



Data is the name of game

Kim Gubler talks to the chair of the Pensions Administration Standards Association (Pasa), Kim Gubler, about the importance of available and accurate data, how technology can improve pension administration and what the future holds for Pasa

▶ How important is technology for the progression of pension administration?

Technology is moving so quickly at the moment that you can't ignore it. What we want to try and bring into the administration space is a bit of real world. You see pockets of technology being leveraged by administrators to deliver good administration but there's still an awful lot of administrators which are quite old school. People, particularly members, need to have a choice of connections and you can only really do that if you have intelligent technology. So whilst we are focusing on the technology, people are just as important and you need both. That's what's important: What sort of things are being used and how those things are being used.

However, you can have two administrators use the same system and they use it in a different way. One effectively uses it as a repository, the other might use all of the functionality and the enrichment within that, so they are able to deliver is much more. We just want to bring out the best practise.

▶ Would you recommend certain types of technology and how to use them?

We would steer clear of advising on

particular technologies, but certainly some of the things we are looking to explore is, when you are using a certain kind of technology, what the key things you can do are. We shouldn't dictate things like you must use technology, or you must have qualified people as long as the outcomes are 'this', because we are trying to create a level playing field across all administrators. Say you don't use technology, some of the smaller in house departments could leverage some of the technology that their sponsoring employer could use. That's one thing you will hear quite a lot about in the near future.

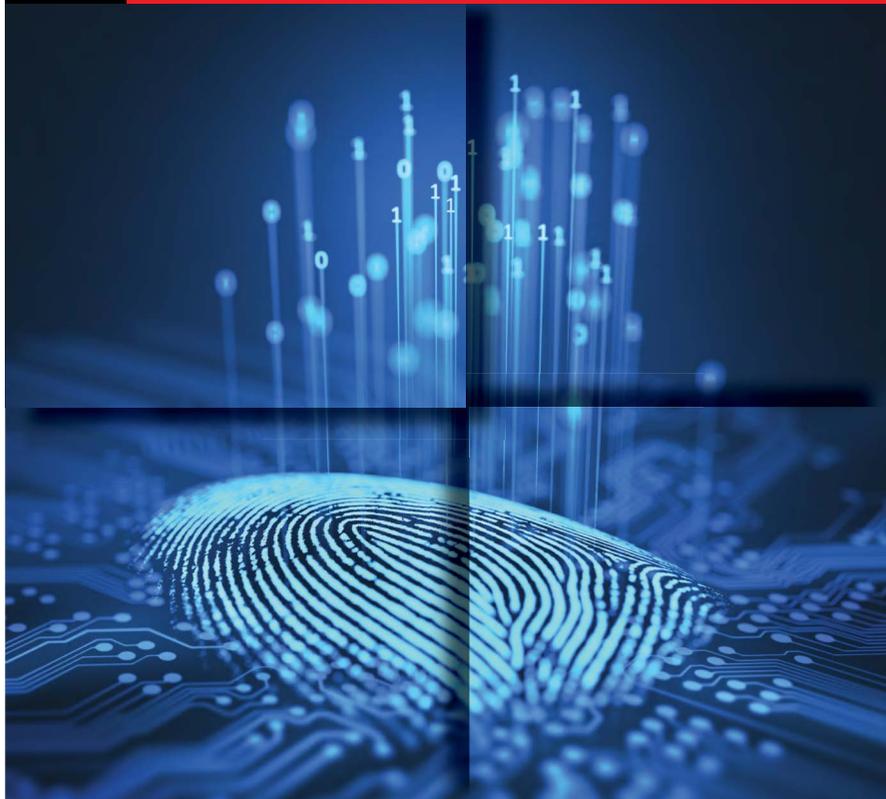
One of the things, particularly with DC, is you have around 30,000 schemes and a lot of them are small. Many of them don't know whether they're doing enough or not. It's like: Who to ask, what to ask, what's to be expected, things like that. So that will be developed as the data working group starts to deliver its outcomes, we will make sure that the data piece within the DC guide takes on board anything that's different. We don't want to have this piece of discreet guidance and that piece of discreet guidance, with the data saying one thing in there and something different in the other, we need to make sure we have a

consistent message and that's actually quite difficult to do.

▶ So it's not one size fits all in administration?

The difficulty in the past is, if clients say 'I know you do things one way but I want to do this and that', and administrators have been a bit too accommodating, when you look at schemes that have got legacy, you find that things are difficult to track. So you can't have standardisation without automation. We had our strategy day earlier this year, thinking about all these wonderful things and it comes down to if you do not have good data you can't automate, you can't do all those wonderful things. So you have to come down to the boring stuff.

You talk to big administrators, they might say a class of 400 members is not big enough to automate, but if you talk to another admin they will take a whole scheme on and automate the lot. They say that if there's calculations that are complex and low volume, quite often they won't be automated within the systems. But it's trying to encourage them that automation can be utilised, so you can have a direct feed out and a direct feed in to stop that.



➤ Have you seen much progress?

Data is improving but if you speak to TPR it is not improving quickly enough. There is still lots to be done and trying to encourage administrators to be able to facilitate that can be difficult because it generally has a cost to it. Trustees in particular will say, 'why is the data so poor? It's not my fault so why should I pay for it?' It's almost like we have to draw a line under that because poor data can be down to the employer, it can be down to administrator, or it could even be down to an administrator 12 years ago.

See it as an investment rather than a cost, because if you're putting the data right, it might cost a bit, but there's been examples where people may have paid a few thousand pounds for a data exercise and it's reduced their liabilities by £10 million. Until you move peoples' perspective to that it is an investment, you can't have that conversation.

➤ Is this your initiative at the moment?

It underpins absolutely everything that we do. It may not be sexy but it is vital.

➤ What do people need to do to be

ready for the dashboard?

It's something we want to get as right as possible the first time so it's useful, but it might not have everything. If we wait until it's perfect we may not get it at all because you can keep on finessing it. But if we give people the opportunity to be able to see what pensions they've got then they can start making decisions. Once you see your pension value is more than what you earn you start to take notice of it. So if you can put it in one place so that even those little pots that people may have, they see them together, and hopefully that will get people to start to pay more into their pension.

Our job from a Pasa perspective is that when people are collecting benefits they are correct, because it's usually at a time of need when people engage with their pensions. Someone last month said: "Can we stop talking about good outcomes because if you put £10 in each week, you're not going to get the best outcome". What good administration can do is that it can ensure that you have the best outcome you can have with the amount you are paying in. We've got quite an ongoing job in that sense, and what we want to concentrate

on is thinking about how the pensions industry isn't here for its own benefit, it's here because people are relying on it and administration is the conduit.

➤ You took on your new role as chair this month, what do you have planned for the future?

In December we had our first meeting with the master trust working group. What we've always done in the past is we've seen a problem and we've thought about ways to solve that problem to have a better outcome. What we want with the master trust working group is to solve the problem before it arrives.

There's a view that there will be around 12 large master trusts and then we see the market working in the way it does now with third party admin and occupational schemes so you have employers moving from one to another. Now a lot of these master trusts don't have those skills and resources on how to transition single trusts. It's taken third party administrators decades to get where they are now and it's still not perfect, so what we want to try and do is give guidance that enables employers to know what happens and what their responsibilities are.

Nothing is broken at the moment, but we want to give guidance so it doesn't break. It's the first time we've done that and were quite excited about it, although we're probably not going to get the guidance out until the summer.

We'll be watching what happens to the dashboard and what we can do to facilitate that working. There's dissent, and we just have to acknowledge where we are and make it work. There's no reason we can't make this work. As long as you're authenticating the individual so it's the individual getting the data, it is entirely feasible. My aim is to get much better informed on that, because it is going to have to happen and it's about enabling people to make choices.

➤ Written by Jack Gray