

Pensions dashboard - full steam ahead

With the recent publication of the Pension Finder Alpha Project white paper, the industry is moving closer to delivering pensions dashboards.

The dashboard was a key recommendation in the Financial Advice Market Review (FAMR) from the Financial Conduct Authority (FCA) and backed by HM Treasury, as a means to help address the advice gap and the need to better educate and inform the many savers who were unlikely to seek the assistance of professional financial advisers. It was then more publicly proposed in George Osborne's 2016 Budget speech when he challenged the industry to have a dashboard in place by 2019.

The effect a dashboard could have on people's personal financial situations, as well as on the pensions industry, cannot be underestimated. By making people's pensions savings data accessible in one place, it can help to tackle under-saving, help savers locate lost pension pots, inform their decisions on retirement planning and support the development of automated financial advice, as well as steer people towards seeking financial advice where they need it.

And, just as online banking services have helped people to better engage with their daily finances, so the dashboard is expected to lead to significantly more engagement with pensions and consequently, to engender greater confidence both in pension products and in the pensions industry. If done right, the pensions dashboard should be a win-win situation for consumers and the industry in general.

Following the original work of the Alpha group, resulting in the publication of its white paper, the Association of British Insurers (ABI) has undertaken to progress the next phase of the dashboard. It aims to work with the Government and the wider industry to continue defining the governance and architecture while tasked with developing a prototype dashboard.

The white paper stated that the intention now is "to maintain and build momentum, delivering a first alpha service, which is iterated and improved through a private and then public beta in 2017 before becoming a 'live' service".

There are four key elements to creating a dashboard:

1. A means to establish the digital identity of the consumer

2. The dashboard user interface i.e. the set of screens, menus and commands through which the user views their information
3. The pension finder service - the underlying engine which will carry out the data messaging to agreed standards, and
4. The integration services required to enable pension companies and administrators to be 'dashboard-ready'.

What will be key is for both consumers and the industry to have trust in the dashboard itself, notably the security elements and the underlying engine that will facilitate the data messaging.

Fortunately from a technology perspective, we see no difficulties in delivering the underlying engine/pension finder service that will enable data requests and transmissions.

We are part of a coalition of willing participants already mobilised and keen to tackle this issue. By accelerating the creation and adoption of the necessary building blocks, pension companies and administrators can become 'dashboard ready'. This technology and provider impetus, aligned with Alpha 2, will look to help progress the industry towards meeting the deadlines for beta and live versions of the system.

The white paper has recommended that initially one dashboard and one pension finder service be developed for reasons of trust, data assurance and simplicity in a complex subject area. It will also enable a controlled environment in which to develop and test what is a high profile product containing sensitive data. This approach will ensure management for risk and reputational damage issues but with the potential to white label the dashboard to other financial organisations in the near future and a future-proofed architecture that can evolve to support other models over time.

With a deadline to meet and a need to ensure the technology used is not just fit-for-purpose but trusted by the industry to deliver for consumers, this is an understandable recommendation at this stage.

We believe this is an exciting milestone for the pensions industry and we are fully committed to supporting and being actively involved in the project because of the benefits it can deliver all round and in particular, for the end consumer. ■



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