

Pensions Dashboards

- *PASA's new Compliance Monitoring Guidance and Post-Use Toolkit for Dashboards*



KIM GUBLER
PASA President
Webinar Host



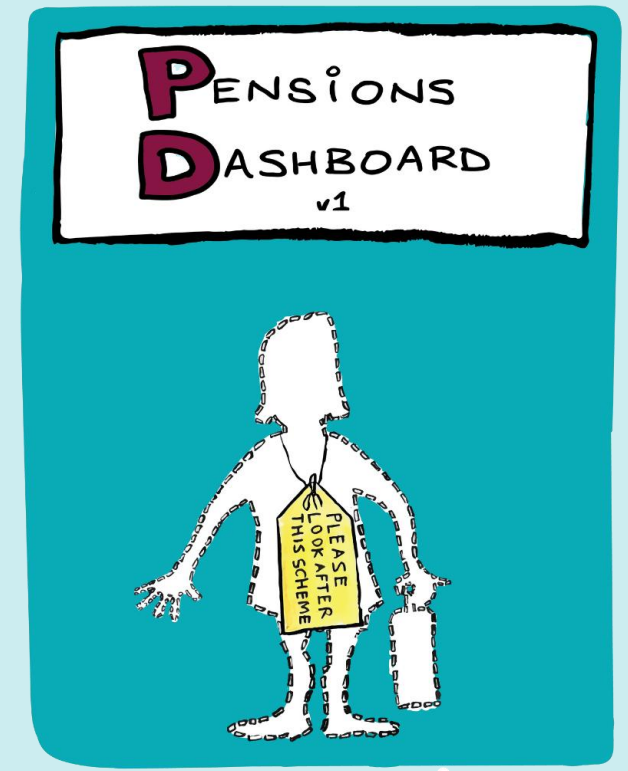
MAURICE TITLEY
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Pensions Dashboards Lead
The Pensions Regulator



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In conjunction with



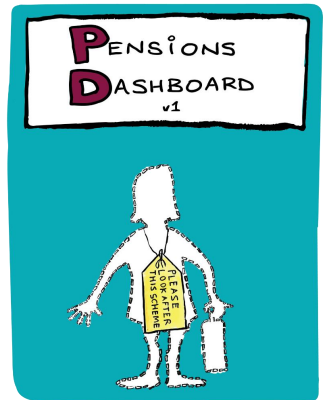
PASA Experts for Dashboards



Introduction



Kim Gubler
President, PASA



AGENDA

- **Regulator Update – Lucy Stone**
- **Compliance Guidance – Maurice Titley**
- **Post-use behaviour toolkit – Geraldine Brassett**
- **Insights from early testing – Maurice Titley**
- **What's coming next from PASA – Maurice Titley**
- **Panel Questions**

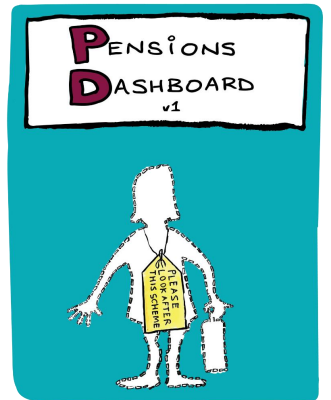


Regulator Update



Lucy Stone

Pensions Dashboard Lead, TPR



Monitoring compliance

- **Risk based** – target our resources according to the level of risk and intervene as necessary
- Are members receiving a complete and accurate view of their pensions?
- Use (and need) **multiple sources of evidence**.



Governance is key

- Robust internal governance is key for ongoing compliance
- Helps identify issues and risks early, and put mitigations in place

- ✓ Keep records of compliance
- ✓ Take prompt and effective action to resolve issues
- ✓ Keep a record of actions taken to resolve issues inc comms with third parties
- Gives us a rounded and transparent view of efforts to comply with legislation

Expectations

Reporting standards – daily reporting (in future)

- Number of view requests received + where takes longer than 10 seconds to respond
- Service unavailability
- Time taken to calculate values and provide (if not done immediately)
- How many times you have used *certain* unavailable codes

Records - available on request

- All unavailable codes used, number of members impacted, and rationale for using them
- Contacts received from members related to dashboards inc volumes
 - Queries about information provided
 - Queries about pensions not found
 - Complaints (inc steps taken to resolve and outcomes)

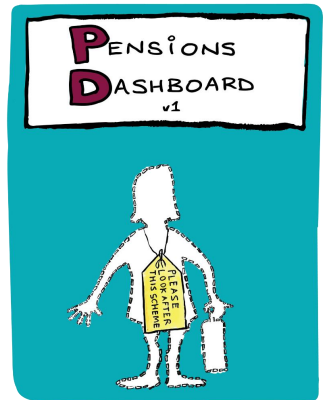
Operational reporting (recommended)

- Understand downstream impact on members and administrative operations
- Risks: scams (early warning system), increases in workload from avoidable queries
- Benefits: reconciling with lost pots
- Other: increased engagement, DC consolidation, vulnerable members

Compliance Guidance



Maurice Titley
Commercial Director, Lumera



What's the Compliance Monitoring Guidance?

Purpose:

- Supports ongoing compliance with pensions dashboards requirements
- Sets out what trustees, scheme managers & service providers processes should be monitoring
- Supports administrators and connection providers in developing operating processes and controls
- Encourages earlier, informed engagement between trustees, scheme managers, administrators and other delivery partners
- Enables robust compliance monitoring solutions to go live as early as possible ahead of the full public launch of the MoneyHelper dashboard



What's the Compliance Monitoring Guidance?

What it's NOT:

- Doesn't replace statutory or regulatory obligations
- Doesn't replace MaPS or regulator guidance
- Doesn't prescribe a single approach to compliance monitoring
- Doesn't provide example reporting templates (future toolkit content may cover)

Responsibilities:

- Responsibility for compliance remains with duty holders
- Duty holders should seek appropriate legal advice where required



Key roles involved in compliance

Dashboards compliance requires coordination across governance, operations and technology. The key roles are:

Duty Holders

- Accountable for legal compliance
- Regulated by FCA/TPR
- Adhere to regulators' enforcement and breach reporting processes

Scheme Administrators

- Lead the operational delivery activities that enable Duty Holders to be compliant with dashboards legislation

Connection Providers

- Enable dashboard connectivity
- Comply with standards for dashboards connection set by MaPS who govern the Central Digital Architecture (CDA)

Oversight may be more complex where multiple Scheme Administrators or AVC providers are involved, particularly where providers connect directly to dashboards under a 'multiple source' model. Duty Holders should ensure appropriate governance and reporting arrangements are in place across all participating parties.



Key ongoing legal duties

After connecting, there are three key ongoing legal duties, all of which require monitoring to ensure compliance:

Matching

- Duty Holders agree match criteria
- Scheme Administrators and Connection Providers implement the matching approach

Pension information provision

- Duty Holders agree approach to providing pension data, including use of immediate or on demand value calculations
- Scheme Administrators take the lead in implementing this

Connection performance

- Connection Provider manages this on behalf of Duty Holders, sometimes indirectly through the Scheme Administrator
- Covers performance and availability of the connection

The MaPS Reporting Standards **don't** cover the whole range of what it means to be compliant, they cover a subset of information connection providers pass to the CDA, to supplement the data it already holds, to then be available to Regulators



Different ways to monitor compliance

Three ways to consider compliance:

Fundamental Requirements

Are you meeting the fundamental requirements and the spirit of the legislation?

Regulatory Expectations

Is your dashboards connection performance and related operational performance, in line with the Regulators' stated expectations?

Compliance Indicators

What specific indicators should you be monitoring to comply with legislation and MaPS Standards?

All compliance monitoring expectations ultimately apply to Duty Holders. In practice, much of the operational monitoring activity will typically be delegated to Scheme Administrators, who may themselves rely on Connection Providers or other third parties.



Matching

Fundamental Requirements - Duty to complete matching immediately, having regard to guidance issued by the Regulator (such as by TPR, which also references PASA Matching Guidance)

Regulatory Expectations – ‘It’s critical schemes connect the right pensions to the right saver. We will take an interest where a scheme is failing to find a pension for a saver when they should’ (TPR)

Indicators to use to monitor matching compliance

- Counts of Find Requests received, and Matches made, over time periods so trends can be seen
- Data on Possible Match resolution: overall numbers created, outcomes (Match Made, No Match, Unresolved, Deletion due to no saver response)
- Saver complaints and queries
- As usage continues to increase, consider how to benchmark matching performance with support from Administrator or Connection Provider

Relevant Members – TPR guidance has recently clarified definitions of members who cease to be relevant members (so should be removed from dashboards), but implications for monitoring are still under review



Pension Information Provision

Fundamental Requirements – The fundamental compliance requirement is for pension information to be calculated accurately, provided within the required timescales and based on sufficiently recent data.

Regulatory Expectations – ‘You must ensure that your scheme member data is of sufficient quality to enable you to provide your matched members with accurate and recent value data within the timescales set out.’ (TPR)

Legislative Exemptions

- No pension values needed: PPF assessment, Winding up
- Only accrued values needed: DC or hybrid benefits with small dormant pot, or 2 years from retirement
- Only accrued values needed: DB/cash balance deferred member
- Delay allowed for New members: 3 months for Administrative data, longer for pension values



Monitoring example – Values Unavailable codes

Legislative Timescales where pension values not immediately available

- 3 working days (only if all DC) or 10 working days unless there's a legislative exemption
- Timescale is to make the data available (irrespective of whether a new View request has been received)
- Choice of 'unavailable codes' does not change these timescales (as MaPS and TPR have clarified)

Monitoring 'unavailable' pension values where there are no Legislative exemptions

- Applies to these Unavailable Codes in the Data Standards: **DBC, DCC, ANO, TRN, MEM**
- Monitor the use of these codes and the time taken to make the information available
- Context will be important to record for any breaches (such as the third party involved if using 'ANO')
- Note this is wider monitoring than needed for the reporting to MaPS under the Reporting Standards



Monitoring example – Recency and illustration dates

Legislative requirements on source of pension value data:

- **Recency:** Must be from a statement **provided** in the last 13 months, or
- **Recency:** A calculation **performed** within the last 12 months
- **Consistency:** Must have the same illustration date

Illustration date consistency – TPR has clarified (in its Guidance) that DWP has confirmed the policy intent was for illustration dates to align at the benefit level. We therefore propose no additional monitoring is required.

Pension values recency monitoring

Where schemes are using ‘annual processes’ to provide pension values they need to:

- Identify which option is used (from a *statement provided*, or *calculation performed*) – may be a mix
- Document what you mean by *provided* and *performed*
- Maintain records so that ‘expiry dates’ can be monitored
- Decide what actions will be taken if expiry dates are exceeded



Monitoring example – Handling expired pension values

Annual processes can lead to expired pension values:

- A few days delay in a calculation performed may mean last year's expiry date is passed
- A delay in loading values to dashboards can use up the extra month allowed for statements

Some example actions to take to avoid breaches:

- Change to the 'from a statement' option by making values available online, and load them quickly each year
- Run a second set of bulk calculations each year (potentially at the previously used illustration date)
- Switch to providing DBC/DCC unavailable codes for a period and handle calculations in 3/10 working days

Where breaches have occurred:

- Follow the relevant Regulators' breach reporting approach
- Breaches only occur if View responses were made on expired data, you may want to establish this first
- Savers only see 'illustration date' so consider how out of date that is when assessing impact of the breach
- For example, savers may be used to a significant lag in illustration dates in their annual statements



Connection Performance

Fundamental Requirements - Ensure Connection Providers meet the applicable MaPS standards, and notify MaPS about connection state changes.

Regulatory Expectations – Specific examples are given in TPR’s Compliance and Enforcement policy around connection providers becoming disconnected and potential enforcement action.

Monitoring of Connection Performance

- Find Service / View Service Unavailability - monitor performance against MaPS SLA (99.5% availability over calendar month) – currently only a target not an SLA
- Find request acknowledgements (<2 sec) – monitor SLA 99.9% over 24 hours, and completion of matching process (<60 sec)
- Speed of View Response processing (<10 sec) – monitor SLA 99.9% over 24 hours

Most of the indicators above are in the MaPS Reporting Standards (except for Find request information already in the MaPS CDA). These will in the future be reported daily under version 2.2 (implementation deadline being agreed).



Saver contact

Fundamental Requirements - Saver queries, complaints and feedback may provide valuable evidence of operational issues relating to matching, pension information provision or dashboards connectivity. Duty Holders should ensure dashboards-related saver contact is appropriately monitored and escalated.

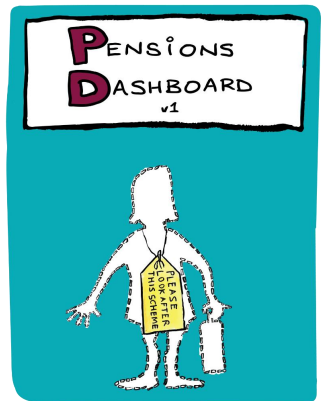
Geraldine will next introduce additional toolkit content we're releasing on the wider topic of monitoring what members do next after using dashboards.



Post-use behaviour toolkit



Geraldine Brassett
Senior Consultant, WTW



What's covered by the Post Use Behaviour Reporting?

Purpose:

- Provides:
 - More detail on whether dashboards are meeting their objectives
 - Insights into the types and volumes of queries and transactions arising from dashboards
 - Early sight of whether dashboards are exposing members to increased risks e.g. from scams or fraud
 - Supports management of work post launch, including balancing dashboard related work and business as usual activity
 - Visibility of trends in member behaviour so providers can adapt their solutions, plans and communications to meet member needs
- The information will be important in discussions between administrators and trustees, scheme managers and sponsors- post launch communication will be key
- Numbers will be indicative as it will not always be possible to identify which queries arise because a member has visited a dashboard
- Helps trustees, scheme managers and service providers monitor the operation of new processes.
- Supports MaPS and regulatory bodies to continue to develop their services and guidance



Key points to note

In drafting the toolkit content, the following has been taken into consideration:

Voluntary Reporting

Toolkit content was instigated by TPR. Development has evidenced benefits to MaPS and industry stakeholders including administrators, trustees and scheme managers.

Alignment to Existing Reporting

Wherever possible, reporting has been aligned to current industry practice however a greater level of detail will be required

Consistent Approach

Demonstrate the impact of pensions dashboards on saver engagement over time, support regulatory oversight and enable providers to understand why different schemes may be experiencing varying outcomes.



Example content

Areas of reporting covered by the toolkit content include:

Change in number of cases completed

- Transfers out
- Retirements
- Queries – where possible split by reason e.g.
 - Non-member
 - Questions about dashboard information

Additional demographic information

- Lost pensions (as defined by PPI)
- Small pension pots

Risk of saver harm

- Scams
- Potential or actual fraud
- Indications of increased consolidation activity where this may not be in the saver's interest

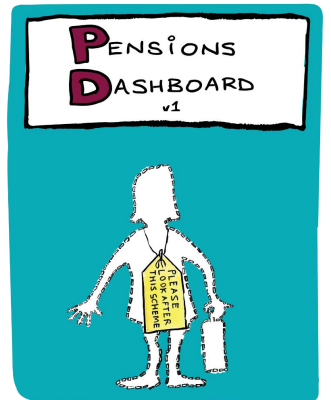
Toolkit content is complete and is in the final stages of review and will be published in early July



Insights from early testing



Maurice Titley
Commercial Director, Lumera



Insights from early testing

MoneyHelper testing is progressing:

- Consumer testing is progressing – MaPS shared updates on Phase 1 results in April
- Phase 2 is underway with increasing volumes
- Industry testing is also progressing in parallel

PASA DWG is starting to pick up on feedback:

- From individuals doing their own industry testing
- From administrators receiving matches now volumes are increasing

Very early insights impacting future PASA guidance:

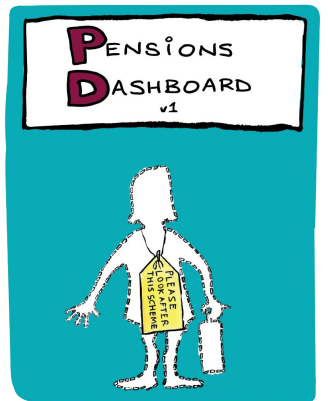
- Possible match criteria – balance between too many ‘false possibles’ and savers not finding pensions
- Possible match resolution – real cases will be able to inform new guidance
- Consistency of view responses – more guidance may be helpful in some areas



What's coming next from PASA Dashboards WG?



Maurice Titley
Commercial Director, Lumera



What's coming next?

PASA DWG imminent outputs:

- Compliance monitoring guidance – today!
- Post-use behaviour reporting toolkit – early July
- Use of the Survivor benefit flag – toolkit content – today
- What to say to members enquiring about dashboards (Encomm WG – Shaily Sodha) – next week

PASA DWG outputs in the Autumn:

- Change of Administrator Toolkit
- Resolving Possible Matches Guidance (Operational Readiness Team – David Brooks)
- *And other toolkit content TBC*



Panel



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