to do." He adds: "I have a great deal of empathy with *[TPR]* and support it in achieving what it is trying to do, which is ultimately improve member outcomes."

In this year's *Corporate Plan 2023/24,* TPR "commits to transforming the way we regulate" and has set up workstreams to ensure it has the right capabilities; people and skills; processes; and partnerships to maintain its "focus on enhancing and protecting savers' outcomes".

Hymans Robertson head of DC investment, Callum Stewart, says that while "more resources are always helpful to deliver seismic change", there is already evidence of positive change at TPR. "There has been a huge amount of recruitment at the regulator, and there has been an increase in the diversity of backgrounds and expertise of individuals employed. I've noticed positive movement and progress in terms of the level of engagement with TPR, and we're seeing more helpful guidance," he says.

Meanwhile, a TPR spokesperson tells *Pensions Age*: "We actively manage the resources we have available against the commitments set out in the corporate plan to ensure that we are able to deliver and also remain flexible within a continually shifting environment. We will continue to work closely with government on future legislation and will adjust the allocation of resource as required."

Coordinated action

A report from the Regulatory Reform Group, which looks at practical solutions to improve the UK's regulatory framework, published this April, notes that "strategic direction and clarity from government to regulators can be improved – for example, responsibility for pensions policy involves both DWP and HMT. Differences in opinion between regulators and government can slow regulatory improvement, stifling innovation and growth in the process".

It is clear then that since multiple regulators will be implementing the value for money framework, for it to succeed, several elements of DC must be considered simultaneously.

Dentons pensions partner, Eleanor Hart, says: "There is always a risk that stakeholders may be overwhelmed if there is too much change at once and there may be unintended consequences. But on balance, given that all these parts of DC are interlinked, it makes sense to have a holistic framework. It is also good for policymakers to be ambitious."

"We are doing the right things and heading in the right direction, but possibly just not at the pace we would like. Maybe too many consultations at the same time does tend to slow things down"

However, consultants and trustees are keen to keep delivering value for money as the top priority and wish to avoid distractions that corresponding consultations may cause.

Stewart says: "While there are other consultations happening at the same time, value for money is the anchor. I'd love to see all the guidance and regulations emphasise the importance of embedding that new value framework. If that's done successfully and in a helpful way, the impact of the other consultations and changes to regulations can be managed in relation to that goal."

Given the recent delays across both DB and DC pension reform, Tinslay says that while he welcomes multiple consultations, he hopes the volume of work does not cause further policy delays.

"We are doing the right things and heading in the right direction, but possibly just not at the pace we would like. Maybe too many consultations at the same time does tend to slow things down," he says.

Achieving outcomes

There is a sense of cautious optimism from the pensions industry about the likely success of the government's reforms.

Hart welcomes progress on CDC and believes reform may allow commercial providers to offer schemes that she says will make a "massive difference" to people's ability to save cost-effectively for retirement. But she questions the need for enhanced disclosures, which will be used to create DC league tables.

"Who are the disclosures for? They aren't for members because they aren't reading the current scheme information. Is this just a box-ticking exercise, or will it provide meaningful information for decision-makers?"

Tinslay is sceptical that it is possible to collect value for money disclosure across the entire DC universe and asks whether that undermines any subsequent league tables.

"Getting round to every employer to get this data is difficult. Say you gather 60 per cent of scheme data, which is better than nothing, we need to be clear that any league tables are based on that level, and that we don't have 100 per cent disclosure."

For Stewart, achieving a value for money framework is only the first step to achieving better outcomes for members, since it will be incumbent on providers and employers to ensure they are offering the best schemes.

He says: "'I'd like to see part two of the process focus more deeply on the stakeholders involved so we actually make *[value for money]* happen. We need to strengthen the guidance and the regulations around that, which is a move I would welcome with open arms."

Written by Gill Wadsworth, a freelance journalist

Clearing the hurdles

Pensions Age **asks the industry about the regulatory requirements to be managed in the creation of pensions dashboards**

The provision of pensions dashboards will play a considerable role in the journey to auto-enrolment and in helping members keep abreast of their pension pots. However, implementing pension dashboards also poses a sizable technical challenge for the industry. This is because it will require substantial investment in IT and data management to ensure GDPR regulations are met. Schemes should strive for 'Privacy by Design' from the outset when developing technology to ensure good data protection standards are there from the very beginning. Obtaining accreditations such as ISO27001, the international standard for information security as well as Cyber Essentials, the government-backed scheme, can help schemes remain compliant with GDPR.

TPT Retirement Solutions DC director, Philip Smith

The Pensions Dashboard Programme (PDP) faces several regulatory challenges that must be overcome for the initiative to be successful. While the General Data Protection Regulation (GDPR) feels like the most obvious hurdle, most funds, administrators, and employers already have the necessary frameworks and policies in place to handle this challenge.

Interoperability, data accuracy and matching are major challenges, and most communications from The Pensions Regulator, PDP and industry have focused firmly on these regulatory challenges. We fully expect most of these challenges to be resolved before dashboards go live.

All the focus is currently on getting funds and administrators ready for dashboards but at some point, the focus needs to shift to the member for whom dashboards are built.

Members may face several challenges themselves. Some significant challenges are accessibility, technical complexity, consumer protection and personal privacy. Accessibility may particularly be a challenge for individuals with limited digital skills or disabilities. Dashboards must be designed to be user-friendly and easily accessible to all individuals to ensure that everyone can access the information they need to make informed decisions about their retirement savings.

The Financial Conduct Authority (FCA) regulates the UK financial sector and is responsible for ensuring that financial markets operate fairly, transparently and that consumers are protected from potential harm.

The FCA published CP 22/25 in December 2022, where it consulted the industry on a variety of topics. This includes providing clear and transparent information about pension savings and investment options, as well as ensuring that individuals' personal and sensitive information is protected. This is the critical piece of regulation that needs to be finalised before PDP goes live.

In reality, we think that the focus of the industry needs to start shifting from getting data ready to be consumed by the dashboards infrastructure, to the consumers and the effect that dashboards will have on them and most importantly to ensure that their wellbeing is protected.

PensionSmith CEO, Jaco Wasserfall

To offer pensions dashboard services, providers will have to comply with the standards laid out by the Pensions Dashboards Regulations 2022 (2022 regulations). Alongside these, however, they will also have to comply with the Pensions Dashboards Programme's standards (PDP standards), the Financial Conduct Authority's regulation (FCA regulation) and the Data Protection Act 2018 (GDPR). But what do these prescribe?

2022 regulations
The 2022 regulations lay out the overall service expectations for the system. They require that the provider comply with the PDP standards. In addition, the user's dashboard process is laid out: The user consents to the dashboard accessing their data and submits a request to access it themselves. Other requirements include that the service must be provided as quickly as possible, without charge, and must include state pension information.

PDP standards
The PDP standards cover a large number of areas, including how data must be formatted and presented to the end user. This means that, when providers begin to think about the front-end of the dashboard, the PDP standards will apply. The PDP standards also include the technical standards, regulating the provider's technical architecture, and the security standards, included in the Code of Connection.

FCA regulation
The government has made clear that provision of a dashboard is a regulated activity under the Financial Services and Markets Act 2000, meaning that providers are regulated by the FCA. Providers will have to obtain FCA authorisation before providing any services and must report to the FCA regularly. Providers will have to comply with the FCA's principles, as well as the new regulatory framework, the consultation for which closed in February this year.

GDPR
The GDPR creates a number of obligations on any organisation that handles data. The user must be told of, and consent to, the purpose for which the data is being processed, and it can only be stored for that purpose, being deleted afterwards. Users must be given the right to access, update, and erase data. In essence, providers must have stringent policies in place to confirm the user's identity, seek their consent for the dashboard process, and ensure data does not get sent to incorrect parties (such as the wrong scheme) or leaked to third parties (such as data storage hosts).
DLA Piper partner, Matthew Swynnerton

The interaction between pensions dashboards and existing regulations does present some challenges for industry, and the need for trustees to adhere to GDPR is an obvious one. However, users will be asked to consent to the sharing of their data as a condition of use, and trustees will only be liable for members' data up to the point it is provided to front end dashboards – from then on the dashboard provider is responsible for how members' data is handled. Moreover, while allowing automatic access to members' data is a massive step change, if trustees are confident in the quality of their data and the robustness of their matching criteria, then they have little to fear. The identity verification service will arguably provide a tighter control than asking someone to verify information over the phone before releasing benefit data to them. If trustees are confident that their positive matches are correct (and – if they're unsure – are producing possible matches to ask for more information before deciding), then providing information via dashboards shouldn't give rise to an inordinate increase in data breaches.

The impact of dashboards on disclosure regulations is more of a challenge, particularly for defined benefit schemes where administrators would normally have two months to provide a deferred benefit statement, but will now have only 10 working days to provide value data if they can't automatically generate it for dashboards. And dashboards may also trigger an increase in transfer requests, where statutory deadlines and regulations make these particularly time sensitive cases. While nobody can predict how many people will be using dashboards once they're live, the strong possibility of the high volume of queries it will precipitate will be a huge challenge for those dealing with the day-to-day administration of schemes.
LCP senior consultant, Ella Holloway

Data security is a crucial concern when it comes to pensions dashboards, especially in light of regulations such as GDPR. While there are many factors to consider, the dashboards ecosystem itself is secure and not a major cause for worry as no personal data will be held in it. However, a key focus should be on connecting schemes to the dashboard ecosystem and ensuring that data is returned to the right members.

Working with an Integrated Service Provider (ISP) is one effective solution to potential data handling and cyber risks. ISPs have the expertise and resources to meet the Pensions Dashboards Programme's data handling standards and can ensure that data is handled securely.

To reduce the risk of returning data to the wrong member, schemes must prioritise ensuring they have up-to-date data to match against. This can also help reduce the number of partial matches and member queries. Data Protection Impact Assessments should be carried out in relation to data matching, as recommended by the Information Commissioners Office.

All parties involved in the dashboards ecosystem must take responsibility for ensuring compliance with data protection legislation, with commercial dashboard providers and pension schemes being examples of independent controllers successively processing personal data in a chain of operations.
Mantle Hosting head of proposition, Graeme Riddoch

Written by Laura Blows