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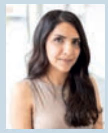
Tech roundtable

MODERATOR

Chair for the discussion: Phil Clark, Client Director, Zedra

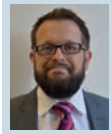
Phil is a professional trustee with Zedra. He works with a range of predominantly DB pension schemes, as well as funeral trusts and group life trusts. His appointments incorporate chair positions, co-trustee roles and sole trustee cases. His focus is on working collaboratively with sponsors to achieve the best outcomes for members, through a combination of strategic planning and attention to detail. Phil has particular expertise in DB funding and investment strategy, but his work as a trustee covers all aspects of running DB and DC schemes.

PANEL



Bahea Izmeqna, Chief Product Officer, Smart Pension/Keystone by Smart

Bahea has an extensive international career in fintech with experience across the Middle East, Africa, Europe and Asia. She brings a wealth of experience to her role as chief product officer at Smart, where she oversees technology, product and solutions, with a particular focus on the development and strategic enhancement of Smart's cutting-edge platform, Keystone. She is a regular contributor to industry press and a speaker at key events.



Chris Paul, Director of Product, EQ Retirement Solutions

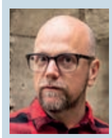
Chris' role covers the product management of EQ Retirement Solutions' technology, third-party administration and outsourcing solutions. He has worked with insurers as well as public and private pension schemes. He spent his early career working for technology vendors but his time at EQ has enabled him to widen his focus to look at how to deliver change effectively in complex operating environments.

Tom Porter, Strategy Director and Partner, LCP

Tom leads LCP's technology and analytics solutions to help its clients solve real world problems across a wide range of industries including pensions, health, energy, insurance and investment. Tom has led the development of all of LCP's pension technology, including administration and actuarial systems, as well as all member-facing technology for its DB and DC clients. He also supports pension schemes and providers to develop their technology strategy. Tom is also LCP's strategy director.

Peter Roos, Chief Commercial Officer, Lumera

Peter is a chief commercial officer at Lumera based in London. He has a passion for bringing the Lumera platforms to Europe through clients and partners. He previously has held several leading positions in the Swedish life and pensions market. He has a strong background in business development of pension schemes and has also been sales director for the second largest intermediary firm in Sweden. Peter earned a Master of Business from Uppsala University.



Rhys Williams, Director, Quietroom

Rhys is a familiar face in financial services. His career as a writer, strategist, consultant, coach and public speaker spans almost three decades. Rhys walked into the nascent Quietroom in 2006. His devotion to making money more meaningful, passion for learning and uncanny knack for bringing out the best in people have helped mould Quietroom into the dynamic, purposeful business that it is today. Rhys has inspired countless companies to change for the better and now sits on Quietroom's board of directors.

Paul Yates, Product Strategy Director, iPipeline

With over 30 years' experience in product, strategy and business development leadership roles, Paul's focus is on driving business strategy and transformational growth, providing a portfolio of innovative technology solutions for advisers and providers to drive down costs in the advice, sales and servicing processes. Technology is more important than ever in the distribution of financial services and iPipeline delivers next-generation solutions, driving the financial services market forward and enabling advisers to provide timely advice to all customer segments.

Tech roundtable

The power of digital

Our panel of experts considers how the pensions space can make the most of the exciting developments in technology, while keeping a close eye on the associated risks

Chair [Phil Clark]: We all know how important technology is in pensions. Certainly, as a trustee, when we're dealing with market volatility or changes in regulations or all the other things that come up daily, we can potentially lose sight of why we're all here – and that is to serve our members and get the best outcomes for them. It will be great to have a discussion today around how technology can help us achieve that.

Technology of course is already being used in pensions to help serve our members. But are we going far enough and fast enough on this front?

Rhys Williams: I'm very interested in the communication and engagement section of today's discussion. Our business is all about making pensions – along with other areas like investment and insurance – more accessible to people.

In answer to your question, I feel that we are lagging behind some sectors that, like pensions, are also very technical, are also very regulated, that can also be known for being quite cautious and conservative.

Take digital-first banking and mobile banking, for example. There are experiences that people are getting used to in those sectors – the same people who are members of our pension schemes; experiences that are superior to what they are getting in pensions. And it's not that these sectors are offering anything dramatically whizzy, but they offer the pure basics such as 'can I understand my situation with my numbers and know that the figures are reliable, and therefore can I trust the information I'm getting?'

So, in answer to the question of whether we are going far enough and fast enough in pensions, my feeling would be no.

Bahea Izmeqna: I agree with your point about banking – people using banking technology are those same people in our pension schemes; so, I don't think the issue is a lack of trust in technology per se, at least not from the member's perspective. The real challenge is whether members see value in spending time on that technology. We need to better translate its use into a clear value-add for them. That's what I believe is missing in our current approach to technology in pensions.

The second part to this relates to automation and technology on the back end – this is where most of our operations are still very manual. At Smart Pensions, we are trying to get to 95 per cent automation on the back end, which is certainly ambitious but, in my view, if we focus it correctly, with a customer-centric lens, we can focus on creating more value. Once value's there for the end user, they will value the technology.

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Paul Yates: I would say that there is a huge differential between the various schemes and providers in the pensions space, and the technology that members get – some are using built-in technology, possibly from the 1980s! Then there are other, newer schemes and providers that are doing a much better job. There's a massive difference in the range of experiences members are receiving out there.

Chair: DB versus DC is a key differentiator here.

Yates: Yes, and some of the issues are historic – some have built their systems out and have created this pension onion, and it's got more and more layers around it, so it has become harder and harder to change it and make it agile.

Then others have come in with newer things – they've come in and said, 'right, we want a system that will automatically, self-digitally move through the process', and that creates a completely different experience because you're coming at it from a different starting point.

Chair: It's almost an advantage coming late to the market.

Yates: Well, it's like building a house, then adding extension after extension. At some point, it looks more like a block of flats, but it doesn't have the foundations for that; and you can't change it very easily.

It's very difficult for people to change systems, so there aren't a lot of people wanting to do it or able to do it easily.

That means we've got some people getting poor experiences and some people getting better experiences.

If you go to an IFA and ask to transfer some schemes, for example, they might tell you it's going to take six months; whilst others can do it quite quickly.

Tom Porter: Let's unpick why this is happening. The DB landscape is very different to DC. In DB, we have 50 years of legacy – every scheme has been set up differently, with different structures and benefits. The data you're holding is different; the calculations required are different. For a long period of time, there have been a range of administrators in the market and, at a certain point, we moved to a largely outsourced third-party model, which meant a change of providers many times over the years which, in some cases, led to a terrible mess, lots of pensions miscalculations and related challenges.

Also, because we went through a long period of member experience not being the top priority for lots of schemes, and because they had deficits that they were worried about, there was pressure on admin pricing. So, we had pressure on admin pricing, a huge amount of complication delivering it and, also, some providers may have only had a scheme for one, two or three years before they would lose it, or it might be bought out, which meant what we saw was very little investment in systems to try and solve these challenges.

Then we got to a period where, in the DB landscape, they decided to offer more options and more flexibility of when members retire, which is also different for every scheme. So if you're trying to provide a nice user-friendly experience for members, the reality is it's hard for providers to do that.

You mentioned six months for a transfer – and yes, there are members in the country who, if they ask for a transfer value now, that will go to the administrator, who will then go to the actuary for calculation. Bear in mind also, there are still some actuaries and schemes that will be doing that calculation by hand – that will then go through the checking process, go back to the administrators, be typed into a letter and sent back – it's not surprising it takes so long! Because of the complexity that's been introduced in the DB landscape, it is harder to make this stuff more efficient. We're now starting to see a bit more appetite for people paying for administration, getting good quality, because of better data, which is why we're now starting to see some innovation in the admin space and better member experiences online. But it's taken decades to get to that being a priority.

Across the back of that, fundamentally, even if you get a great member experience and get it online, the interaction level you're getting with a DB pension is low. It's a number that's largely fixed, that you don't need to look at every week or month or year even.

Chair: Yes – members don't have much flexibility with it; it's largely beyond their control.

Porter: Yes! But the DC landscape is entirely different. There are very few excuses for us not to make that more live and more engaging. It's much more homogeneous across the piece in terms of what the options are and what the pot looks like.

You've also got live information you can engage people with. I know they might take wrong decisions off the back of looking at it too often, and seeing it go up and down with the market behaviour, but at least there's something interesting there to talk about and to try and convey; whereas, in the DB landscape, it's a number that doesn't change, that you can't get access to and, if you want to do anything about it, it can take months!

Williams: I recently sat on a panel of disrupters in financial services, and I was the only person in the room who was in the pensions world. I asked the question, 'you are 10 to 20 years ahead of us, so how did you get here? What did you do? What could you tell somebody who was behind you in the journey?'

They said, 'we've had lots of conversations with lots of people in pensions and the difference between us and them is that we trust our customers', which I thought was interesting. There is a mindset in the industry that we don't want people to check their pensions regularly, we don't want people to do things with it, because the risk of getting it wrong is so great. I do think that cultural underpin affects a lot of the decisions that we make in pensions and that's not just on the tech side of things.

Chair: Education of the consumer is key to that. A lot of pension scheme members are almost scared of their pension because they don't understand it, so they shy away from doing what they need to do.

Peter Roos: All countries in the western world are on a journey. Everyone has the same demographic challenge – as we get older and healthier, we need more money at retirement. There are different ways to address this – you can pay more in i.e. the employer can pay more or members can pay more; you can try to reach for higher returns, which everyone tries to do; or you can be more efficient about things and charge less.

For example, in Sweden, the fees for a workplace pension have been reduced from about 1.7 per cent of accrued capital every year to about 16 basis points. That applies a lot of pressure to an industry. To be able to survive in that industry, you need to be efficient about things. They concluded about 30 years ago that administration is not a competitive area – either you're efficient about it or you're not.

Linking this to the origins of Lumera, it's about sharing a code base, developing things together to be as efficient as possible, to stay competitive and stay in that market.

Do lower charges have an impact on higher outcomes? Yes, it's easy maths. If you reduce fees, members can receive, if they are in their twenties for example when they start saving, a 25 per cent higher outcome, just by reducing fees!

Chair: Does that level of fees give you, as a provider, sufficient capital to invest in the technology to improve member experience?

Roos: Yes, but you have to look into a crystal ball, because it takes years to do transitioning like that. And the pressure to do so won't really happen until everything is transparent. It all starts with transparency. If individuals start seeing exactly what they're supposed to get as final pay, they see the charges, what everything costs, they can compare and they can change. They can vote with their feet. That's where healthy competition comes from, the pressure starts there to improve.

The reason we came here to the UK was the value-for-money (VFM) directive – we could see the pressure was on to improve things in the UK, so that was our signal to come.

Chair: Chris [Paul], do you think we are going fast enough?

Chris Paul: We have talked already about the different markets – DB and DC. In DB you've got, as we said, a legacy of old complex schemes and a lot of organisations that are potentially struggling to keep up with the demand.

When The Pensions Regulator surveyed them, 65 per cent of

administrators have increased their investment in administration technology or automation over the last two years. But, as part of that, they're having to spend on supporting dashboards, spend on GMP equalisation, spend on their journey to buyout.

So, while we're all highlighting these great automation tools they should be using, they're having to put the fires out in the back garden. In fact, they also called that out – 58 per cent of administrators identified the complexity of legislative and regulatory changes as one of the top three challenges in delivering high-quality administration.

Saying all that, in DB, there are things coming along that are going to improve that piece.

In DC, we are moving from a world where charging 1.5 per cent was the norm, to a world of 15 basis points, so that's a driver for automation.

Coming back to the education point, the more educated somebody is about something, generally the better the experience they have with it. That's what we've seen when we've surveyed members. If they understand their pension, they generally like the service they get from us.

Artificial intelligence (AI)

Chair: Are we taking advantage of AI as quickly as we could be doing in the industry?

Porter: There is lots you can do.

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We worry about how fast we go in this industry in terms of taking up different technologies. In terms of AI directly answering members' queries and giving them that service, we will get there – it may take a bit longer in our industry for people to get happy with that compared to some others, but we'll get there. The technology is basically there now.

The focus this year across all industries is very much on the agentic capabilities – how we can use agent-based processes to improve efficiency. There are some interesting opportunities there. Where you've got lots of legacy, we currently focus on how to rebuild the system and make it more efficient, which is the right way to do things.

There is a now a way of turning that around and saying, 'we've got administrators doing these manual jobs, can we help them by automating some of their work?' It's a veneer on top of all the legacy issues we've had in pension schemes for the last 50 years and trying to take that process and automate it. It is early days and we're working with a few people on this as well, but we are close to a point where we could, quite quickly, start cutting through a lot of the legacy. That helps on the DB side more than the DC side. I hope, on the DC side, we'll see the more member-facing engagement and efficiency come through quite quickly.

Yates: If you look at what some of the general insurance companies are doing with agentic, one after the other they're coming in and saying, for example, 'we have teams made up of three biologicals and eight agentics'. They give them all names, and they've all got different personas, so they'll have an actuary, for example, and you can actually create teams that scale up massively to solve problems.

They can use these to then roll round and answer quite complex queries from members, because they'll use these agents to do that. There's always a human team also that sits there looking at them but some of these things will really change things quite dramatically.

Williams: When I think about the biggest advantage of AI, for any business in any sector, it is doing the work that we don't like doing, that we're bad at doing, and clearing away that layer of cost to unlock value.

You can unlock value in terms of reduction in fees, and I respect that point of view. But there's a balance between that and investing in the things that we know that matter to members.

Coming back to what we were saying about dashboards, GMPs, buyout, and so on, the improvements in data that come from those regulatory initiatives is key. We've improved our data to move away from risk, but it has also created long-term opportunities – look at all the things we can now do with that data that we couldn't do before! That's how I view the whole AI subject.

Yes, we can strip out layers of low value activity or layers of cost, but the other way of looking at it is to say, 'what does this make possible that we couldn't do before?' That's what excites me more than anything else.

Izmeqna: For me, having started the journey of AI on the DC side, I look at it from both sides. There is cost saving, yes – this is more of a benefit on the admin side, leading to quicker service at the back, for example. The end user doesn't see it, they only get the benefit of hopefully a faster service at lower cost.

Then there is the other side to it which, again, comes back to where our end user is today – our end user deals with this AI technology already in other markets, has that AI knowledge today. It's not something they are lacking, it's something we're not offering in the pensions space.

Thinking about AI from an end user perspective, about predictive analysis, finding the anomalies around what is going on, that's where I think AI might excite the end user.

We're so far from that today, but if we want to do a revolution, we need to think about what's next, not the basics. For me, automation is the basics. When we think about AI, we need to think beyond the basics; we need to think about how AI can be used to get the output that other industries are providing.

Risks of AI

Chair: What about the risk of errors and reputational risk? Can AI do everything we want it to do without increasing that risk of errors?

Williams: At the moment, the risk of errors would be high, but the ways of cutting down that risk are relatively simple. They're labour intensive but, what you have to do to minimise the risk of giving a wrong answer is quite simple. You need to have a strategy for how you're going to minimise things like hallucination – which is obviously a risk across large language models; it going beyond its guardrails and those sorts of things – but it's all eminently doable.

When I think about it practically in our work, AI is only as good as the content it draws from – either the content it's been trained on, or the content it's allowed to go to in order to answer questions. In our experience, if you get that base content right, the answers you get at the end are staggeringly better. Also, the art of the prompt in between – so, what are the instructions that you're giving that model when it goes to try and find that information.

Chair: How is Lumera using AI to drive improvements?

Roos: We have several installations, for example, within data quality, reading forms, claims processes that you need to authorise rather than dealing with on a daily basis.

I would say it's not necessarily about doing the stuff that we don't want to do but, in the back office, where we mostly operate, we should do exactly what we're best at but faster.

For example, a migration of a business line can take six months with the data quality and implementation and everything else. If we can do that in two months, they can close down the legacy technology faster, and it will save them money. And I think AI might be the answer to the main question of 'are we going fast enough?' I think we can go a bit faster with AI as a technology.

Member engagement

Chair: How can we use AI to drive member engagement and get members to think about their pension more?

Paul: I boil it down to three questions from a member perspective: How much do I need when I retire? How much do I have? How do I make up the shortfall? Those are the three simple questions.

To be able to answer those questions, you need to be mathematically literate. You then need to have some level of financial literacy above that. Then you can start talking about your pension or, in the world of diverse instruments now, talking about your 'retirement provision', (because it's probably not going to be just about your pension – it's going to be your pension, your equity release, your other investments, other income streams and so on).

If you're a pension provider, you're advising a small company scheme, for example, where do they start trying to tackle that problem? Do they start running maths lessons? So, I think we need to be careful what piece of it we're trying to solve.

In terms of where AI can help the member, you can have chatbots where the members can get their questions answered quicker, you can do the back-office stuff quicker, you can have the equivalent of a chatbot interface over a knowledge base so that back-office administrators can do their job quicker. They are a few examples.

There is also the piece around offering lowercase advice versus uppercase advice. With generative AI, I think the FCA would be very wary about trying to tackle that at this point.

Porter: I feel that there's a real tension between the industry wanting to be very careful about the technologies available, and the fact that they already exist and people are using them. You can already talk to ChatGPT now. You'll be able to videocall with someone who looks like an adviser or therapist or anything else quite soon.

Also, the knowledge base it draws on for general pensions topics is pretty good. It doesn't know about your pension, your situation. But if you want to have a conversation on what you should do in retirement, it will fall outside the guise of FCA regulation and advice, but it'll be used heavily by people in this country. So, we need to work out whether we have this very, very strong borderline between what this sector does and how it operates and what reality is out there and what people are going to be using day-to-day.

It's inevitable that a lot of people will be using AI for their personal advice situations very soon, if not already, and we need to work out how we combat that.

Is it that we need to be publishing the right information about our products in the right format, so that it can be used by these tools? We accept the fact that anything from then on isn't to do with us and is not our risk and everything else, but at least they're getting the experience that's more reliable than it would be if we didn't have that information out there.

Yates: Another issue is, if we want to explain to the younger generation what retirement will look like in 40 years' time, the reality is we don't know what it will look like – today people tend to retire at a certain age, around the age of 67 for example, but that may not be the case in the future, being fixed to an age, so having tools or systems that are trying to look ahead has its own issues.

For example, many people in the Nordic countries are not retiring at normal retirement age anymore, many of them flex work.

Retirement planning should be about giving options. It's about the options you're providing at a point in your life so you can make decisions and decide what to do. That is key to whatever technology we're going to do – it needs to be explaining that you have options, rather than telling people 'this is your retirement fund, this is the amount you

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need,' because people don't get it, they can't quite visualise 40 years into the future what they will need.

Chair: And waiting until 65, or whatever the age is, to consider those options is far too late. How can we use technology then to wake people up to thinking about their retirement?

Yates: The question should be, do you want a life where you have options at that age? If you want to retire, fine; if you don't, you don't. Or do you want a life where you have to carry on working until you're 80?

Izmeqna: People need to start making decisions around retirement or pensions in general at an early stage, not at 50, or 45. That's a bit too late to change the output. If it is not technology that can drive people's attention, what could it be?

We are in a world where technology is driving everything around us. If it is not through these nudges through technology, and AI, and scenarios – which are easy for people to access and understand – then what would it be? Because we don't have enough experts available to explain pensions to people. We need to expand and scale. And to expand and scale, you need tools that are readily available at any time, day or night, to allow people to do it.

Policies-wise we are holding back, but the reality is, people have access to AI already and are using it. I use ChatGPT in a lot of the things that I do, making decisions, seeing options.

We also need to understand the market we are in – when you do your ISA decision-making, you go through multiple websites, comparison sites, etc, to see which one gives you the best option. Why is pensions not the same? It's because pension providers do not provide the same capability as an ISA provider – we lack something there; that's why the end user does not have the right knowledge to make the right decision in pensions.

Roos: There are several examples around Europe of what works and what doesn't work. Right now, we're at a stage where the complete picture for me as a member is not really clear in the UK. That has to do with the need for an up-and-running pensions dashboard. What no one did in Scandinavia was add in the extra layer, but it's very easy, for example, if you have the dashboard, and if you provide that data, your complete version of that data, to commercial players around the market, you will have action. Because if there's a commercial benefit of me giving you advice, preferably digital advice (because after all it's 2025), that will drive member engagement, and it will drive informed decisions and that will work.

It's dangerous, yes, but it will work. So, before the technological revolution, to have everyone making informed decisions, get the dashboard right and get it structured in the right way.

Pensions Dashboards

Chair: Does everyone around the table see dashboards as a potential gamechanger when it comes to member engagement, but also in driving an increase in the use of technology?

Izmeqna: It's a start. It's not a revolution itself; it's a start for people to have access and a view and the start of more questions to come to the table.

But what else needs to be ready in parallel in order for this to work in the way that we want it to? If we're talking about a world where AI exists, we can easily start the work around what ethical AI means, start to address the concerns that we have about the usage of AI. We need to look at what ethical AI means and start shaping the policy around ethical AI – what it can and cannot do in parallel with the dashboard.

Porter: Having everything in one place with the dashboard is a great starting point. On the DC side, having all your DC pots there that you can add up to give you a planning tool, that works. DB is a whole other minefield as always and the numbers on the dashboard may not be that useful to people and may be misinterpreted, but at least they'll know they have a pension.

There is also a real opportunity with the dashboard to provide – for what is an increasing majority of people who only have DC – a good starting point for the next evolutions of dashboards to start doing more financial planning . I know there's been a lot of reticence about being able to do anything actionable through dashboards, but that has to change at some point.

Chair: Do we think that will come? We need to walk before we can run, but how quickly do we think dashboards can then evolve to become more useful?

Yates: You must first make sure that it's there and it's accurate and people can see it. A lot of people don't even know what they have so, number one, this will create the ability for people to at least discover what they have. Then they can go and do something about it.

Porter: The launch is going to be so critical. We are not sure on dates yet but, when it goes live, there will be a Martin Lewis show, and the image of the dashboards early on is going to be critical because, if everyone checks theirs and word spreads around, and that starts off well, then we can bring further improvements as to what you can do with it over time, which could be a really big gamechanger for the industry.

Chair: How much interest will there be in companies launching commercial dashboards off the back of the central dashboard?

Roos: It depends on who you ask. If you ask the insurers with the largest amount of accrued capital, they're not keen on too much movement in the market. But the early adaptors and new entrants are, of course, very keen on having a dynamic in the market.

Williams: Everybody likes transfers in and nobody likes transfers out!

Roos: Exactly, but it is healthy competition.

Paul: I think that competition has been there already, which has led to the drive from 1.5 per cent to 15 basis points, for example. The number of providers administering DC pensions is contracting and contracting – although you've got a few new startups who are grabbing market share.

Dashboard challenges

Chair: Clearly dashboards present opportunities for technology providers, but challenges too?

Izmeqna: The data quality for the dashboards is super important, to be able to produce the right output. Is everybody keen to have a dashboard? Certainly, smaller parties, digital-driven DCs will be keen to have that dashboard and to drive value out of it – and maybe commercialise it because there's a great opportunity to do that and give a better view for the end user of their pensions.

But garbage in means garbage out – if the data quality is not as good as we need it to be, you will have an inaccurate output. If you automate inaccurate data, you will get an inaccurate output. That's the biggest challenge that the dashboard brings.

Chair: DB schemes still have work to do in terms of their data. Is that true for DC as well?

Izmeqna: I think, even for new schemes, not everybody keeps their details up to date. Addresses are wrong, and you don't have that communication stream with the end user to make them think, when they change address for example, 'I need to change the address on my pension app also, not only my banking app'.

Porter: For DC it'll be a matching question, won't it? For DB, they'll log onto the pensions dashboard and see a number, then however, they will go along to e.g. our member dashboard and see a different number, as we will be providing them with the number of what they can actually take as their pension. That's going to be a challenge for lots of organisations that are trying to provide a helpful, 'what pension can you take if you want to retire next week', which is not what the dashboard asks you to show.

So, there are going to be a lot of communication challenges around DB that will potentially eat up a lot of administrator time, which we will need to deal with.

But engagement generally will be good. So, while there'll be some pressure on the industry, hopefully we'll come out the other side of it with more engaged DB and DC memberships.

Paul: A lot of our customers are DB clients. As part of the dashboard rollout, clients are already asking 'how many additional people are we going to need in the contact centre when it goes live?' It's a tricky question. As technology providers, our clients are going to see a significant

shift in the number of different requests they receive – where they used to get five DC transfers in a day, suddenly they may get 50! We're also seeing demand in the market for a member-facing DC consolidation journey.

Williams: This is exactly where the conversations we have been having today join up. To give a parallel example, if you have a health problem, you can go to the NHS website, which is a good source of reliable information. But it doesn't know you, it doesn't know your family history, it doesn't know your medical history. So, you have an answer that is context-free.

When you're talking to the people who are responsible for that information within the government digital service, they're not looking at AI as a content-generating opportunity. They're looking at AI as an integration opportunity, so basically asking 'what is AI fantastic at?' You don't want it to write the books in your library; you want it to fetch them. You want it to go and find the right book from the right shelf on the right subject on the right day as quickly as possible.

So, they're using it to tag information, to organise information and to join it all up in the background.

That kind of thing in pensions is a dream for us at the moment but, because of AI, it can become possible.

Chair: But are we capable of moving quickly enough? As a trustee, what happens after the launch of dashboards is as much of a concern as getting connected to them. We've

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talked about how important it is for it to be a successful launch, but if people raise queries off the back of accessing dashboards and then it takes ages for the industry to reply, that's going to be ineffective as a launch. Are we going to be ready in potentially two years' time to deal with that?

Izmeqna: At Smart, we're planning on the dashboard being a success and are looking at what will follow in terms of behaviour off the back of it. More transferring? We are looking at how we support that part. More queries? We are looking at how we can scale up using technology without cost, off the back of the success of the pensions dashboard.

All the services that you're providing today will increase if the pensions dashboard is a success, so you need to be planning ahead for that. That work needs to start today.

You need to be thinking about how you can scale up to be ready for that increase in the number of transfers, the number of queries – maybe utilising AI, maybe utilising normal automation in different ways, not necessarily AI, but manual operation will not work at a time of high demand, if the pensions dashboard becomes successful.

Yates: And it's not just transfers over, as you said, it's also going to be the queries – with increased engagement comes more questions. That's just a natural statistic.

Roos: We are very engaged in that work, and we hope the dashboard will be dynamic, and it will solve a lot of issues.

We have had dashboards in the Nordics and the Netherlands for many years – we need to just pull the trigger in the UK. Yes, there will be errors. Yes, you will have calls. But the reality is, a very small part of the population actually cares. Even with dashboards, 92 per cent of the population just don't have a clue about this conversation, even if 8 per cent do. Slowly but gradually the data becomes better, the customer journey becomes better and better, but we need to get started.

Chair: That 92 per cent statistic is startling! I find it surprising that the percentage of unengaged members is still that high.

Roos: Yes, it is, and then you have to engage them – how do you do that? That's why I say that if you add a commercial feature to it, all of a sudden you don't have to look it up yourself or find the details. Someone will do it for you because they're interested in selling something, like another life insurance or whatever it is. Sometimes that's a good thing. So, for a lot of people that really do need to save something or plan ahead in their life, if someone connects to them and sells them something it's not the end of the world. It might actually be something positive if that happens.

Yates: But what we're giving them is more information. We're not giving them any insight. And more information in their lives is probably not what they're looking for.

Porter: I referenced Martin Lewis earlier, but he's having a huge impact in terms of engagement on these kinds of topics across the country.

He will be there at the dashboards launch, whenever it is, and he'll be on all the news channels talking about it. I think we will see more engagement with dashboards because of him than would normally be the case for the government rollout of a new tech solution.

It will be interesting to see what he says about what you should do next, because that'll have quite an impact on the queries everyone gets – if he goes on TV and says you should contact all of these providers and ask for a quotation, we need to be ready for that.

Chair: Are we going to be ready for that?

Porter: If we get five years of queries in 24 hours, no. But we don't know the details yet of what the launch will look like. Maybe there'll be some short phasing in. If we do see really high engagement and everyone comes to it, there will be a message put out by all the major administrators saying, 'there's been a huge influx of queries, we'll get back to you as soon as we can'.

Izmeqna: But then there will be an urgency for more automation, more AI and then it's about catching up. We need to plan for that now.

Paul: I don't see it as a cliff edge, if it does go badly wrong at the very start.

You'll still have other opportunities to signpost to the dashboards in the future – for example, at benefit statement season, we can also prompt people to look at the dashboard. We will be able to go back to it and refer back to it in other engagements.

For example, in the DB world, where we administer the Civil Service Pension Scheme, we use opportunities like Pension Awareness Week, and the sending out of annual benefit statements, to improve engagement and we get great traction on some of those initiatives, which leads to better education and a better member experience.

It will be fantastic in the DC world when you can say, 'you've got this amount in our pot, have you gone to look at your other pots?' So, whilst I'm hoping it won't be a failure, one way to look at it is if demand outstrips supply perhaps that's a sign of successful marketing.

Izmeqna: Also, it's important to remember, if the dashboards don't work immediately and you get an error page on the website, for example, you won't be stopping any daily activity like if a bank is failing and the card doesn't work, or you got to the shop to pay and the card doesn't work.

What you will lose instead is trust in pensions, rather than really losing value. It's the consumer trust that you will lose. You're not impacting their day-to-day life; you're really impacting the trust that you've been working on.

Williams: And the hardest thing in the world of communication is to shift an opinion that someone already has. If someone thinks you're outdated, they're looking for evidence that you are. And it is a moment of truth when you can either prove that or disprove it.

Key takeaways

Chair: What would be your one key takeaway message from today?

Paul: I would say it's good as an industry to challenge ourselves; to ask, are we doing enough? We also need to be aware of the challenges providers and schemes face. Finally, the overriding piece I would take away is that there's an underpin of sorting out data. If you sort out data, it just brings benefits across all the other challenges we've talked about. Then the other piece is an additive – with better education, better deployment of technology, we get better outcomes.

Roos: Can technology help solve things like the pension crisis? It's one of the most important pieces in doing so. Helping the industry become more efficient and stay competitive when cost pressures and pressure to be more efficient comes around. And it will, due to more competition and more transparency in the UK workplace pension industry.

Chair: Maybe competition isn't necessarily always the best thing for member outcomes, because it drives down costs and drives down investment?

Roos: Well, the key word there is 'healthy' competition.

Porter: We've been talking for 90 minutes, and I don't think we've really disagreed on anything. We've all got the same view of what the challenges are, what needs to be done, what could be done. And so much I see across the industry, with different schemes, is around 'what can I do as a scheme to improve better comms? What can I do as a scheme to improve this journey?'

The reality is, we've all got the same fundamental problem of engagement in our sector. So, the solutions need to be cross-sector, not scheme-by-scheme. If we just think about things more holistically, if we started talking with a more similar voice, using the same kind of structures for information, I think we'd begin to get that cohesiveness of message as an industry and start seeing that benefit coming through to members as well.

Yates: My view is that we're so busy with the here and now because we've got so much on. One concern is, are we thinking expansively enough about what the future of the retirement industry is and what technology will be needed? Otherwise, we could end up saying what we want to do is try to access Netflix from a VHS player. That's the sort of world we could end up with, because so much is changing. Longevity is driving everything in a different way and it's driving everything quite considerably – we just need to really, really think about where we're going, as well as where we are now.

Izmeqna: For me the main takeaway is that we need to focus more on how we can solve the bigger problem, which is engagement and early advice or early knowledge base for the end user and the member. Because that will drive everything and it will drive the change.

Williams: The thing that I have underlined three times in my notebook is this: Whatever our opinions are about whether the dashboard could be a success or not, we should plan as if it's going to be brilliant. Because think about what are the good things that people are going to do that we wish they would do today, and then create the services that those people need. Then, even if the dashboard isn't as successful as we hope, we've created a load of services that people need. That can't be a bad thing.

Chair: I am reassured about how everyone recognises what the key challenges are. I completely agree that engagement with members, individuals, to get them thinking about pensions is the most important challenge. It's not just a pensions industry problem, it's a national ticking timebomb that in 30 years' time we're going to have so many people that just can't afford to retire, given the transition from DB to DC.

So, it is reassuring that everyone sees it as a concern. But if everyone does their own thing to try and close that gap, it won't be enough. Everyone needs to come together and work together and that starts from the government.