



# PASA Consultation Response

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Solution delivered...  
PASA Experts for  
Pensions Dashboards

PASA combined responses to the FCA and PDP pensions dashboards  
consultations  
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# Acknowledgments

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## 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.

## 1. Introduction

PASA is pleased to respond to both the:

- [FCA's consultation \(CP22/25\)](#) on the proposed regulatory framework for operators of pensions dashboards, referred to as Pensions Dashboard Service (PDS) firms, and;
- [PDP's consultation on draft mandatory design standards](#) setting out how data must be presented to ensure a consistent and good user experience on dashboards

FCA and PDP requested online responses to their questions, but as a number of our comments are thematic across several questions, we're submitting this combined document of all our responses on both consultations.

PASA set up its Pensions Dashboards Working Group (PDWG) [in March 2017](#) and has been considering these issues in depth since this time.

The PDWG is comprised of a [committed group of pensions professionals](#) focusing on dashboards from a pensions administration perspective, with representatives from across the PASA membership; including administrators, legal advisors, consultants, and technology providers. Representatives from The Pensions Regulator and the MaPS Pensions Dashboards Programme (PDP) also attend our working group meetings as observers.

Rather than answering each question across both consultation documents, we've focused on the topics with most material impact on pensions administration. We start with some overarching general comments.

## 2. General comments

We have some key general comments on a number of topics which were included in both the FCA and PDP consultations which are overarching.

### Overall approach – test dashboards should've been done first

There's a fundamental challenge in the way the dashboards initiative is being played out. Back in April 2019, in its [Command Paper on dashboards policy](#), DWP said (Next Steps, concluding paragraph 268, bullets 2 and 3), before the end of 2019, PDP would seek to work collaboratively with “interested organisations to create and test dashboards” with schemes “supplying [test] data on a voluntary basis to inform delivery”.

PASA supported this approach. Putting these tested dashboards in the public domain early would have allowed schemes and administrators to understand and comment with confidence on all subsequent dashboards proposals. This is because it would give an idea how dashboards journeys would flow across the full range of pension data variances existing across the pensions universe.

As far as we're aware, this approach hasn't been followed in practice. The MaPS MoneyHelper dashboard team has done some wireframe testing of mock dashboard designs. But the detailed outcome of this isn't in the public domain and so hasn't been able to inform our responses to these consultations.

The lack of test or mock dashboards in the public domain means it's near impossible for the industry to comment with certainty on dashboards' design proposals.

#### Qualifying Pensions Dashboard Service (QPDS) timing means testing can't start for quite a while yet

Furthermore, because of the way the regulatory framework has developed, the first QPDSs won't be authorised by FCA, and connected to the PDP Central Digital Architecture (CDA) to begin the all-important end-to-end testing with real pensions data, until at least Christmas 2023 (assuming the FCA authorisation gateway opens in 'summer' and the authorisation process takes approximately six months).

We're aware the MaPS MoneyHelper dashboard is connected to the CDA, but this team's testing plans, particularly the testing of different data variances, are unclear to us. It also isn't clear how the MaPS MoneyHelper dashboard plans align with PDP's separate plans.

The MaPS MoneyHelper dashboard isn't a QPDS so is less relevant to these consultations, although we understand it will largely follow the FCA/PDP controls on the user journey, e.g. warning disclosures, find and view displays, post-view services, etc.

#### Principles not prescription presents risks for administrators

The design standards take a principles-based approach to support the PDP's objectives but there's not sufficient recognition of the amount of configuration work required by schemes. Particularly in relation to making DB schemes data available and the potential challenges this may present to administrators and their ability to assess risk from a user perspective in the way data is presented. **We're reliant on the FCA approving a QPDS to assess the risk for trustees and providers.**

The consultation also references the use of guidance to set out good practice and it would be helpful to have early sight of this.

#### Impacts on administrators after savers have used dashboards

Since 2017, PASA has focused on how administrators will be impacted after savers see their pensions dashboards. In responding to this consultation we're keen to highlight the importance of recognising any ambiguity arising from the information supplied on a dashboard, or if users have queries as a consequence of the way information is presented on a dashboard, then these queries will likely be referred to the pension scheme administrator. We need to do all we can to protect day to day service which could be seriously impacted if dashboards give rise to a larger number of queries than necessary.

We also need to be mindful these queries may come several years in the future and administrators won't be in a position to comment on the context within which the data was presented unless some key displays are mandated.

#### What's PASA's proposal for the best way forward?

First, we urge all parties to recognise wherever the Design Standards and FCA rules settle in summer 2023, these are **untested at scale**, so will **almost certainly need to change** after testing.

Second, we urge the **FCA to authorise the first PDS applicants as soon as possible** so those QDPSs can connect to the PDP CDA and detailed testing can commence, crucially including testing of the user experience/outcomes, probably from very late 2023/early 2024.

Third, a recognition **very extensive testing with individuals with wide variances of pensions data** will be necessary to discover what displays work best for them (e.g. journeys, terminology, etc.). This may need to be at least 12 to 24 months of testing from the point the first cohort of schemes are connected, i.e. 31 August 2023.

Fourth, a **focus on the first point for PDP to announce changes to all standards** (changes we believe testing will almost certainly have shown are necessary). The first opportunity for this may be October 2024, i.e. after 9 months of QPDS testing.

These major changes, if announced in October 2024, would come into force (per PDP's Standards change cycle) in **October 2025**. A further period of testing will be required after this to ensure the revised Standards are operating as anticipated. This might, as an example, enable SoS to make the 6-month DAP announcement in late 2025, leading to a **DAP in Spring 2026**. We believe this is a realistic scenario.

We would welcome the opportunity to discuss these suggestions in detail with PDP and FCA as soon as possible. Our specific consultation response comments follow, but they should all be read within the context of the above overarching views.

### 3. FCA consultation questions

#### Chapter 3 High level standards, supervision and enforcement

**Q1. Systems & Controls (SYSC sourcebook):** Do you agree with the way in which we propose to apply the Senior Management Arrangements, Systems and Controls (SYSC) sourcebook to pensions dashboard service (PDS) firms?

**Q2. Fees (FEES manual):** Do you agree with our proposed approach to fees for PDS firms?

**Q3. Supervision (SUP manual):** Do you agree with our proposed application of existing Supervision manual (SUP) rules to PDS firms?

**Q4. Notification of changes:** Do you agree with our proposed approach to notification requirements?

**Q5. Regulatory reporting:** Do you agree with our approach to regulatory reporting?

**Q6. Record-keeping:** Do you agree with our record-keeping proposals?

**Q7. Enforcement:** Do you have any comments on our proposal to apply the same approach to enforcement investigations and actions to PDS firms as we do to other regulated firms, as set out in our Enforcement Guide (EG)?

**Q8. Decision Procedure & Penalties (DEPP):** Do you have any comments on our proposal to follow the same procedures for decision-making and imposing penalties in relation to PDS firms and individuals set out in our Decision Procedure and Penalties Manual (DEPP)?

#### Chapter 4 Prudential requirements and wind-down procedures

**Q9. Prudential requirements:** Do you agree with our prudential requirements for PDS firms?

**Q10. Capital resources:** Do you have any suggestions for how we might develop the capital resources requirement going forward, in particular to calibrate it to PDS firms as the market develops?

**Q11. Firm liquidity:** Do you think there should be a liquidity requirement for PDS firms going forward and, if so, how this might be calculated?

**Q12. Firm wind-down:** Do you agree with our proposed approach to wind-down procedures for PDS firms?

#### PASA response to Questions 1-12

PASA's strongly supportive of all of the existing FCA Handbook requirements applying to PDS firms, as part of the overall package of measures to ensure savers are as well protected as possible when they use dashboards.

Appropriate prudential controls and wind-down requirements are also welcome to ensure PDS firms can continue to operate effectively for savers or exit the market cleanly if they choose to do so.

## Chapter 5 Conduct standards

**Q13. General COB rules:** Do you agree with our proposals on general conduct of business rules?

**PASA response:** Yes.

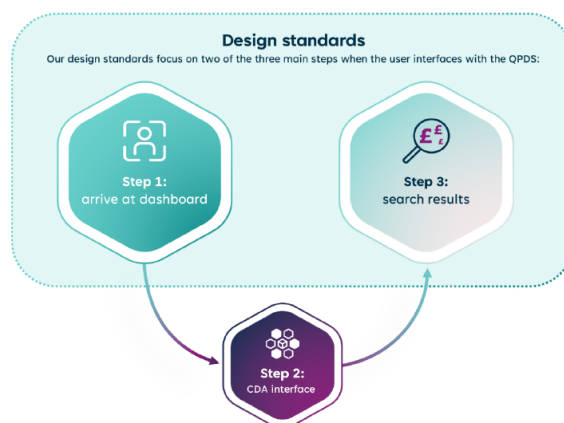
**Q14. Disclosure, signposts & warnings:** Do you agree with our proposals on disclosures, signposts and warnings? (under CD, about the firm and its PDS, about view data (lots), about decision-making and further sources of information or support)

**Q15. Disclosure, signposts & warnings placement:** We want disclosures, signposts and warnings to be displayed at the most important moment for consumers. Do you have any evidence as to when PDS firms should communicate these disclosures, signposts and warnings?

**PASA response:** PASA agree disclosures, signposts and warnings are very important for users to understand. There'll also be links back to the CDA throughout. However, from a consumer perspective, large volumes of warnings and signposting text could either halt the user journey or make it cumbersome and difficult.

In general, these proposals are geared to protect the consumer and cover risk but haven't been tested as a feasible online experience for a user.

A balance needs to be found between the length and frequency of warnings. This should be achieved through extensive user testing undertaken to discover what the most effective a) moments and b) manners are to make these disclosures so users actually read and understand them. One idea to be tested could be while the search is underway, i.e. between PDP's Step 2 and 3:



**Q16. Outsourcing:** Do you agree with our approach to outsourcing?



**Q17. Third parties:** Do you agree with our proposals relating to where third parties make dashboard services available?

**PASA response:** No specific comments from PASA.

**Q18. Data export destinations:** Do you agree with our proposal that data should only be exported to either the customer, the PDS firm, or a firm in the same group as the PDS firm with permission to give investment advice?

**PASA response:** The proposals to restrict exports to the customer, PDS firm or another firm in the same group seem reasonable. We note the proposals may not completely mitigate the harms envisaged in paragraph 5.53. Scammers may simply encourage people to export their own data and then send it on or upload it to the scammer's systems. Ultimately these risks need to be balanced against allowing an individual to keep a record of what they see on a visit to their dashboard of choice. As such, requiring a dashboard to display some warnings around what should be done with the data prior to starting the download (as envisaged in paragraph 5.61) would be appropriate.

**Q19. Data export protections:** Do you agree that the requirements we propose to place around how data is exported and processed ensure an appropriate degree of consumer protection?

**PASA response:** We agree the proposed requirements should ensure an appropriate level of consumer protection.

**Q20. Post-view services:** Do you agree that our proposals on post-view services achieve an appropriate balance between allowing scope for innovation and protecting consumers?

**PASA response:** FCA's proposed controls on PDS firms' post-view services (PVSs) are appropriate, but only extensive user testing will demonstrate if users are frustrated with these constrained user journeys. For example, not being able to kick off the immediate consolidation on very small DC pots. While it's helpful PDS applicants must state their proposed PVSs in the VoP application form, their actual PVSs can only be fully built and thoroughly user tested once their PDS is authorised and connected to the PDP CDA. Iteration and refinement of PVSs will therefore be required pre-DAP.

**Q21. Marketing:** Do you agree with our proposals on marketing?

**PASA response:** No marketing for other products or services should appear on QPDSs.

**Q22. Cookies:** Do you agree with our proposals on cookies and similar tracking technologies?

**PASA response:** Yes.

**Q23. Scams:** Do you agree with our proposals to protect dashboard users from scams?

**PASA response:** There's a risk FCA is relying too heavily on the existence of ScamSmart? What research been carried out on awareness of ScamSmart within the general public?

## Chapter 6 Senior Manager & Certification Regime

**Q24. Senior Managers:** Do you agree with our proposal to apply the Senior Managers and Certification Regime (SM&CR) to PDS firms?

**Q25. Limited Scope:** Do you agree with our proposals to treat PDS-only firms (firms that have no other regulatory permissions) as Limited Scope firms?

**Q26. Non-applicable provisions:** Are there any provisions within the Senior Managers and Certification Regime (SM&CR), including the Fit and Proper test for Employees and Senior Personnel (FIT) and the Code of Conduct (COCON), that apply to most firms but should not apply to PDS firms?

**PASA response:** No specific comments from PASA.

## Chapter 7 Dispute Resolution

**Q27. Dispute resolution:** Do you agree with our proposals to apply our complaint handling rules and guidance in the Dispute Resolution: Complaints Sourcebook (DISP), including the compulsory jurisdiction of the Financial Ombudsman Service, to PDS firms?

**28. Exclusion from FOS voluntary jurisdiction:** Do you agree with the Financial Ombudsman Service's proposals to exclude activities relating to pensions dashboard services from the voluntary jurisdiction?

**29. Complaints:** Do you agree with our complaints reporting proposals for PDS firms?

**30. Redress:** Do you agree with our approach to redress?

**31. FOS:** Do you agree with our approach to the FOS's fees and levy?

**PASA response:** PASA is supportive of the requirement for PDS firms to have detailed complaints procedures in place and reporting, per the DISP sourcebook. However, we anticipate user confusion between issues which are to do with the PDS versus those which relate to the provision of data. Like everything, this will need to be thoroughly user tested pre-DAP, possibly best achieved via a large scale private test launch or similar. This testing should look to fully understand how users react to their data and differentiate between routing questions/complaints on a) data they see versus b) what they should do next. Considerable testing and learning will be required in this area before DAP.

## Chapter 8 Authorisation

**Q32. International firms:** Do you agree with our proposed approach to authorising international PDS firms?

### Annex 2 Cost benefit analysis

**Q33. Innovation scope:** Do you think the combination of our proposals in this paper provide adequate scope for an innovative market to emerge, within the parameters set by Parliament?

**Q34. Cost benefit analysis:** Do you have any comments on our cost benefit analysis in Annex 2?

**PASA response:** No specific comments from PASA.

#### 4. PDP Consultation Questions

**Qa. Engaging, inclusive and accessible:** Our aim is for QPDS to be engaging, inclusive and accessible. Do our proposals achieve this aim? If they do not, what more do you think we could do?

**PASA response:** PDP proposals broadly achieve this aim. In particular, the tiered presentation of information will be critical in ensuring savers can make good use of dashboards – i.e. summary screens with the option to click through and view greater detail. This will make dashboards engaging without becoming overwhelming.

**Qb. Balance between protection & flexibility:** We have tried in our design standards to strike the right balance between ensuring consumer protection while also allowing dashboards the flexibility to tailor their communications and designs to their own audiences. Do you agree our approach strikes the right balance? Do you have suggestions about what more we could do to strike the right balance?

**PASA response:** We agree the balance between flexibility and protection is about right. In order to ensure consumer protection is consistent across dashboards, we recommend providers are required to signpost savers to external consumer protection bodies/websites – e.g. the FCA’s ScamSmart site (<https://www.fca.org.uk/scamsmart>). With dashboard providers requiring FCA authorisation, there may also be an opportunity to require providers to link through to the FCA’s register where such authorisation can be checked. This could easily be done in the footer of a dashboard page (in the same way as privacy policies etc.).

**Qc. Consistency with FCA:** We have not replicated the terms from the regulations or the FCA’s regulatory framework in the design standards, as we do not consider we need to duplicate these and also given that QPDS must familiarise themselves with those terms in any event. Do you agree with our approach that design standards should be read consistently with the regulations and the FCA’s regulatory framework (see paragraph 16 of the draft standards).

**PASA response:** We agree with this approach.

**Qd. Accessibility standards:** We consider it is important that QPDS are accessible and propose they are at least AA compliant with the industry standard: W3C Web Content Accessibility Guidelines 2.1 (or another equivalent) (see paragraph 25(b)(i) of the draft standards). Do you agree with this approach to ensuring accessibility? If you do not agree with this suggestion, then what other approach do you think we should adopt to ensure dashboards are accessible?

**PASA response:** The industry standard above currently represents a suitable requirement for QPDS. We note the general requirement for user testing but also recommend dashboard providers undertake user testing specifically targeted at accessibility prior to launch.

**Qe. Inclusive definition:** We have explained what we mean by dashboards being inclusive (see paragraph 25(b)(ii) of the draft standards). Do you think we need to provide more explanation?

**PASA response:** No, the current explanation is sufficient.

**Qf. Terminology not prescribed:** We have not defined the terminology to be used by QPDS when presenting pensions information (see paragraph 25(c) of the draft standards), as we believe dashboards will be best placed to determine the most appropriate way of communicating to their customer base, and imposing uniform requirements on language could be counter-productive. Do you think this is the right approach? If you do not agree with our approach, then how do you suggest we should approach defining terminology?

**PASA response:** We agree some freedom is necessary to allow dashboard providers to select appropriate terms for their customer base, but we're conscious there are some terms which will inevitably be used but carry an element of ambiguity. For example, 'fund' could refer to a pension fund as a whole (e.g. the scheme), or to an individual's pot of DC savings (e.g. their individual account), or to an investment vehicle in which pension savings are invested (e.g. a specific investment fund). Equally, 'pension' could refer to either an income in retirement or to a pot of savings – hence the mandatory use of Estimated Retirement Income as a term.

We suggest PDP compiles a list of such potentially ambiguous terms clarifying both acceptable and unacceptable usage to ensure they are used consistently by providers.

The draft design standards talk about the use of 'labels' to give definitions/explanations of pensions/technical terms. It might be helpful for PDP to provide authorised wording for the content of these labels, giving a uniform glossary which would be consistent across dashboards.

**Qg. Neutral and logical definition:** In a number of places, we have referred to the QPDS presentation of information in a 'neutral and logical manner'? Are you clear what this means in the light of the explanation in paragraph 39 of the draft design standards? How do you think we could be clearer in explaining what we mean?

**PASA response:** The current explanation is clear and sufficient.

**Summary of pensions information:** In relation to the summary of pensions information:

**Qh(i). Clickthroughs:** Do you agree with the approach of a summary of all of the pensions information provided the user can click through to the detailed pensions information in respect of each benefit? If you disagree, please explain what approach you would prefer.

**PASA response:** It's important the user journey is as easy and intuitive as possible. In principle this approach sounds sensible but all administration providers will have a challenge in responding to this consultation. This is because we are being asked to comment on something based on principle without being able to replicate the user experience.

**Qh(ii). Too much in Summary?:** Do you consider we are requiring the right amount of information to be displayed in the pensions summary? If you do not agree with our proposals, what information do you think we are missing or what information do you consider to be superfluous?

**PASA response:** The amount of information to be provided in the summary appears appropriate. However the accompanying wording will be critical.

Users will need to be made aware of the importance of looking at the detail of each benefit. If, for example, it's not evident on the summary page that part of the pension is not payable for life and the user does not look at the features of the benefit then there is a risk. This is an example of where some clarity around mandatory wording both in terms of where mandatory wording will apply and the actual wording to be used would be useful.

**Qh(iii). Summary construction:** Do you agree with the rules we are proposing for how the summary is constructed? If you do not agree, then can you explain why not and highlight any omissions you consider we have made.

**PASA response:** Having reviewed the consultation we would comment as follows:

- We're not sure it's possible to achieve the pension ordering outcome detailed in paragraph 35
- In the same paragraph, employer details are optional so grouping by employer won't be possible based on the current data standards
- We're working with schemes, such as master trusts and buy out providers where membership isn't typically attributed to a specific employer although could potentially be if employer data was mandatory, but this would potentially place an additional data cleanse/creation requirement on a significant number of schemes
- As a consequence of the above, some of the pension ordering suggestions may not be practically possible
- There would be potential risks in ordering pensions in value order where some are DB and some are DC due to the fluctuating value of DC pensions. This could lead to a reordering between user visits to a dashboard. Also, chronological order of payment date may create issues for DB schemes with split NRAs or for members who are past NRA. Based on the suggestions in the consultation therefore, alpha and pension start date (i.e. when the pension started to build up) orders seem to be the only pragmatic approaches

**Qi. Totalling & graphical representations:** Do you think we should allow totalling and graphical representations of all the found pensions on QPDS (see paragraph 46 of the draft standards)? If you do not agree, could you explain why?

**PASA response:** While we're supportive in principle of any features of dashboards making it easier for users to understand and value their pensions, this is another scenario where it's hard for administrators to respond without having seen examples of what dashboards may look like. In particular, we're unclear as to how sufficient

information under 46b could be provided to ensure users understand the information on the graph. This is particularly true for DB schemes and their variability of scheme structures.

**Qj. Totalling & graphical explanations:** Do you think the mandated explanation mitigations we have put in place for totalling and graphical representations are adequate? Please explain what you would consider to be adequate mitigations.

**PASA response:** This will depend on the relationship between the summary and the graphical representations. If this representation can only be accessed from the summary this may reduce the risk of information being taken out of context. We also remain concerned the consultation doesn't at least take the opportunity to start to look to achieve consistency of language. While we recognise it's not possible to mandate this due to the potential costs involved, schemes are often rewriting/revisiting scheme communications and in the absence of any guidance, this diversity will continue. From an administrative perspective, these ongoing inconsistencies may give rise to increased member queries at a time when we should be looking to take steps to minimise queries and protect the existing administration service.

From the design consultation it's hard to get a sense of the user journey on a dashboard and administrators need to consider the journey beyond a dashboard and the ecosystem into scheme portals. This is impossible to understand from the information available and we'd like the next iteration of the design standard to be more reflective of the end to end user journey.

It's unclear how a dashboard provider would understand the type of arrangement referred to in 25 d iii, especially where the arrangement is a hybrid one.

**Qk. Links to CDA everywhere:** Are we right to require QPDS to have prominent links to the CDA displayed on each page (see paragraph 45a) of the draft standards)?

**PASA response:** See our response to FCA Q15 above.

**Ql. Signposting delegated access:** We have not required QPDS to communicate information around delegated access (to a MaPS guider or, in specific circumstances to a Financial Adviser) as this takes place at the consent and authorisation service. Do you think we should require QPDS to explain the possibility of delegated access earlier, even if the QPDS is not providing a delegated access functionality (which would be in respect of the Financial Adviser only)?

**PASA response:** Our suggestion is this should be descoped until dashboards are up and running.

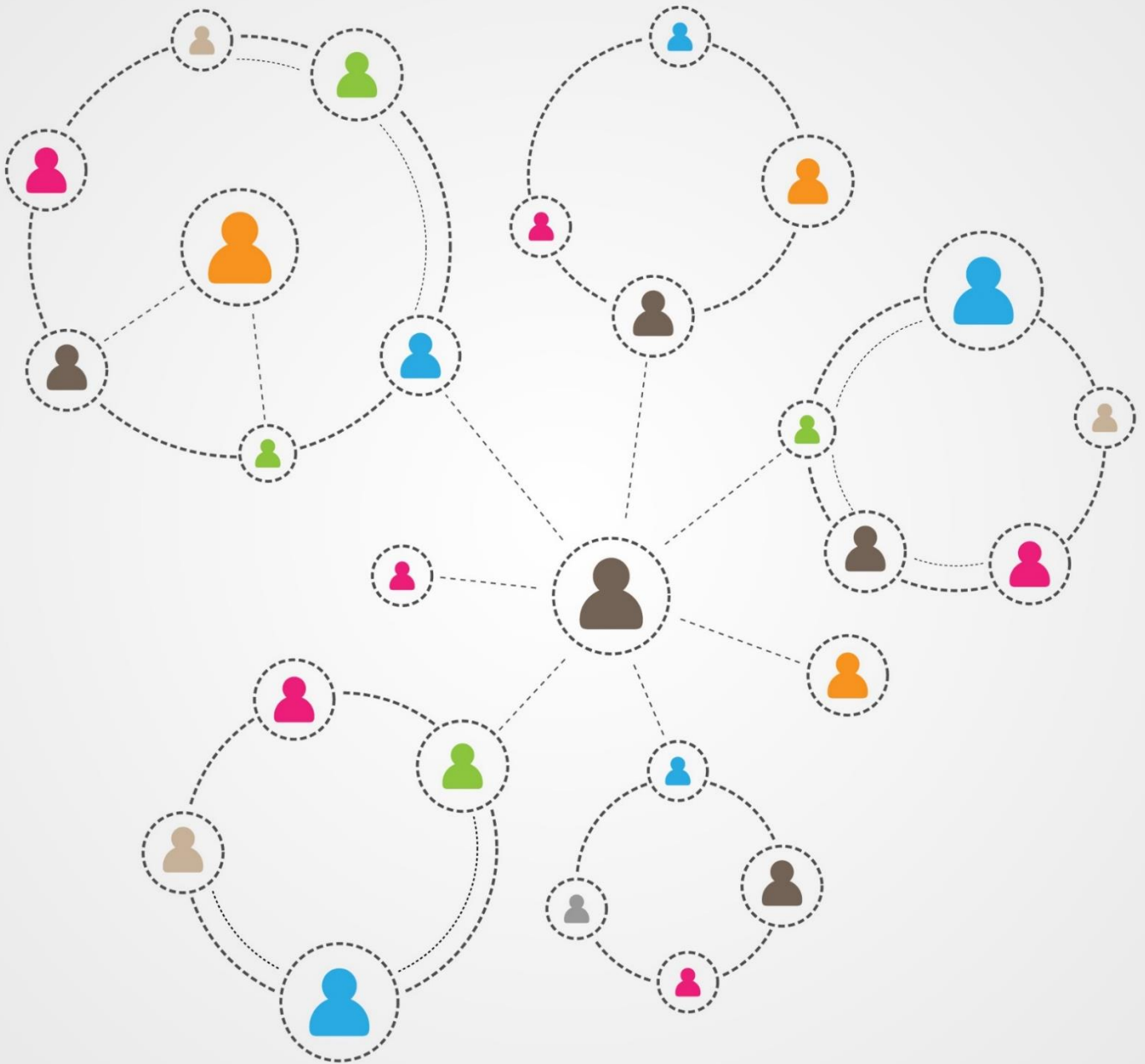
**Q Other:** Please also feel free to submit any other comments you wish to make in respect of our proposed design standards.

**PASA response:** PDP's Design Standards could be more **prescriptive** overall. For example, on things like mandating terminology. Also, extensive **testing with individuals** will be necessary to discover what works best for them (e.g. journeys, terminology, etc.). This means the V1 Design Standards which are settled in Summer 2023 may well need to **iterate considerably** by V2 in October 2024. But we believe these will need to be announced by October 2023 if they're major - per the PDP standards change cycle.

However, it's unlikely much (if any) QPDS testing can be done by October 2023 given the first QPDSs are unlikely to be FCA authorised and connected to the CDA much before Christmas 2023. If the testing of the first connected QPDSs during the first half of 2024 requires further major changes to the design standards, then these would need to be announced in October 2024 and come into force from **October 2025** – again per the PDP change procedure.

The impacts of these change cycles to all Standards (not just Design Standards) on the DAP should be considered very carefully.





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