



Crunch time

☞ **Sophie Smith takes a closer look at the latest pensions dashboard updates and the steps that pension scheme trustees should be taking to ensure they are prepared**

“Pensions dashboards are increasingly becoming a reality, and huge progress has been made in the past 12 months,” says Pensions Dashboards Programme (PDP) principal, Chris Curry. “This includes the legislative framework that Department for Work and Pensions (DWP) and Financial Conduct Authority (FCA) are delivering, the work that The Pensions Regulator (TPR) is doing to help trustees get ready for compliance, and the delivery of the digital architecture and standards that PDP is delivering.”

Indeed, the DWP recently confirmed further details on pension dashboard regulations, deferring the deadlines for the first two staging cohorts by two months, although this is not expected to have a significant impact on timing, with the draft regulations to be laid before parliament in autumn.

PDP is also on track to publish the final dashboards standards documents in winter, following its recent consultation

on the draft standards, with a formal consultation on the design standards also expected to follow in autumn, to coincide with the FCA’s consultation on draft dashboards rules.

Getting the timing right

However, there are still areas of contention, as the DWP’s recent consultation on the Pensions Dashboards Available Point (DAP) has come under fire from industry experts amid concerns that the notice period could be too short for the industry, yet too long for savers.

In light of these concerns, Society of Pension Professionals (SPP) former president, Paul McGlone, argues that the DAP shouldn’t come as a surprise to the industry, but that a likely date should be shared publicly around 12-18 months in advance, so the industry can plan.

“While we understand this is the intention, that hasn’t been formally confirmed by anyone involved in the decision,” he says. “The formal notice then still needs longer than three months

☞ Summary

- Pensions dashboards have seen huge progress in the past 12 months, although there are uncertainties still to be finalised, particularly around the Dashboards Available Point.
- Despite the uncertainty, pension scheme trustees should be taking action now to ensure that they are prepared ahead of the relevant staging deadlines.

so final arrangements can be made, for example bringing systems online in time, and recruiting and training staff. Different organisations have suggested different periods, but six months seems to be a common request.”

These concerns are echoed by Pensions Administration Standards Association (Pasa) Dashboards Working Group member, Andrew Lowe, who points out that there are potential practical and legal constraints around widescale testing of the UK dashboards ecosystem that may limit what can be achieved in advance of the DAP.

He continues: “As an industry, we need clearer information on the above to help shape the way in which schemes, trustees and administrators can prepare for DAP and support savers once dashboards are here. If this information is accessible to the pensions industry alongside indicative information around expected timelines then the gap between announcing an upcoming launch of dashboards and the launch itself can be minimised. The issue is therefore how insight into dashboard experience is gathered and shared between now and DAP/other launch protocol.”

Industry experts have also suggested that the bigger challenge may be the idea of a ‘big bang’ switch on. Pensions Management Institute (PMI) vice president, Robert Wakefield, says that a more phased approach is “the best we can achieve with the current resources, considering schemes have other important projects running alongside

such as GMP equalisation (GMPE) and de-risking work”.

Road block ahead

Despite the progress made over the past year, many industry experts are also reluctant to suggest that pensions dashboards are on the last stretch.

“Different organisations are at very different stages in the dashboards project,” says McGlone, noting that some, such as the development of qualifying dashboards and integrated service providers (ISP), are progressing well, but are certainly not in the final stages, while others, such as developments for individual schemes, are only just starting.

And Lowe warns that there is a risk that the capacity to catch up may not

exist, and “much can happen” between now and the DAP, which is “probably a minimum of 24 months away”.

He also emphasises that the DAP is the “beginning of dashboards and not the finish line”, as savers will be given pension insights they’ve never had before.

“What information this exposes and what consumers want to do next has the potential to disrupt the industry in a way which may potentially be bigger than auto-enrolment or pension freedoms,” he continues. “Dashboards will need to evolve to meet these needs and this will have wider impacts too.”

Premier head of administration, Girish Menezes, says legislation also remains a “key risk”, as this could be delayed due to the current *[at time*

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of writing] Conservative leadership elections.

However, Curry reassures the industry that while there will always be hurdles, “given what we know today, PDP are confident that we will be ready to onboard schemes and providers next year”.

“We know that many of those pension schemes and providers, administrators and software providers who have staging deadlines next year are working hard to make sure that they are ready too,” he continues.

And schemes are right to prepare, as Pensions Minister *[at time of writing]*, Guy Opperman, also stresses the need for the industry to take action now, stating: “For many people, a pension is the most significant financial investment they will make in their life. That is why the introduction of pensions dashboards is so important.

“Clear pensions information at the touch of a button, including on the state pension, will ensure better informed, more engaged savers and help people to plan effectively for retirement, as well as to find lost and forgotten pension pots.

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Written by Sophie Smith

What now?

Despite the uncertainty still surrounding the final standards, Premier head of administration, Girish Menezes, says that “there is no excuse not to start preparing scheme data to meet dashboard standards”.

“In fact, given the pressure on trustees and administration teams with GMP equalisation, buy-ins and buyouts, it is important for trustees to embed dashboard preparation within their broader data improvement plans, to ensure that the project is efficient and cost effective,” he explains.

Menezes says that the focus should be on DB deferred members, accurate pensions calculated at date of deferment and the ability to roll this forward annually on a scheme-specific basis. “All of this will put the trustees in a better position to enable automation of calculations, a better member experience, less risk of errors and shorter preparation time for de-risking.”

This sentiment is echoed by Pensions Administration Standards Association (Pasa) Dashboards Working Group member, Andrew Lowe, who suggests that there are lots of areas trustees can address based on PDP’s “detailed” draft versions of the standards, such as matching and reporting protocols, and the quality of scheme data.

In particular, Lowe says trustees should clarify how their administrator will exchange data with the Centralised Dashboard Architecture (CDA)/dashboards and ensure they or their chosen ISP can meet the code of connection, technical and reporting standards as written.

In addition to this, he encourages schemes to identify what data they require to ‘match’ with the ‘find’ data provided by the pension finder service before returning ‘view’ data to the dashboards.

And some schemes are already taking action to ensure they are prepared, as PMI advisory council member and Tesco Pension Manager, Eve Keith, confirms that the pension scheme has already taken action around matching criteria and selecting an ISP.

“As part of that process we had to balance the benefits of using a provider we were already familiar with the ability to segregate the ISP offering from the main system provision in the future if needed,” she explains.