Stepping up a gear

❯ **Summary**

• The timeline for pensions dashboards' creation has faced contrasting calls of being too fast for the industry to implement, yet too slow to launch for savers.

• Alpha testing of the dashboards has begun with the Pensions Dashboards Programme (PDP)'s selected providers.

• Schemes can start to prepare for onboarding while the alpha testing is occurring, particularly by focusing on their data quality. As the DWP's proposed staging dates have now been published, schemes have a clearer timeline of when they need to be ready.

• The PDP expects to start testing its service using real data in the second half of the year before rollout begins in 2023.

❯ **While the DWP's recent dashboard staging dates announcement drives up scheme preparation, the PDP is hard at work alpha testing with its chosen providers. Laura Blows finds out more**

Since they were first proposed in 2016, pensions dashboards have always battled with the delicate issue of timing.

Cries of the dashboard creation timeline being too long – which were especially loud when their projected launch was pushed back from 2019 to 2023 – are matched by equally vocal calls for the implementation process not to be too speedy for already-stretched pension providers.

Shouts from the 'too speedy' camp have been louder lately, with the timings in the DWP's newly published draft dashboard regulation being described as a 'mammoth task' for the industry.

Be it too fast or too slow; either way the dashboards' gears are certainly cranking up now.

Background

They began to turn in October 2020, when The Pensions Dashboards Programme (PDP) – set up by the Money and Pensions Service (Maps) – published its timeline for the development of the dashboards and confirmed that phase one of the process, programme setup and planning, was underway.

July 2021 saw seven companies across the pensions industry spectrum – Aquila Heywood (now Heywood Pension Technologies), Aviva, Capita, ITM, Legal & General, Mercer and Phoenix Group – sign up to take part in the initial alpha test phase of pensions dashboards.

Each of these providers are unique, PDP principal, Chris Curry, says, so "we will learn a lot from these voluntary organisations about how the dashboards will work in practice, building up experience to be ready for the start of
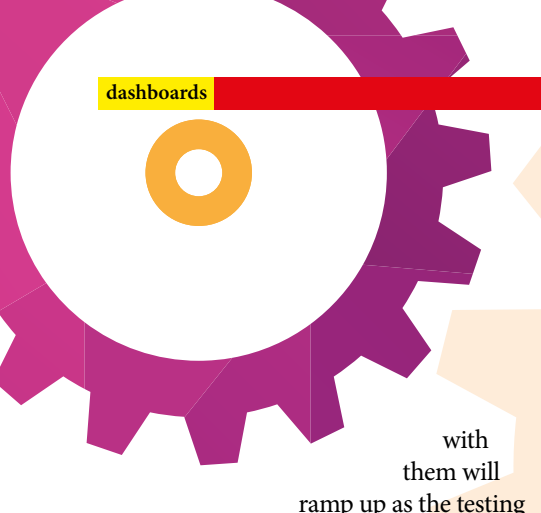
staging in 2023".

Following completion of a five-month tender process, Capgemini joined the fold in September 2021 to deliver its central technical architecture, partnering with Origo to deliver elements of the central digital architecture, specifically the pension finder service and the consent and authorisation service.

With Capgemini and Origo, along with the seven other suppliers, appointed, phase two – the PDP working with the chosen suppliers to begin building, integration and testing of the digital architecture – could begin.

Selecting dashboard providers

For this, in October 2021, the PDP began seeking three commercial organisations that intend to provide a pensions dashboard to help test the development of the dashboard ecosystem and ensure the technology works for different types of providers (in addition to the PDP's testing of the Maps dashboard).

In December 2021, Aviva, Bud and Moneyhub were announced as the three chosen providers to work with the PDP, to connect their dashboards to the central digital architecture during the alpha test phase running from December 2021 to May 2022.

The government wanted there to be multiple dashboards from a broad cross-section of access points, to increase the likelihood of there being a variety of users, Curry states.

Therefore, the three providers were selected to represent a range of different types of organisations that are likely to enter the future dashboard provider market, including an insurer, an open banking platform and an open data fintech, in an effort to understand these organisations' different needs and processes.

It was an "intense application process with a fairly long application form", Moneyhub CTO, Dave Tonge, says, with the three selected from around 25 applications.

Moneyhub put itself forward to shape the dashboards project at the alpha stage. "We want to help influence it," Tonge says, "as if you only join in at the end of things, then things are what they are; you just have to live with it. Whereas if you join at an earlier phase then there's a chance to have influence."

Heywood Pension Technologies principal propositions consultant, Colin Lewis, agrees, stating: "Our experience from previous industry initiatives is that you need to engage early so that you can be ready on time and help customers prepare for what's coming."

Alpha testing

So, with alpha testing underway, "the coming months will be pretty busy", Curry notes.

This is a likely understatement. The alpha stage is testing technology and digital connections, and how dashboard providers will connect with the central infrastructure.

It will also include penetration testing to ensure all the data is secure. The security of the consumers' data is at the forefronts of our minds, Curry states, so cannot be an 'add-on' but has to be embedded into the pensions dashboards design.

According to Origo CEO, Anthony Rafferty, it will provide the underlying security management features, known as a public key infrastructure, which will ensure that only trusted organisations can connect to the pensions dashboards ecosystem. Origo's technology will also integrate with the identity service, which will confirm an individual's identity prior to being able to use the service.

Also being tested is the connection of data and how it appears on providers' dashboards.

Ultimately, the alpha testing stage is about "joining the dots", Curry summarises. These 'dots' also spread beyond the pensions industry's confines, as the PDP has to work very closely with DWP, the Government Digital Service and its Infrastructure and Projects Authority to ensure the dashboards represent good value for money. Not to mention needing to work closely with regulators FCA and TPR, making this "a big coordination job", he adds.

"It is important that individuals find the service smooth and easy-to-use, so we will develop the user experience for the consent management element of pensions dashboards, based on user research provided by the PDP," *[see boxout]*, Rafferty says.

For this alpha testing, there is a lot of communication between the PDP and the three potential dashboard providers, Curry states. There are also a number of working groups to help ensure a smooth testing process.

"Currently our work is one of engagement; we are now on a number of different PDP working groups. Our work

with them will ramp up as the testing stage develops; they are currently testing their infrastructure with their provider, Tonge says.

"The work on our side is almost the same work as for when the pensions dashboard project goes live," he adds. "We will connect to the conceptual organisation service, which uses the pensions finance service and then connect to some individual providers."

Moneyhub is "not too worried about the tech side", Tonge says. "We're more concerned with trying to work with the [PDP] team to ensure a balance struck between usability, compliance and security. We want consumers to be fully protected but not to have to bog them down with reading lots of texts to connect to their pensions. We want to work with the PDP team to make sure we can try and have that voice of safety for the consumer but also have that voice of not making it too difficult for the consumer either," he explains.

Aviva managing director for retail sales and retirement, Roger Marsden, says it is busy during the alpha testing stage, being both one of the seven PDP providers and one of the three selected dashboard provider testers, therefore having representatives on the PDP's technical, testing, usability, governance and security workstreams.

As a data provider, Aviva is working with the PDP to use its systems and APIs to test that the dashboard environment can accept data feeds from pension providers and schemes.

As a potential dashboard provider also, it is supporting the PDP in designing a good consumer experience and developing the overall standards and guidance for would-be dashboard providers.

To manage this work, "we have mobilised a project team of business and IT colleagues to prepare for the pensions dashboard – our focus has been to assess the required data on our systems and to understand the technical solutions to connect to the central ecosystem being built by the PDP," Marsden says.

Despite the significant work to be undertaken, Marsden states that it has found working with the PDP to be "a positive experience and have welcomed the collaboration they have offered and the materials they have shared with us to help with our preparation".

These views are echoed by Lewis, who says: "Our experience of participating in the alpha phase has been positive and the PDP have been very responsive to our feedback."

The feeling is mutual, with Curry stating his pleasure at working with providers that are willing to commit to the work and to transparency, "as we are very aware that the alpha participants will be sharing their experiences with other potential dashboard providers in the future".

The three commercial providers participating in the testing are still just potential dashboard providers, Curry reminds, as it will be for the FCA to authorise dashboard providers, "so there is no guarantee that the providers working with us now will be providers in the future".

Challenges

Getting to the stage of active dashboards still seems a way off, as "whilst progress has been made, there is still much work to do before the dashboard can be launched in 2023", LGIM co-head of DC, Stuart Murphy, says.

"For example, identity varication standards need to be agreed, and a service provider needs to be appointed. Concerns have also been raised at the ease at which pension schemes will be able to provide the 'estimated retirement income' (ERI), in other words the projection of benefits that people see in their annual benefit statements. This is a particular challenge for DB schemes given the complexity of benefit structures and the reliance on manual calculations and processes, but equally for DC providers given they use different assumptions when calculating the ERI.

"This then has a knock-on effect on consumers, given they won't be able to see comparable information, unless resolved. For example, a scheme with provider A might assume an investment return of 5 per cent, provider B might assume 2 per cent, provider A may have age 65 as the date the member wants to access the pot, while provider B might have age 60," Murphy explains.

Marsden also highlights the challenge of integrating legacy pension products different in structure to those provided today, and of matching people up with 'lost' pension pots.

With these challenges, "anyone that isn't already well advanced with the development of their dashboard solution will struggle to be ready in time," Lewis warns.

Preparations

And time is ticking fast, as the DWP's draft regulations require large pension schemes to provide data to dashboards between April 2023 and September 2024, medium-sized schemes between October 2024 and October 2025, and small and micro schemes in 2026. Public service pension schemes will be required to connect by the end of April 2024.

As every scheme now broadly knows they will be connecting to the dashboards within the next 18 months to two years, internal teams can be created to review and prepare the data ("as we know the dashboards will only be as good as the data they have") and determine how they may want to connect to dashboards, Curry suggests.

To help with preparations, Curry

points to the PDP website, which has a wealth of regularly updated information.

For instance, following the publication of the DWP's consultation, the PDP has recently published updated standards for pensions dashboards, including its data usage guide, design standards scope, reporting standards scope, technical standards and a guide to the code of connection *[see page 12 for more information].*

Rafferty also says it is developing reference material, such as code and documentation, to dashboard providers and data providers in how they can connect to the central digital architecture.

<div style="background:#dce0ef;padding:1em;">

❯ **User requirements**

While the largest schemes may be supplying data from 2023, dashboards are not expected to be 'live' to consumers until around April 2024. "Although this is perfectly justifiable to deliver 'critical mass' of memberships, the so-called 'Dashboard Available Point' isn't likely to be achieved until then. It adds on another year of waiting and anticipation beyond the previously anticipated April 2023 start point," Aegon head of pensions, Kate Smith, commented at the time of DWP's draft regulation's publication.

A year between the start of scheme onboarding and member access may be worth the wait though, as the appeal and uptake of pensions dashboards are likely to be "heavily dependent" on the information displayed by the service at the point of launch, according to recent research by the Pensions Dashboards Programme (PDP).

Released in January, its qualitative survey of potential dashboard users finds that the premise of a 'find only' service, which listed pension entitlements but not values, had some appeal, but mostly among those who know they have lost pension pots.

However, a 'find and view' service, which contained both accrued and projected value information, was found to have a wide level of appeal and was the most likely to drive the greatest amount of engagement with dashboards.

The PDP's research finds that pension value information was critical to both the initial and long-term appeal of the service.

The vast majority of surveyed users say that positioning dashboards as a government service added credibility and provided the necessary reassurance to overcome initial concerns about data sharing, confidentiality and security.

"However, in addition to this, a combination of brand familiarity, the way in which the service is positioned/described, and signposting from trusted and credible sources are also key to reassuring potential users of the legitimacy and relevance of all potential dashboard services," the PDP notes.

The PDP's findings echo that of the Association of British Insurers (ABI)'s own dashboard research findings, also released in January.

Working with Britain Thinks, the research finds there was a "very high demand" among respondents, with two in three working-age adults stating that they are likely to use them.

For some people, finding and viewing their pensions is enough of a draw to use dashboards, but others expected the service to go further, according to the research, with seven in 10 wanting them to be interactive.

This was especially true of younger people, who were more likely than those of retirement age to want to take further action, including using modelling tools to see what happens if they adjust how they contribute to their pension.

To help dashboards succeed, the ABI recommends that forthcoming legislation and regulation should allow dashboards to be interactive to meet younger people's digital demands.

</div>

"In the past the dashboards may have been one of those 'mythical' concepts, as it got delayed and delayed and delayed, but now it is definitely happening," Tonge says.

"Therefore, it is much better to be on the front foot; do not wait to the last possible date you have to be ready according to the legislation. This is also a good opportunity internally to modernise some systems."

Next steps

It certainly is no longer 'mythical'. Curry notes that the aim is for the PDP to move to phase three, to connect volunteer pension schemes and providers to the service using real data from the dashboard testing providers, and even selected individual pension savers, in the second half of the year.

This will be on a very controlled, small scale and invited basis, Curry says, to check the theory works in practice. "Then towards the end of the year the PDP will working very closely with the larger pension providers who will be joining the system first to ensure they are prepared for onboarding in 2023."

Curry acknowledges that creating pensions dashboards are "a big task for the industry and will only work if we, the government and the industry, all work together now".

For all involved, the pensions dashboards' gears are spinning faster and faster.

❯ **Written by Laura Blows**