

As standards iterate, it'll be important for providers to be given adequate time to implement changes once they're identified.

Without clarity on the nature of changes it's impossible to assess the resources required to implement changes.

A six to twelve month window for minor/major changes could only open once the change has been fully scoped and agreed with industry. We would suggest these timescales are minimum periods rather than a blanket timescale for all changes.

The change windows are reasonable if they relate to go live dates which in our expectation should be consistent across the industry to maintain a consistent user experience.

Do you agree with our definitions of major and minor changes to the standards?

We understand the proposed major and minor changes are examples. The principles outlined are sensible, but experience will firm up these definitions as time progresses.

Any changes which require providers to consider BAU resource levels; system changes; data/calculation requirements or which impact the user experience in terms of content they see, must be classed as a major change.

Are you clear on the differences between standards, statutory guidance and recommended practice?

Yes.
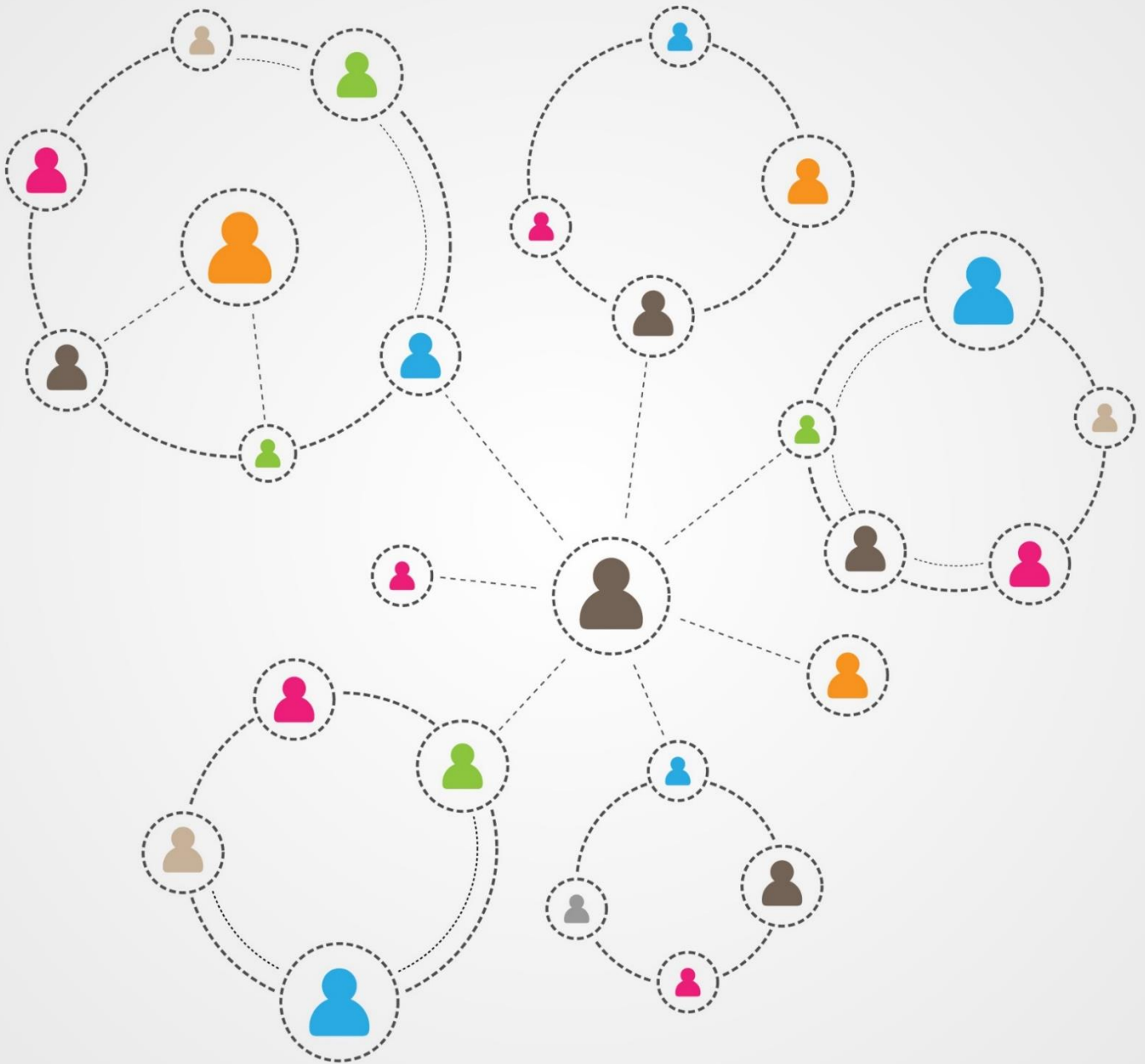
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