

31 August 2020

**Pensions Dashboard Programme
Call for Input on the Working Papers on
data standards**

Response from The Pensions Management Institute





Pensions Management Institute

Moving pensions forward

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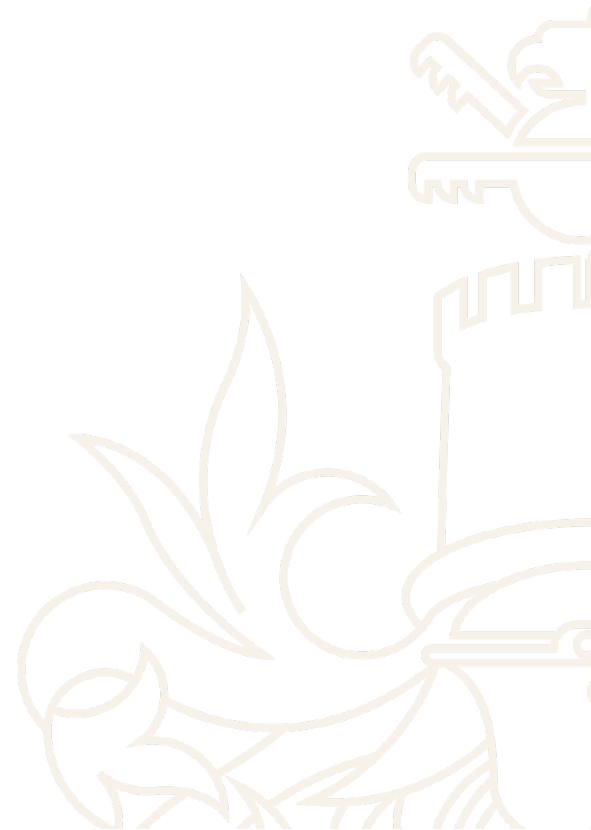
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Response from the Pensions Management Institute to the Pensions Dashboards Programme's Call for Evidence 'Call for Input on the Working Papers on data standards'

Introduction

PMI is the professional body which supports and develops those who work in the pensions industry. PMI offers a range of qualifications designed to meet the requirements of those who manage workplace pension schemes or who provide professional services to them. Our members (currently some 6,000) include pensions managers, lawyers, actuaries, consultants, administrators and others. Their experience is therefore wide ranging and has contributed to the thinking expressed in this response. Due to the wide range of professional disciplines represented, our members represent a cross-section of the pensions industry as a whole.

PMI is focused on supporting its members to enable them to perform their jobs to the highest professional standards, and thereby benefit members of retirement benefit arrangements for which they are responsible.



Call for Input on the Working Papers on data standards

Your contact details

1. Name

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2. Organisation

Pensions Management Institute

3. Email address

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4. Are you happy for your responses to be made public? Y/N

Y

Data Scope Working Paper

5. *Existing user research indicates that people have a low tolerance for incomplete dashboards and would rather wait until the majority of pension providers and schemes are 'online'. To be acceptable to individuals, what proportion of their pension entitlements should initial dashboards find? Please indicate any consumer or other research used in framing your response to this question.*

In preparing our response to this Call for Evidence, PMI conducted a membership survey. This ran for two weeks and received 125 responses. Responses to this question were as follows:

Proportion	Response
0% - 25%	2.4%
26% - 50%	6.4%
51% - 75%	36%
76% - 100%	55.2%

This indicates that a significant majority of respondents believed that the public would prefer to wait until information about all (or nearly all) relevant pension schemes was available via the dashboard.

Comments from respondents included the following:

The vast majority of all pensions information should be available. Without it, fully informed decisions at retirement are impossible.

It should provide everything at 100% otherwise it won't live up to expectations and members will lose interest

From my experience and having spoken about this, there's very little chance people will engage until such times it's a one-stop-shop

6. *How long (i.e. how many months?) will most individuals find acceptable between first using a pensions dashboard (and finding only some of their pensions) and subsequently finding out that more of their pensions are now available to view?*

Responses from members were as follows:

Proportion	Response
Less than six months	44.8%
Six to twelve months	35.2%
12 to 24 months	12%
More than 24 months	8%

In line with the response to question five, the vast majority (80%) of respondents believe less a year is the maximum length of time, most individuals will be willing to wait. And, of those circa 45% believe six months should be the limit.

Comments included the following:

I think people will either lose interest if not all details are available, or worse, make bad decisions on the little information available to them

Better to have most data in one place with an appropriate disclaimer that some may be missing - perhaps a contact point for individual to highlight those schemes missing

- 7. Are there any segments of the population for whom the majority of their pensions could be covered early by selecting a subset of pension provider/scheme types?*

This is something of a generalisation, but the majority of those brought into pension accrual through automatic enrolment will be younger rather than older individuals, and perhaps it will be their only pensions savings account. Many of those who fall into this category will have accrued pension savings within a Master Trust. In relative terms, integrating information from Master Trusts into the dashboard should be easier to achieve than would be the case for older pension schemes.

- 8. If you have identified one or more population segments in response to Question 7, what simple, cost effective communication approach(es) could be adopted to explain to all individuals (both within and outside of the specified segment(s)) which pensions they should and should not expect be able to view on initial dashboards?*

Master Trusts have comprehensive communications facilities which are geared strongly to communicating effectively with a large audience. Since inception, they have had the capacity to communicate electronically with members and have detailed websites. It should be well within their capabilities to explain effectively the information that will be available via the dashboard.

Data Definitions Working Paper

9. *Which data items do you anticipate could be used to definitively match individuals to their pension entitlements? Of the data items listed, are there some (or some combinations) that will provide a more accurate match than others?*

Responses to our survey were as follows:

Data item	Percentage
Forename	88%
Surname	72%
Date of Birth	97.6%
NI Number	100%
Previous surname(s)	46.4%
Address Line 1	20%
Address Line 2	6.4%
Address Line 3	5.6%
Address Line 4	5.6%
Postcode	44.8%
Country Code	4.8%
Email address	26.4%
Other	6.4%

Suggestions for 'other' included NHS Number, mobile number, passport number and scheme number.

Other comments included the following:

Only NI Number and Email address are unique identifiers.

There is a risk with only using the above of scammers attempting to gain information on individuals entitlement. Should the PDP consider having a scheme reference number or some other identifier/control?

10. In Level 1b, we have set out the administrative data items⁴ that will be useful to individuals, as these items will enable them to see where their pension entitlements are. Which of these items would be most challenging for pension providers and schemes to supply? Please indicate in your response why this would be the case.

Survey responses were as follows:

Data item	percentage
Scheme unique reference	14.4%
Name of pension arrangement	5.6%
Type of pension arrangement	8.8%
Origin of pension arrangement (i.e. State, Workplace, Personal etc)	9.6%
Status (i.e. active, deferred pensioner)	5.6%
Date joined scheme	32%
Date scheme membership status last changed	39.2%
Reason for last membership status change	56%
Normal Retirement Date	10.4%
Other	24.8%

Suggestions for 'other' included Nominated Beneficiaries and Special Features.

Other comments included the following:

I would expect schemes to be able to provide all of the above information

I think all schemes should be easily able to provide the data items above

None of the above should be difficult for a vast majority of schemes

11. One of the DWP design principles is that dashboards will initially be used for presentation purposes only (i.e. they will not alter the source data). This means that initial dashboards cannot calculate projected pensions, meaning that pension providers/schemes must supply an Estimated Retirement Income (ERI) for each pension. This includes situations where there are multiple "tranches" within a

pension, i.e. multiple ERIs with multiple Payable Dates may need to be supplied. The Level 2a data table sets out our assumptions on the simplest way for pension providers/schemes to meet this requirement. Please comment on these assumptions.

We believe these assumptions are reasonable.

12. Are there any “disclosure items” (i.e. items required under current disclosure regulations) that are currently challenging to supply digitally? If so, please indicate how many months it would take to make these “disclosure items” available digitally?

The disclosure items as set out in Appendix 2 of the Data Definitions document are generally all required to provide information via a Benefit Statement or a Statutory Money Purchase Illustration (SMPI). On this basis, we do not believe any of the listed disclosure items should be difficult to provide digitally.

13. Most data items in level 3 are not currently required to be made available to individuals under the current disclosure regulations. Would any of these (or other) areas of data be able to be supplied voluntarily for initial dashboards?

Responses to our survey were as follows:

Data item	percentage
Total DC contributions paid in the last scheme year (DC schemes only)	82.4%
Total member’s contributions paid in the last scheme year (DB and DC schemes)	69.6%
Employer’s contributions paid in the last scheme year (DC schemes only)	72.8%
Tax relief in the last scheme year (DC schemes only)	25.6%
Transfer in in the last scheme year (DB and DC)	60%
Total member contributions paid since joining (DC schemes only)	55.2%
Total monetary value of transfers received since joining (DB and DC)	32%
Complete contribution history by type (member, employer, tax relief, transfers) (DC schemes only)	16.8%
Other	5.6%

Suggestions for ‘other’ included Deferred Pension at Date of Leaving.

Other comments included the following:

We're a DB scheme – so most of these are not applicable. Total monetary value of transfers received since joining is not currently available - our data includes service not value for some members. Possibly will be available further down the line.

DC information should be straightforward to provide and track but DB pensions will not. How are schemes going to calculate values of pension, who pays for it?

This is largely data which is. or could be provided in an annual benefit statement. Therefore it is difficult to see the cost justification of providing it through the dashboard. Particularly as in doing so comes with significant fraud risk. I worry that the purpose and objectives of the dashboard project have not been thought through and nor properly considered against the risks being introduced.