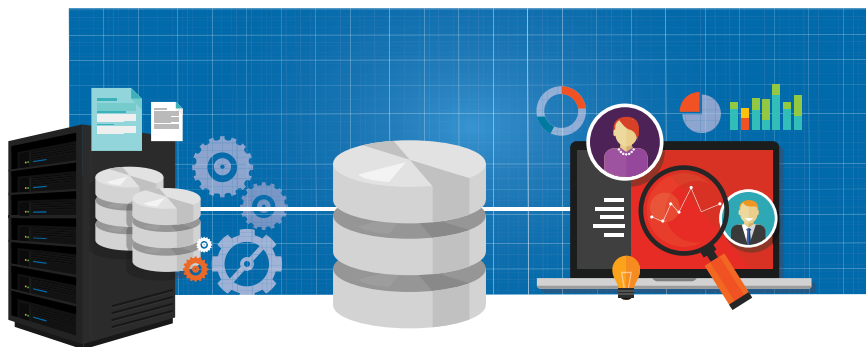# The dash to clean up data

▾ Girish Menezes considers how the pensions dashboard will accelerate the clean data drive

There are a number of key opening gambits embedded within Guy Opperman's pensions dashboard consultation:

- Stewardship is via the Single Financial Guidance Body (SFGB)
- It will be industry led and financed
- The government is prepared to legislate for compulsion
- A non-commercial dashboard will be hosted by the SFGB
- There is potential for innovative offerings from industry

The unknowns though, are troubling the industry. Will the state pension be reflected on the dashboard, and if so when? Are we merely looking at a 'pensions finder' service for the foreseeable future, or should we be aiming higher/faster? Finally, who will pay for the dashboard, and what are the costs?

While we as an industry sharpen our pencils and prepare our responses to the consultation, trustees, pension managers and pension administrators should note that there are clear preparative actions that need to be taken to ensure compliance with the known requirements indicated within the consultation document. Interestingly, they centre on The Pensions Regulator's focus on common and scheme-specific data tests.

The immediate concern has to be your common data score. The Pensions Regulator made its expectations clear in guidance issued in 2010, and raised the ante this year by expecting trustees to report their scores in the annual scheme return. Common data includes all of the key information that is likely to be required for a pension finder service: NI number, initial, surname, sex, postcode and date of birth. Many trustees take the common data test score very seriously and this is reflected in their scores. These trustees are potentially dashboard ready, in its most primitive form. Other trustees have taken a pragmatic view on the absence of certain data, for example, limiting efforts to trace the addresses of deferred members, who may change addresses again, prior to retirement. However, with the overlap between the requirements of the dashboard and IORP II (which requires benefit statements for deferred members), trustees would be advised to close this gap.

Scheme-specific data is also going to be important for the dashboard. We do not know specifically what data will be required yet. However, we can be fairly confident that this will be a reflection of the data required for an annual benefit statement.

Defined contribution (DC) schemes require near 100 per cent data accuracy and are already required to publish annual benefits statements for both active and deferred members. You would therefore expect these schemes to be prepared to share this data with the dashboard fairly readily. However, there may still be connectivity issues to be resolved for administrators. Trustees of DC schemes with less than perfect data should be concerned. Poor data quality on a DC scheme is never acceptable and can be complex and expensive to improve.

Defined benefit (DB) schemes should have fairly clean data for active members, given that they already produce annual benefit statements for them. Trustees may need to explore the quality of data for deferred members. Have pensions at date of leaving been calculated correctly, are all the pension tranches correct, do the Barber splits exist, and have all special arrangements and transfers been flagged? In the past, these issues could have been resolved on point of retirement, but the requirements of the dashboard and IORP II will require this data to be available now, and it will need to be accurate.

If the dashboard does merely require these data items, it is not expecting anything other than what should be in place already, or not required under The Pensions Regulator's record keeping guidance. It merely accelerates the process, defines the data items and creates a credible business case for why the data needs to be cleaned now.

The most important issue for trustees and their sponsoring employers to note is that data cleansing takes time and is expensive. So the sooner you start, the easier it will be to spread the effort and costs.

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