▶ **Summary**
• Pensions dashboards have faced significant delay but progress is being made by the PDP.
• Having undertaken user research and an industry call for input, the PDP is about to enter the testing phase of the dashboards.
• Schemes and providers are advised to get dashboard-ready by looking at how clean and digital their data is.
• Regulation is also needed to confirm what data will be mandatory for pension schemes to provide.

Dashboard loading…

▶ **With the Pensions Dashboards Programme about to move into the development stage of dashboards, Natalie Tuck looks at what this entails and the challenges still to overcome**

There are so many proverbs that would befit an update on pensions dashboards but the expanded, Rome wasn't built in day but they laid bricks every hour, is perhaps the most fitting.

It is no secret that pensions dashboards have faced delay; the original 2019 launch date is now a distant memory, with staged onboarding expected to take place from 2023. Creating dashboards is no easy task, however, and with several other big projects occupying the industry, delays were perhaps inevitable.

As Pensions Administration Standards Association (Pasa) Dashboard Working Group chair, Chris Connelly, says, dashboards "are not yet considered the most important thing" right now for schemes that could be dealing with any number of irksome tasks, from guaranteed minimum pension (GMP) equalisation to the McCloud judgment hanging over public sector schemes.

Delays aside, there are many industry figures working hard to make dashboards a reality in the UK. The Money and Pensions Service's (Maps) Pensions Dashboards Programme (PDP), which was set up in 2019, has made significant progress on dashboard development. In the past year, the PDP has, among other things, undertaken extensive user research on dashboards and published a call for input seeking views from the industry.

The next steps

"It's going to be an exciting few months for the progress of pensions dashboards," says PDP director, Chris Curry. Recently, several announcements have been made in relation to the develop and test phase. One of those is that Pasa will lead on the development of data matching conventions for dashboards, alongside the Association of British Insurers (ABI) and the Pensions and Lifetime Savings Association (PLSA).

Although the PDP did set out a range of potential items that providers can use for matching back in December 2020, with no regulations confirming any method, Pasa's work will play an important part in steering the Department for Work and Pensions (DWP) in the right direction. "We are really supportive of the work that Pasa is doing to ensure that there are industry-wide data matching conventions in place and guidance to help those that need it," Curry says.

In addition, the PDP has also announced its first set of seven alpha testing partners in the area of data. One of those partners is Aviva, and its future innovation and digital director, Julie Green, says the company's involvement has already begun. "We have attended workshops for the Integration and Test and Technical working groups. These groups pool expertise from the participants to draw a consensus as to the best way forward."

ITM chief innovation officer, Maurice Titley, which is also a partner, adds: "PDP has a well-defined product it's developing; our job as an alpha partner is to create the connection between that ecosystem and data providers. Testing that connection and creating a blueprint that can be repeated by other providers later on. Initially, testing will be focused on ensuring the connections effectively

feed data, in the right format, to and from data providers to dashboard."

Once this is done, several dashboard providers will be selected to work with the PDP to see if they can also connect up to the infrastructure to test whether the system all works together. Then, Curry says, they will be performing some end-to-end testing by running some dummy data from start to finish to see how it all works.

The PDP has also appointed Capgemini, who will partner with Origo, to supply the central technical architecture. This, Curry explains, is the "digital centre" of the dashboards programme. Over the coming months Capgemini will deliver the pensions finder service, consent and authorisation service, and governance register.

The PDP is also procuring for its first identity service provider to make sure that "individuals are able to identify themselves and the right provider sends individuals the right information," Curry says. "Alongside that, we're doing some really important work on consumer protection to make sure that no one is put at risk by pensions dashboards."

Dashboard ready

In addition to the above, schemes are now frequently told to get dashboard ready, one of the favourite buzzwords of the moment in the pensions industry. But with no regulations published, what does this mean? "There are some key elements of data that we think will almost certainly be part of the dashboard data set that organisations will have to receive from the digital architecture and return to dashboards," Curry states.

These data elements were set out last year by the PDP. The first is 'find data' needed to match individuals to their pensions, which includes information such as a person's first name and surname, date of birth, address, and national insurance number.

The PDP also expects schemes will be required to return 'view data' to dashboards, which includes details about
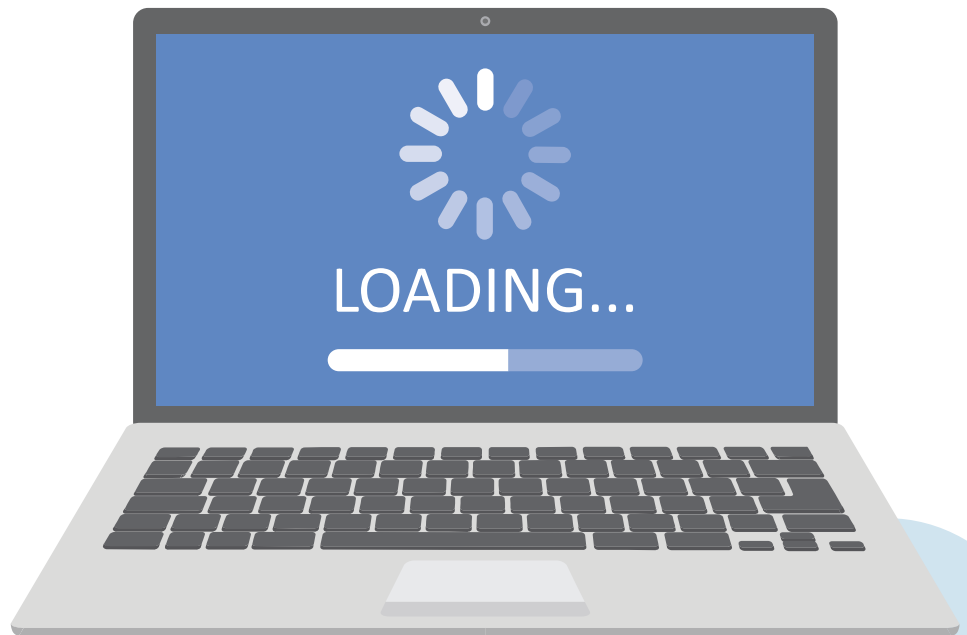
a person's pension arrangement, the name of the pension provider, and the administrator's contact details.

It also expects pensions value data will be part of the mandatory 'view data' for schemes but there are challenges here as there is currently no standardised form for calculating these values.

As part of helping schemes get dashboard ready, Connelly says that Pasa's guidance has been telling schemes to look at their data to see what state it is in and to think about what they can do about it. "If you currently think you've got clean data because you've scored 95 per cent or more on The Pensions Regulator's (TPR) common data score, that's all well and good but that only tells you the data is there, it doesn't actually tell you it is correct still. I might have 100 per cent of my addresses in my system but it doesn't mean those people still live there."

Another question is whether schemes are up to the challenge? "I'm sure they will be," Curry answers, "I don't want to underestimate the size of the challenge, we know that for many schemes it is going to be a real challenge. It's not just necessarily how clean the data is, but in some cases it is how accessible it is digitally."

This is echoed by Green, who notes

that some schemes already have strong digital services that they will be able to utilise when deploying their dashboard services. "Others do not, and they will have a very steep learning curve as to how they will expose their data."

Data, data, data

Data is arguably the most important aspect of pensions dashboards – without it, you simply would not have a dashboard. Whilst it is clear cut that schemes will have to provide certain data, until the regulations are published, it will not be confirmed whether figures on ERIs and accruals will need to be included upon the launch of the dashboards.

The inclusion of ERIs is a particularly contentious issue for the industry; on the one hand user research suggests pension savers want ERIs included on dashboards, but some in the industry are concerned that requiring this straight away could be putting too much pressure on pension schemes and providers.

LCP partner, Steve Webb, believes there is a "logical flaw" in not wanting to launch the dashboards until all the data can be provided. He notes that under the PDP's proposed plan, which includes larger schemes being staged first, smaller schemes will not engage at all until much

later. Instead, he thinks it would be better for all schemes to provide membership information only first and build from there, something he thinks the public would accept.

Coming from a different perspective, Connelly notes: "If Maps carries out its user research and it is unequivocal that users definitely want to see an ERI when they go on a dashboard, then who are we to say that that's not what we should do to make sure that members get what they want. The fact that we don't have a high level of demand from deferred members right now does not mean that that's not going to change in the future or whenever it's digital. Making pensions digital will bring its own demands, so [*if you didn't decide to automate before*] the cost benefit analysis point will now move."

Whilst there is industry debate, Titley says that the PDP, having taken on the view of the public, have been committed via working groups, feedback groups and direct feedback with providers to understand the challenges and ways to overcome them.

This collaboration that Titley references is crucial to the development of dashboards, but not just between the PDP and the pensions industry, but also between the government and regulators. Indeed, ABI head of long-term savings policy, Rob Yuille, believes this is especially true for data matching, as it is "one of the big critical pieces of the jigsaw".

"You want [*users*] to be able to find their pensions and be confident that the information is right. We know there are challenges with availability of data and schemes will be keen to make sure that they're sharing the right data and nothing else. There's definitely a balance to be struck between how specific that data is and how sensitive the results are."

Expanding on this, Connelly explains the concept of false positives and false negatives. A false positive is sending a person someone else's data, a data breach, which is a big issue and something the

Information Commissioner's Office (ICO) would need to be made aware of, whereas a false negative is when you don't send someone something when you should have.

"If you're a data controller you might argue that a false negative is the lesser of two evils because you have said no when you shouldn't have but that could still lead to a breakdown of trust somewhere because a user might know they have a pension with a certain scheme, but it won't be shown. Early user research from 2017 found that if there is a pension that someone expects to be there and it's not displayed, people don't think rationally that it is a data problem, instead, they think about pension scams and where has my money gone?"

Regulatory framework

Despite all the progress being made, until the regulations are finalised development of dashboards can only go so far. As Yuille notes: "There's a lot of focus on industry readiness but that does depend on government and regulator readiness."

Both the Financial Conduct Authority (FCA) and TPR will have roles to play in the regulation of pensions dashboards. The Pension Schemes Bill created the legislative framework for dashboards. As part of this, it will be mandatory for pension providers and schemes to connect to pension dashboards. The FCA will be responsible for making sure personal and stakeholder pension schemes provide data to dashboards, whilst TPR will ensure compliance from trust-based and public sector pension schemes.

A DWP spokesperson, which is responsible for drafting the regulations for dashboard data compliance, said the department aims "to consult on proposed regulations for pensions dashboards later this year and lay draft regulations before parliament for debate in 2022". Meanwhile, a spokesperson for TPR said it is working on "developing our own approach to regulating compliance – we will be providing guidance on our

expectations and will also set out our proposed approach to compliance in 2022".

In addition, the provision of pension dashboards will be an FCA-regulated activity, but before the FCA can draft regulations, HM Treasury needs to make amendments to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001. However, neither the Treasury or the FCA were able to provide timings on when the industry can expect draft regulations.

Offering his perspective on why there is not yet any regulations, Yuille says there is a "sequence that needs to happen". This includes the development and progression of things relating to consumer protections and the identity scheme to make sure there is a reliable way people can prove who they say they are.

"That all needs to come first and then the Treasury needs to give the powers [*to the FCA to regulate dashboards*], and I doubt they would say anything without that having happened, but the FCA will have been thinking about it and we hope they will draw on their experience in other markets, especially open banking," Yuille says.

And when pensions dashboards are finally made available to the public, Tumelo CEO, Georgia Stewart, thinks they will force the pensions industry through a "data revolution that parallels open banking".

"We are yet to see the full force of open banking in action, as applications are still being built on top and the consumer is still building up trust. However, already – within a few years – we have seen incredible strides in the way people can manage and interact with their personal savings… dashboards will encourage (or force) pension providers/schemes to position the customer data they currently have to be equally as empowering and, hopefully, even more positively impactful on the world."

▶ **Written by Natalie Tuck**