



Department
for Work &
Pensions

Consultation Questions: Consultation on the draft Pensions Dashboards Regulations 2022

Name of respondent/s / organisation (please provide):

Renny Biggins, Head of Retirement, The Investing and Saving Alliance (TISA)

Respondent Types - Please tick all that apply:			
Pension Scheme type		Pension scheme size (Large; Medium or Small/Micro)	
Master Trust		Large Scheme (1000 members+)	
Money purchase (used for Automatic Enrolment)		Medium Scheme (100 -999 members)	
Money purchase (other)		Small Scheme (<100 members)	
Non money purchase (excluding Public Service Pension Scheme)			
Public Service Pension Scheme			
Hybrid			
Administrator			
Software provider			
Consumer organisation			
Dashboard provider			
Other (please state)			

Responses to consultation questions are optional. We ask that you provide your reasoning for your answers to the consultation questions that you respond to.

Chapter 1: Overview of Pensions Dashboards

Question 1: Do you have any comments on any aspect of the Regulations or consultation, that is not covered in the following consultation questions?

TISA is highly supportive of the Pensions Dashboard initiative but is very concerned that the potential benefits to consumers remain severely hampered by existing Advice rules. This is because the industry will be curtailed in its ability to issue constructive guidance to consumers, be it nudges, alerts, prompts and suggestions, on the back of a consumer's Pensions Dashboard data. Such actions by firms would constitute regulated advice. We do believe that it is the best interests of consumers that the legislation around Regulated Advice be amended to allow firms to issue Personalised Guidance. This will then allow the industry to "bring to life" the insights to consumers about their pensions, which won't otherwise be immediately obvious.

TISA is in advanced discussions with both the FCA and HMT on what legislative and regulatory changes are required to the UK's Advice framework. The DWP's support towards our proposals would be highly valuable and we therefore request a meeting to discuss this with DWP.

Question 2: Do you agree with the proposed approach to the oversight and approval of standards?

We agree with the proposed approach. It is important that where standards are consulted on, appropriate timescales are given to provide firms with the time to properly consult and respond with full details.

Chapter 2: Data

Question 3: User testing shows that the inclusion of date of birth for display logic purposes could be useful for individuals using dashboards, so we are minded to include it. Does this cause concern?

This does not cause any concern and provides a further opportunity for inaccurate personal data to be corrected.

Question 4: Will it be feasible for trustees or managers to provide administrative data to new members making a request for information within three months of joining the scheme?

Yes, this seems an appropriate timescale. The administrative data currently includes 'employment start date', however it is likely this will not be held by the pension scheme and 'scheme start date' would be provided.

Question 5: To what extent do schemes currently make use of the exemptions under Disclosure Regulations 2013, regulation 17(6)(c), which exempt money purchase schemes from issuing projections if certain criteria are met? Do many choose instead to issue SMPs to individuals in these circumstances?

As a general principle, schemes should be adopting the processes that they currently do today. We would not expect Pension Dashboards to force schemes to deviate from this without good reason.

Question 6: Do schemes apply exemptions when providing information in respect of cash balance benefits, which they think should be transferred over to dashboard regulations?

Please see answer to Q5.

Question 7: Do the Regulations reasonably allow for our policy intent for deferred non-money purchase schemes to be achieved, and does it reflect current practice?

N/A

Question 8: Would provision of an alternative, simplified approach to calculating deferred non-money purchase benefits as described make a material difference in terms of coverage, speed of delivery or cost of delivery of deferred values for any members for whom the standard calculation (pension revalued to current date in line with scheme rules) is not available?

N/A

Question 8a: If a scheme were to use the alternative, simplified approach to calculate the deferred non-money purchase value, would the resulting values be-accurate enough for the purposes of dashboards and as a comparison with other pension values? Is the potential for this degree of inconsistency of approach reasonable? What are the potential risks to consumers or schemes in providing a value based on a simplified calculation?

N/A

Question 9: Do the regulations as drafted fulfil our policy intent for cash balance benefits, and do the requirements reflect current practice in delivering values?

N/A

Question 10: Is displaying more than one value, to account for legacy and new schemes, in respect of members affected by the McCloud judgement and Deferred Choice Underpin a feasible approach? Do consultees believe it is the correct approach in terms of user experience?

As a general principle for all data displayed, simplicity is key.

Question 11: We have proposed that hybrid schemes should return the value data elements as outlined for money purchase/non-money purchase schemes depending on the structure of the individual's benefit within the scheme, within the relevant timescales. Are the regulations drafted in such a way as to deliver the policy intent stated, and is this deliverable?

N/A

Question 12: Our policy intention is that where a benefit is calculated with reference to both money purchase and non-money purchase values (as opposed to hybrid schemes with separate values), schemes should only provide a single value. The regulations do not currently make this explicit. Would a requirement that a scheme must supply only the data for the greater benefit of the two cover all scenarios with mixed benefits? Are there other hybrid scenarios which are not covered within these regulations?

N/A

Question 13: Are the accrued values for different scheme and member types deliverable, and can they be produced in the time frames set out in the 'Response times' section? Are these values necessary for optimal user experience?

N/A

Question 14: Do you believe our proposals for data to be provided and displayed on dashboards, particularly on value data, provide the appropriate level of coverage to meet the needs of individuals and achieve the aims of the Dashboard programme?

We broadly agree, however there are some scenarios which may produce confusing or perceived to be conflicting values and dates.

E.g. member leaves employer/scheme A six months ago and starts with employer/scheme B four months ago. The last annual benefit statement for scheme A was produced eleven months ago and the projected pension value assumes a further ten years of contributions. The projected pension value for scheme B also assumes a further ten years of contributions so double counting exists. Whilst scheme A will display an accrued value which should be significantly less than the projected value, the fact that two values are displayed will be confusing and it is important consumers are able to distinguish between the two.

Although an aspect we will raise within the FRC consultation, it will be confusing for a SMPI to illustrate no tax-free cash being taken when in nearly all scenarios, it is taken. Consumers will be expecting a higher level of annual income than they receive if this is not understood.

The selected retirement age may also lead to confusion. Whilst we would expect schemes to provide the latest illustration calculated, an individual with multiple pension plans may see these all referring to a different retirement age and date. The complexities with the NMPA leading to potentially different retirement dates within a single arrangement will also need consideration.

This leads more generally to the point that whilst the dashboard provides useful information, most consumers will not know what to do with it and it could cause confusion. It is important that the information is not used to make retirement decisions without easy access to additional support and guidance being provided, otherwise this could lead to poor outcomes.

Question 15: Are there ways in which industry burden in terms of producing and returning value data could be reduced without significant detriment to the experience of individuals using dashboards?

We reiterate that for any solutions, simplicity is key and we need to ensure that the dashboard is leading to good consumer outcomes.

Chapter 3: How will pensions dashboards operate? Find and View

Question 16: Is 30 days an appropriate length of time for individuals to respond to their pension scheme with the necessary additional information to turn a possible match into a match made?

Yes this seems appropriate.

Question 17: Do you think that the response times proposed are ambitious enough?

Yes this seems appropriate given the 3 month window that is provided for new scheme joiners.

Question 18: What issues are likely to prevent schemes being able to return data in line with the proposed response times?

There may be some issues where schemes, particularly workplace schemes do not hold a NINO for a member – notably for schemes with a high proportion of deferred members. Surname may also be an issue for deferred schemes where they are not notified of a change e.g. following marriage.

Question 19: We are particularly keen to hear of where there could be specific difficulties to providing this data for exceptional cases, how many cases this might include, and whether consultees have views on how exceptions could be made without damaging the experience of individuals using dashboards for most cases where values can be provided more readily. Are there any specific cases when providing the information asked for would be particularly difficult?

Please see answer to Q18.

Chapter 4: Connection: What will occupational pension schemes be required to do?

Question 20: Do the proposed connection requirements seem appropriate and reasonable? If not, what alternative approach would you suggest and why?

There is a fundamental issue which impacts on these proposals and that is, there is no confirmation as to when Pension Dashboards will go live. Implementing staging dates without this certainty means that schemes may be undertaking additional work to meet proposed staging timelines which become out of date.

It is likely that many schemes will be dependent on ISPs - the availability of this service will influence their ability to meet the deadline. In some instances, schemes will have a reduced window for readiness due to the non-availability of an ISP. We need distinct timelines to apply to the separate components which may be required for connectivity to ultimately ensure an appropriate window is given for schemes to connect.

Chapter 5: Staging – the sequencing of scheme connection

Question 21: Do you agree that the proposed staging timelines strike the right balance between allowing schemes the time they need to prepare, and delivering a viable pensions dashboards service within a reasonable timeframe for the benefit of individuals?

There is a fundamental issue which impacts on these proposals and that is, there is no confirmation as to when Pension Dashboards will go live. Implementing staging dates without this certainty means that schemes may be undertaking additional work to meet proposed staging timelines which become out of date.

For many AE workplace providers and platforms, it is not unusual for an individual to be held within the administration system multiple times, reflecting past and current membership of different occupational schemes. It would be logical for the scheme/platform to provide details to Dashboards of all scheme entitlements for that individual based on membership of the scheme which has the earliest staging date. Furthermore, this would be beneficial for the individual. However, based on current proposals, certain scheme entitlements would need to be withheld from the dashboard until their staging date is reached or the underlying occupational scheme applies to bring this date forward. It would be simpler for all concerned to enable full details to be provided at the earliest opportunity or for the platform or provider/administrator to apply to bring the staging date forward on behalf of the occupational scheme they administer.

Recognition needs to be given to the considerable scale of regulatory change industry is currently dealing with. Whilst the timescales on their own seem appropriate, when you factor in the magnitude of other change firms are having to deal with, this results in the proposed timeline being extremely challenging. We have one chance to get the rollout of Dashboards right, so it is crucial firms are provided with appropriate timescales to deliver the proposed requirements.

Question 22: Apart from those listed in the table ‘classes of scheme out of scope of the Regulations’ are there other types of schemes or benefits that should be outside the scope of these Regulations? If you have answered ‘yes,’ please provide reasons to support your answer.

N/A

Question 23: Do you agree with the proposed sequencing as set out in the staging profile (Schedule 2 of the Regulations), prioritising Master Trusts, DC used for Automatic Enrolment and so on?

We agree with this in principle, however we reiterate the point that these are based on a Dashboard live date which is not certain.

Question 24: (Cohort specific) If you represent a specific scheme or provider, would you be able to connect and meet your statutory duties by your connection deadline? If not, please provide evidence to demonstrate why this deadline is potentially unachievable and set out what would be achievable and by when.

N/A

Question 25: Do you agree that the connection deadline for Collective Money Purchase schemes/Collective Defined Contribution schemes (CDCs) should be the end of April 2024?

N/A

Question 26: Do you agree with our proposition that in the case of hybrid schemes, the connection deadline should be based on whichever memberships falls in scope earliest in the staging profile and the entire scheme should connect at that point?

N/A

Question 27: Do you agree that the Regulations meet the policy intent for hybrid schemes as set out in Question 26?

N/A

Question 28: Do you agree with our proposals for new schemes and schemes that change in size?

Yes we agree with the proposals.

Question 29: Do you agree with the proposed approach to allow for deferral of staging in limited circumstances?

Yes we agree with the proposals.

Question 30: Are there any other circumstances in which trustees or managers should be permitted to apply to defer their connection date to ensure they have a reasonable chance to comply with the requirements in the Regulations?

N/A

Chapter 6: Compliance and enforcement

Question 31: Do you agree that the proposed compliance measures for dashboards are appropriate and proportionate?

Yes we agree with the proposals.

Chapter 7: Qualifying Pensions dashboard services

Question 32: Do you agree that our proposals for the operation of QPDS ensure adequate consumer protection? Are there any risks created by our approach that we have not considered?

There are some concerns relating to the personal data that will be used for matching by the identity service. The (draft) PDP standards outline its assumption that the identity service will always verify:

- Given name
- Surname
- Date of birth
- Current address

Despite a user verification occurring before this stage, if it is only these fields that are verified through the identity service, there is the potential for scammers to use this service to acquire NINOs. If schemes have concerns with the identity service security, they will, as data controllers, be adopting stringent checks before releasing data. This needs to be recognised or further clarification provided to ensure schemes are not penalised for applying perceived barriers to access.

There are additional benefits which the Dashboard could provide to third parties in certain scenarios where potentially ID & V could not be provided by the individual:

- Where an individual is incapacitated, access to a registered Power of Attorney
- Where an individual has died, access to the legal representative or executor

Question 33: We are proposing that dashboards may not manipulate the view data in any way beyond the relatively restrictive bounds set out in Regulations and Standards, as a means of engendering trust in Dashboards. Do you agree that this is a reasonable approach?

We agree that for launch, Dashboards should not change view data. However, we believe there is value in considering the opportunity for Dashboards to have this capability in the future, where the functionality will operate within an FCA regulated environment. We have to provide consumers with the ability to easily access support and guidance before decisions are made and having this availability within the Dashboard with information and support tools all in one place would provide a good user experience.

Question 34: Do you agree that not constraining the content placed around dashboards is the right approach for dashboard providers and users?

Yes we agree with this in principle, as consumers need easy access to support and guidance tools before decisions are made. However, it is important that the export of any data is not an automated trigger for the commencement of a consolidation exercise. Decisions such as these need careful consideration and data scraping of this nature would contravene Dashboard principles.

Question 35: Do the proposals set out here provide the right balance between protecting consumers and enabling dashboards to deliver the best user experience? Are there ways in which consumers might be afforded more protection without negatively impacting the user experience?

Yes we believe the right balance has been struck.

Question 36: Does the introduction of a 3rd party audit sound workable for potential dashboard providers? We are particularly keen to receive views on:

- The deliverability of such an approach.
- The availability of relevant organisations to deliver such an audit.
- The degree of assurance that individuals can take from this third-party audit approach.
- Who should be this third-party trusted professional to carry out the assessment on dashboards compliance with design and reporting standards.

We are not aware of any FCA regulated activities which currently require a 3rd party audit and do not believe the introduction of Dashboards should be any different. Much the same as any other regulated activity, good consumer outcomes are reliant on effective compliance with existing regulation and governance from the regulator.

Question 37: In what ways might prospective dashboard providers expect a third-party auditor to assume any liabilities?

Please see answer to Q36.

Question 38: What would dashboard providers expect the cost of procuring such a service to be?

Please see answer to Q36.

Question 39: What are your views on the potential for dashboards to enable data to be exported from dashboards to other areas of the dashboard providers' systems, to other organisations and to other individuals?

Yes we agree with this in principle, as consumers need easy access to support and guidance tools before decisions are made. However, it is important that the export of any data is not an automated trigger for the commencement of a consolidation exercise. Decisions such as these need careful consideration and data scraping of this nature would contravene Dashboard principles.

Question 40: If data exports were prohibited, would prospective dashboard providers still be keen to enter the market to provide dashboards?

We do not believe this would have significant impact.

Question 41: Do you have any comments on the impact of our proposals on protected groups and/or views on how any negative effects may be mitigated?

We do not believe there are any obvious impacts, however it would be worth monitoring this over time to ensure certain groups are not adversely impacted.