

### Online access – the new normal

Not so long ago, when 'snail mail' was still just 'mail', a six week exchange of formal correspondence to query a minor detail on a member record was a reasonable timescale and pension administration moved at a fairly sedate pace. Not so today. Technology, in its quick march along the information superhighway, has taken the pension industry with it.

Contract based defined contribution (DC) providers may have lead the way, but trust based DC and even defined benefit (DB) schemes are recognising the real and lasting advantages of a shift away from paper based solutions.

#### Why now?

Pension schemes, by their nature, have a hugely wide demographic. A 2014 ONS survey showed that 96% of 16 – 54 year olds had used the internet but, at the other end of the age range, 29% of 65 – 74 years olds had never used the internet at all, with this figure rising to 63% for over 75 year olds. While we might intuitively think that these figures don't indicate a strong appetite for online access among pension members, we need to remember that those 16-54 years old are in the schemes too, and more than likely, they are the people with everything still to play for in terms of carving out a comfortable retirement.

#### Member engagement

The changes introduced by legislation from 6 April 2015 have been headline news raising a lot of questions from scheme members and there has been a noticeable increase in member activity for scheme administrators. With members more engaged than ever, the time has never been better to build on member engagement by breaking down any access barriers.

There will be the inevitable questions 'Why move from paper? Who does this benefit? Is there a cost? How does it help me? Why is the industry moving towards online access?' Each provider or system will answer these in a different way but this article considers these more generally.

#### Integrated solutions

Most employers are now able to offer employees online intranet access to view other company benefits which can accommodate pension arrangements. The banking sector has online access

and apps for their customers to view financial matters online. Not only does this help with promoting confidence but also results in an increased expectation of other areas of the financial industry to offer similar access.

How does the pension industry compare to the online offering by the banks:

- Real time information – the ability to view fund values based on live prices
- Secure login – the use of password and memorable information
- Self-service – the ability to make changes
- Web based solution – instant access

Online access can be achieved with a number of devices including tablets and smart phones, but many employers are also able to offer online access onsite. Scheme administrators face the challenge of providing an online platform that members can access and control, whether from the factory floor or from a deckchair by the sea.

#### Simplified processing

In addition to keeping in touch, the other key benefits to members of online access are the ability to make changes or requests, view benefit projections, shape their benefits or contributions using modelling tools, and access and store all the usual pension scheme communications in a central online location.

Growing expectations around instant access are putting pressure on the industry to smarten up, shorten turnaround times and give members exactly what they want, exactly when they want it.

#### Building trust

Pension scheme members may feel a certain amount of uncertainty about using an online site to retrieve information, so it is important that service providers gain their trust by offering a secure site. Members may also have a fear of using the site if they have a lack of pension knowledge, so making the system easy to use and understand is important.

There is a growing appetite to have access to an online pension portal, the demand from trustees and members will continue to rise gradually, so it's now up to service providers to meet the challenge and encourage use of technology to attract interest in pensions. ■



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