

Industry Policy Committee

Data (Use and Access) Act 2025 (DUAA)

Unpacked

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PASA 



The Data (Use and Access) Act 2025 Unpacked: Six key areas for pension schemes

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Introduction

The Data (Use and Access) Act 2025 (DUAA), which received Royal Assent on 19 June 2025, introduces reforms to the UK's data protection framework. While not pension-specific, its provisions and the subsequent guidance issued by the Information Commissioner's Office (ICO) have clear implications for scheme governance, saver experience and operational efficiency.

The six key areas to watch are outlined below:

1. Automated Decision-Making

Section 80 of the DUAA moves from a prohibition-based model to a risk-based framework. This removes many of the previous restrictions on significant automated decision-making, while keeping mandatory safeguards such as transparency, human intervention and contest rights.

While pensions aren't explicitly mentioned, the DUAA paves the way for improved automation in scheme administration. This could lead to efficiency gains and better outcomes for savers, making it a development worth watching.

2. Digital Verification Services and the Trust Framework

The DUAA elevates Digital Verification Services (DVS) to a statutory footing, mandating certification under the UK Digital Identity & Attributes Trust Framework (DIATF) and listing approved providers on a [government register](#). This creates an audited, standards-based route for schemes to source identity checks which meet rigorous security, governance and data-minimisation requirements.

Across key lifecycle moments such as onboarding, transfers and decumulation, tracing small pots, bereavement handling and pensions dashboards, schemes can plug in DIATF-certified services to deliver consistent, high-assurance identity matching. The result is simpler due diligence, fewer interpretation gaps with suppliers and a marked reduction in impersonation and fraud risk, all key areas highlighted in PASA's [Identity Verification Guidance](#).

3. Recognised Legitimate Interests – Safeguarding Vulnerable Individuals

The DUAA introduces a new lawful basis for processing personal data: Recognised Legitimate Interests (RLIs). Unlike the longstanding Legitimate Interests basis, RLIs don't require a balancing test between individual impact and organisational benefit – the public interest is predetermined for each specified RLI.

Of the five RLIs, one is Safeguarding Vulnerable Individuals. For schemes, this enables timely, proactive interventions where their members face financial vulnerability, cognitive decline or exploitation. It complements the FCA's Consumer Duty by allowing schemes to act in their members' best interests without

delay or unnecessary legal friction. By embedding safeguarding into the data protection framework, the DUAA strengthens the sector's ability to support those who may struggle to advocate for themselves.

The ICO's [draft guidance](#) on the safeguarding condition clarifies how to apply this RLI, including:

- confirming the scheme's processing activity genuinely constitutes safeguarding
- verifying the individual is either under 18 or an 'at risk' adult
- demonstrating handling personal information is necessary (more than merely useful) and proportionate
- documenting the scheme's assessment of vulnerability and the necessity of data use

Schemes handling special category data for safeguarding must also comply with Articles 9 and 10 of UK GDPR.

4. Subject Access Requests (SARs)

The DUAA doesn't remove any pension scheme member's right to access personal data within a month, including requests made by third parties on their behalf, but it allows the response time to be paused while waiting for clarification or more information. It also confirms searches only need to be 'reasonable and proportionate', helping schemes manage blanket or nuisance SARs more effectively.

5. Data Protection Complaints

The ICO's complaints [draft guidance](#) sets out clear requirements for handling data protection concerns:

- Provide multiple, accessible channels for savers to raise complaints (online form, phone, email or in person)
- Acknowledge receipt of each complaint within 30 days
- Investigate and respond without undue delay, updating the scheme member on progress
- Maintain comprehensive records of complaints, investigation steps, outcomes and any remedial actions
- Inform complainants of their right to escalate to the ICO if they remain dissatisfied

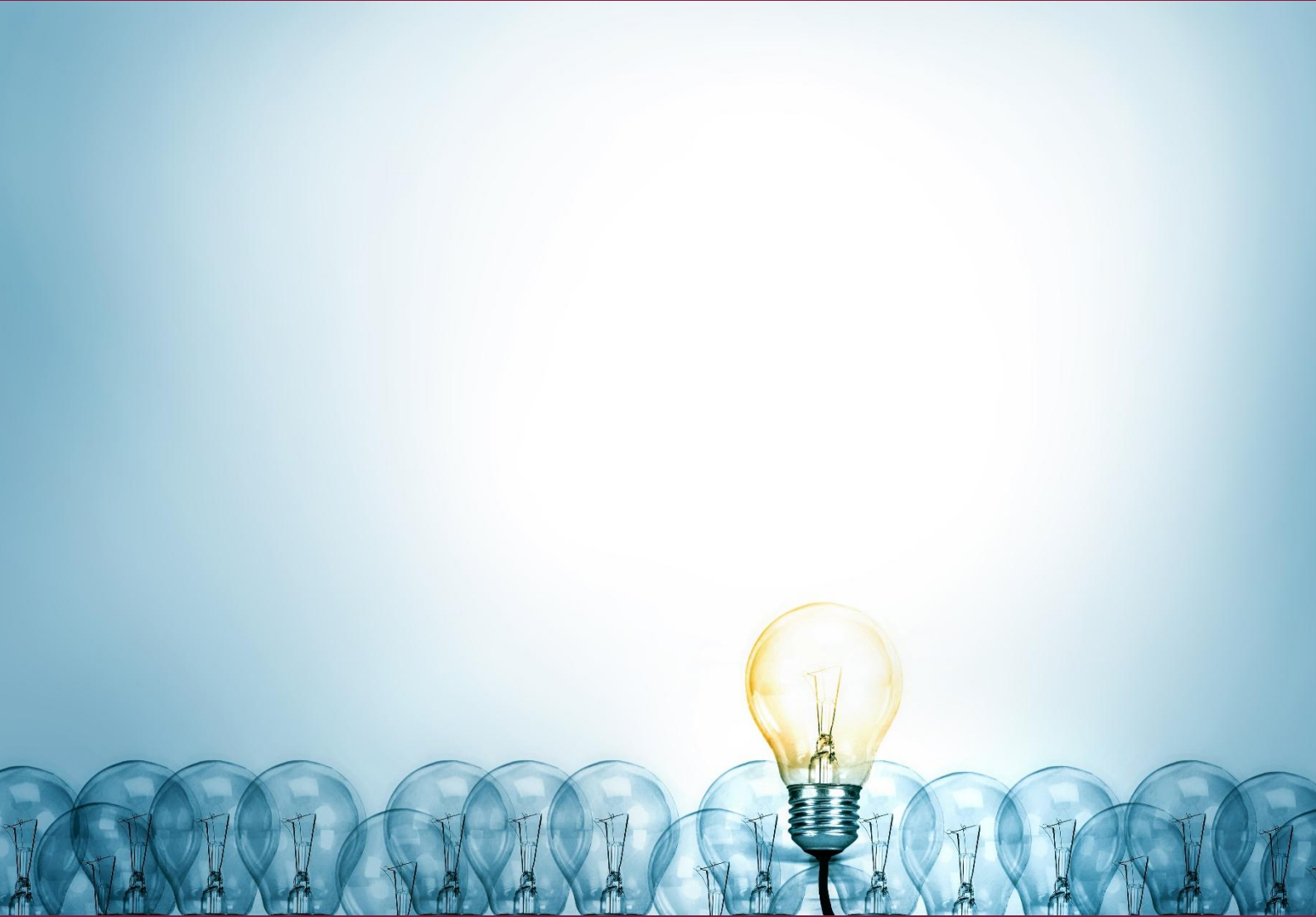
Data protection complaints may need to be handled separately from other scheme member issues and escalations will go to the ICO rather than the Ombudsman and so this new requirement adds complexity for schemes.

To ensure regulatory obligations are met, schemes need to update existing complaint processes to integrate these requirements, ensuring their members receive an easy-to-understand, seamless experience.

6. Looking Ahead

Taken together, the DUAA and ICO guidance reshape data governance across the saver journey into retirement. Schemes should begin by auditing and refining processes for safeguarding vulnerable members, member identification, and managing subject access requests, both to ensure compliance and to capitalise on the efficiency gains the reforms enable.

Equally, the updated data protection complaints requirements must be woven into existing quality-assurance frameworks with care, preserving a seamless, transparent experience and maintaining saver confidence rather than creating new friction



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