



After months of speculation, it seems as if the pensions dashboard has come back from the dead.

As reported by *The Times* in July 2018, Work and Pensions Secretary Esther McVey wanted to kill off the dashboard as it would distract from the rollout of universal credit. When government silence on the planned dashboard followed, it fuelled rumours that it was in line to be scrapped and the industry cried out for the Department for Work and Pensions (DWP) to keep the project alive. During the silence, nearly 200,000 people signed a petition urging the government not to give up on the planned dashboard. Their prayers were answered recently, with McVey

▣ Summary

- The pensions dashboard is now expected to be going ahead.
- The industry will take the leading role in developing and managing the dashboard.
- There is uncertainty surrounding the extent and nature of government involvement.
- It is still unclear when the feasibility study and dashboard will be released.

Back from the dead

▣ Jack Gray explores how new life has been breathed into the pensions dashboard

confirming the plan is still alive and kicking.

She reiterated her commitment at the Conservative's party conference on 1 October, saying that "we will be

giving people the opportunity to access their pension information through an industry-led pension dashboard, building on the government's 'check your state pension' online service".

However, McVey may not be as keen on the project as her speech suggests. She backs the industry to take the lead on the project in order to “harness their knowledge”, while the government would support the initiative but take a back seat approach. Although the government has now backed the scheme and the technology is ready to go, if what *The Times* reported is accurate, it was quite happy to let the plan fizzle out and be swept under the carpet. The government still needs to publish its dashboard feasibility study, which has been delayed from the original March 2018 deadline. Promises have been made by the DWP that the study will be released “shortly”, although it still has not given an exact date.

The story so far

The dashboard was first announced in September 2016 by then-Chancellor George Osborne, when he set the pension industry a deadline of 2019 for designing, funding and launching it. Initially, things seemed to be going to plan. The project’s timeline goals were met: the discovery phase, which included securing the resources required and forming a coalition of 17 pension firms, the development phase, which included conducting basic consumer research and getting the DWP to agree to test the data set, and the demonstration phase, where the project was demonstrated to the government.

However, since the missed deadline for the feasibility study, the dashboard appears to have been put on the back burner by the government. Because of the missed deadline, along with McVey’s mixed messages regarding her enthusiasm for the project and her encouragement that the industry lead the dashboard’s development, some believe that without government backing there is no way the dashboard will be successful. AJ Bell personal finance analyst Laura Suter says: “A dashboard with full government backing will have more chance of success, so it will be

intriguing to see the findings from its feasibility study when they are published soon. An incomplete pension dashboard is not going to be of use to anyone so it is important the government commits to ensuring the state pension is included and uses its powers to ensure a critical mass of pension schemes sign up to the initiative so that it delivers meaningful benefits to pension savers.”

There are multiple examples of pension dashboards or equivalents around the world, including in the Netherlands and Australia, and they are all state-run. Therefore, government legislation is likely needed to ensure that all private pension schemes provide comprehensive data, as a dashboard with incomplete data may make its implementation a waste of time and effort. A survey by the credit reference agency Experian finds that around half of individuals would not use the dashboard if it did not include all of their pensions data.

Fintech company Origo was involved in developing a prototype dashboard as part of the HMT Pensions Dashboard Project, managed by the Association of British Insurers (ABI). Origo managing director Anthony Rafferty highlights how important governmental involvement would be: “Compelling providers to participate is an essential input from government. It is vital for the feasibility study to be clear on where industry and government meet on their responsibilities and roles within the delivery and then ongoing management of the dashboard.”

Necessity is the mother of invention

The pensions industry has come under fire in recent years for a lack of transparency, especially at a time when people are used to easily checking their other financial products online. In contrast, there is no system for individuals to monitor all of their pension schemes. A dashboard would enable members to be aware of how much they have saved and should be able to make better financial decisions as a result. In

an era where individuals are working for more companies than ever – in 2017, life insurance firm LV= found that a UK worker will change employer every five years on average – it has never been more important for workers to have a system to keep track of their increasing number of pension schemes.

The ABI collaborated with a range of fintech developmental partners and the government to develop a prototype dashboard. It believes the dashboard is key to helping consumers gain a better grasp on their pension schemes, as general director Huw Evans made clear.

“The government will help out millions of savers by keeping its promise to help deliver the pensions dashboard. This vital tool will allow everyone to find their pensions and see them together online, enabling people to keep track of their funds and work out if they are saving enough for retirement. The ABI, leading a cross-industry group of pension providers and schemes, has already delivered a great deal of the work needed to turn the dashboard into a reality, including a working prototype, and we look forward to continuing this collaboration,” he says.

Furthermore, it is estimated that there is around £400 million worth of lost or forgotten pensions still sitting in the pension industry vaults. If the government is willing to facilitate a system where all pensions data must be made available, then it would help members track down their forgotten funds. Although it would be a mammoth task to collate all of the UK’s pensions data, it seems essential to the success of the project.

Prototype progress

Despite the issues, the dashboard may be closer to completion than it seems. Origo has successfully tested a prototype that could facilitate 15 million individual users, as Rafferty explains.

“Origo specifically developed the Pensions Finder Service (PFS) aspect of this prototype. This service makes up



the 'essential plumbing' for any one or all potential front-end dashboards. This service works by connecting to Digital ID suppliers. It then coordinates find requests to all pension providers and then coordinates the secure return of where to access the pension data, including values, to the dashboard screen," he says.

The successful testing of the prototype showed that it is possible to build the 'plumbing' that connects multiple pension schemes and providers to dashboards, while allowing people to view all of their pensions in one place. It also proves to the government and industry that an infrastructure can be delivered and that fintech providers can be collaborated with in order to complete the project.

However, there is still a lot of work to be done before the dashboard will be ready for its scheduled release in 2019. Data for state, defined contribution and defined benefit pension schemes needs to be collated for both the private and public sector. Additionally, the regulatory framework for the infrastructure needs to be developed to find a balance that suits the industry and consumers, as well as protecting members from scams. A governance body may need to be created to establish data standards, data security and digital sharing agreements. Industry personnel are concerned that the amount of work that needs to be done will result in the dashboard missing its 2019 deadline.

Obstacles

Rafferty highlights what Origo believes

to be the four key ongoing issues that need to be addressed. These include compulsion: "Origo believes compulsion will enable delivery of a dashboard with access to all providers' data, making it more useful and so much more valuable to the UK consumer. Compelling all providers to open up access to consumers' data will also enable providers to prioritise any development and/or resources internally to ensure their systems are dashboard ready. Compulsion will require government legislation," he says. Origo also thinks that Digital ID should be introduced as it will be "core to the dashboard" and "enable consumers to trust that their data is secure, which will encourage use of the dashboard". Additionally, ensuring that the registration, sign-in method and process is "secure yet simple" will also encourage savers to use the dashboard. Another issue that it thinks needs to be addressed is the inclusion of state pension data. Royal London director of policy, Steve Webb, agrees: "It is vital that the proposed pension dashboard includes state pension information from the outset. The new state pension system is designed to be simpler, and most younger workers will simply get the new flat rate. But the transition to the new system will take some years and it is important that older workers in particular use the online service to make sure that they know exactly what they are going to get."

Finally, Origo believes that governance is an essential tool for a successful dashboard: "There are potentially two elements to the governance: delivery to launch and set up, and ongoing governance. For example, in the launch phase key decisions will need to be agreed, including specific technology suppliers and routes, whereas post-build, governance may include maintenance of data standards and onboarding ecosystem participants."

The future

Although there is still much to be done

before the project can be implemented and the DWP seems to be dragging its feet over the plan, the vast majority of the industry and consumers appear to support the dashboard. Many believe that it would solve a multitude of issues that currently plague the industry. The lack of transparency would be addressed, as well as helping members engage further with their pensions and have a better understanding of their schemes at a time when pensions have never been so complex and varied.

The dashboard could also improve pensions advisory services, as it could provide people with the ability to delegate access to a financial adviser and act as a money-saving feature for users. Research from national advice firm LEBC in January 2018 finds that opening up access to financial advisers through the dashboard will cut the cost of advice by between £300 and £400 per person.

Furthermore, it would lessen administration fees through free-flowing and secure data, while potentially reducing the need for schemes to provide members with so much information, as it would be readily available through the dashboard.

It is difficult to find opposition to the project. However, there is concern in the industry that, if the government does take a backseat, the cost of implementing and maintaining the dashboard will be a burden on the industry. Some members of the industry have already contributed a significant amount of money through the prototype project, as they provided data, personnel and cash to support and develop the project. McVey and the DWP seemed to be willing to let the plan die over the summer when they went quiet on the issue, but public outcry and petitioning meant that it could not be killed off for good. Despite their best efforts to make everyone forget about the project, it seems as if the pensions dashboard has come back to life.

Written by Jack Gray