



Pensions Dashboards: Qualitative research with pension providers and schemes

October 2020

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Executive summary

Executive summary

In January 2020, the Pensions Dashboards Programme (PDP) appointed PwC to carry out some initial qualitative research to understand the challenges different types of pension providers and schemes may face when integrating with the pensions dashboards ecosystem to provide pension entitlement data to their customers and members via pensions dashboards.

The key focus of the research is to provide indicative qualitative insight into:

- the challenges faced by data providers of integrating with the pensions dashboards ecosystem;
- the data quality challenges of information necessary to support pensions dashboards;
- practices which support the early integration or provision of data to be viewed on pensions dashboards; and
- initial views on the Data Scope and Data Definitions papers released by the PDP in early April 2020.

15 large organisations participated in the research, covering a small but varied sample of data providers from the complex landscape of pension entitlements in the UK. The research did not include any small data providers, which should be taken into account when considering the findings.

Prior to conducting the interviews, each participant was issued with a pack of information to provide background to the role of the Industry Delivery Group (now the PDP), the pensions dashboards ecosystem and the challenges faced by the programme.

Following the impact of Covid-19, the interviews were carried out towards the end of April and into May and interviews were conducted remotely rather than face-to-face. Notes from the interviews were subsequently played back to participants to ensure the details captured were factually correct.

The findings from the research have been structured within this report to reflect the areas covered in the interviews and are grouped into eight sections.



Executive summary

The research team would like to thank all participants who have been very gracious with their time (particularly given the current environment), involved different stakeholders as necessary and been open and frank about some of the key challenges they expect to face.

This research provides some indicative insight into the challenges data providers will face when integrating with the pensions dashboards ecosystem and the data quality challenges necessary to support pensions dashboards across a small but varied sample of data providers from the complex landscape of pension entitlements in the UK. The key findings from this research are:

Matching and underlying data quality is key to success

The ability of future pensions dashboards to match individuals to their pension entitlements with different data providers is critical to the success of the PDP.

Participants are regularly testing the key data required to match individuals and most are confident about the quality of this information. However, any assessments are based upon the data being present and reasonable. Data accuracy relies on the third-parties providing the information in the first place and keeping it up to date, therefore the true extent of the challenges faced by key identifier data may only become apparent when data providers test data with the pensions dashboards ecosystem.

Non-electronic records ranged from small numbers to thousands of pension entitlements. Some only contained supporting information so data could support future pensions dashboards. Whereas for others, the electronic records would only be able to support a 'Find' function. With adequate notification participants may be able to make these records available to pensions dashboards.



Executive summary

Breadth and depth of coverage

The research has shown that there is broad agreement with the approach being adopted by PDP in respect of all pensions sub-sectors being included in initial pensions dashboards. Opinion is mixed about what users should be able to view on initial pensions dashboards – with some stressing the importance of reconnecting individuals with pension entitlements (and not necessarily displaying Level 2a Estimated Retirement Income (ERI) and/or Level 2b accrued entitlements on initial dashboards) whereas others felt strongly that pension values should be displayed.

All agreed with the approach PDP is proposing in developing the data standards as broadly as possible initially with optional data items (beyond finding lost entitlements) being available for those data providers who may be able to/wish to provide additional information from the outset. However, one participant did raise a concern that it would be difficult to engage outsourced data providers in respect of items that could be provided to pensions dashboards on an optional basis.

Staging and prohibiting factors

Most participants are not able to provide indicative timescales on how long they would expect it would take to integrate with the pensions dashboards ecosystem. Of those that did, participants reported a range of views from several months to a number of years to develop solutions and resolve data quality challenges. That said, this should be used with caution as many participants are unable to provide indicative timescales and even when provided, it relies on key assumptions being met in respect of resources, timing in relation to other key projects (e.g. Guaranteed Minimum Pension (GMP) equalisation), data requirements, agreement with suppliers etc.

The two key factors highlighted in this research for driving this timescale are the provision of ERI information and legacy systems. This is expanded upon over the page.



Executive summary

Providing ERI to pensions dashboards will require changes for many

The research has shown that the majority of participants want the option of whether to provide ERI from the last benefit statement information or calculate ERI on demand as either option may be easier for them to provide, depending on their current practices. Whichever option is chosen, many participants will still need to overcome a number of different challenges before being able to provide ERI to pensions dashboards – whether this is:

- a lack of availability of benefit statement information;
- fixing underlying structural data problems;
- automating benefit calculations; and
- changing processes to manage bulk requests rather than individual requests etc.

Legacy systems

Legacy systems exist across all pensions sub-sectors and may require ‘middleware’ solutions to connect the data they hold into the pensions dashboards ecosystem. Some participants are well progressed in centralising data from their legacy systems as part of other unrelated projects, whereas others will have a lot of work to do.

It may be quick to make most pension entitlements available to pensions dashboards but there may be a much longer ‘tail’ for the legacy systems used by some data providers.



Executive summary

Communicating complexity and understanding the needs of the user

The research has shown that whilst participants are encouraged that PDP will be carrying out further research to understand the needs of the users, participants are looking for greater assurances of how information is presented and communicated on pensions dashboards. There are concerns around how information is provided to users to ensure it is:

- consistent (e.g. the use of Statutory Money Purchase Illustration (SMPI) assumptions, calculated or taken from the latest benefit statement etc.); and
- understood by the user of pensions dashboards (e.g. due to inherent complexities such as tranches of benefits with different normal pension ages, temporary pensions / pension offsets, etc.).

Further information required

In addition to awaiting further guidance in respect of how information will be communicated and displayed via pensions dashboards, the research also showed that preparatory work is limited to a few participants at this point as data providers await further clarity from the PDP including:

- What are the data standards that will need to be adhered to?
- How will interaction with the pensions dashboards ecosystem work?
- When will legislation mandating pensions dashboards be forthcoming?
- What will be the GDPR and data security implications of pensions dashboards? etc.

Enthusiasm for pensions dashboards

Ultimately awareness of the PDP is good and enthusiasm for the project is very high amongst participants with all showing a willingness to get involved in later stages of the programme to help shape the future of pensions dashboards.



Background

Background

The widely shared aim for pensions dashboards is to enable individuals to access their pensions information online, securely and all in one place, thereby supporting better planning for retirement and growing financial wellbeing.

The Money and Pensions Service established the PDP, formerly known as the Industry Delivery Group, in July 2019. This programme will develop the secure digital architecture and governance framework to support and enable the development and operation of pensions dashboards. The PDP's [progress update report](#) published in April 2020 has further background information.

Focus and priorities

In April 2020, the PDP advised that the focus over the next six months would be on progressing and resolving the key dependencies and most significant challenges. A priority element is the development of the data standards with which pension providers and schemes will have to comply. To aid the development of work in this area, the PDP have articulated their thinking in two documents, namely:

- a [Data Scope: Working Paper](#) setting out options for achieving comprehensive coverage across all pensions sub-sectors to deliver acceptable early breadth of coverage for individuals; and
- a [Data Definitions: Working Paper](#) listing the optional and mandatory data items that could be included in the dashboards data standards. The PDP stated that this thinking will be developed further and tested to help define the data items pension providers and schemes will, initially, be required to make available via pensions dashboards.

The PDP expects that their working assumptions will be refined in a number of ways over the coming months, including this qualitative research to generate a better overall understanding of the data challenges data providers will face when interacting with the pensions dashboards ecosystem.



Approach,
objectives
and
participants

Introduction

1

In January 2020, the PDP appointed PwC to carry out some initial qualitative research to understand the challenges different types of pension providers and schemes may face when integrating with the pensions dashboards ecosystem (see Appendix A) to provide pension entitlement data to their customers and members via pensions dashboards.

2

The PDP needs to understand how data providers may overcome any underlying challenges with:

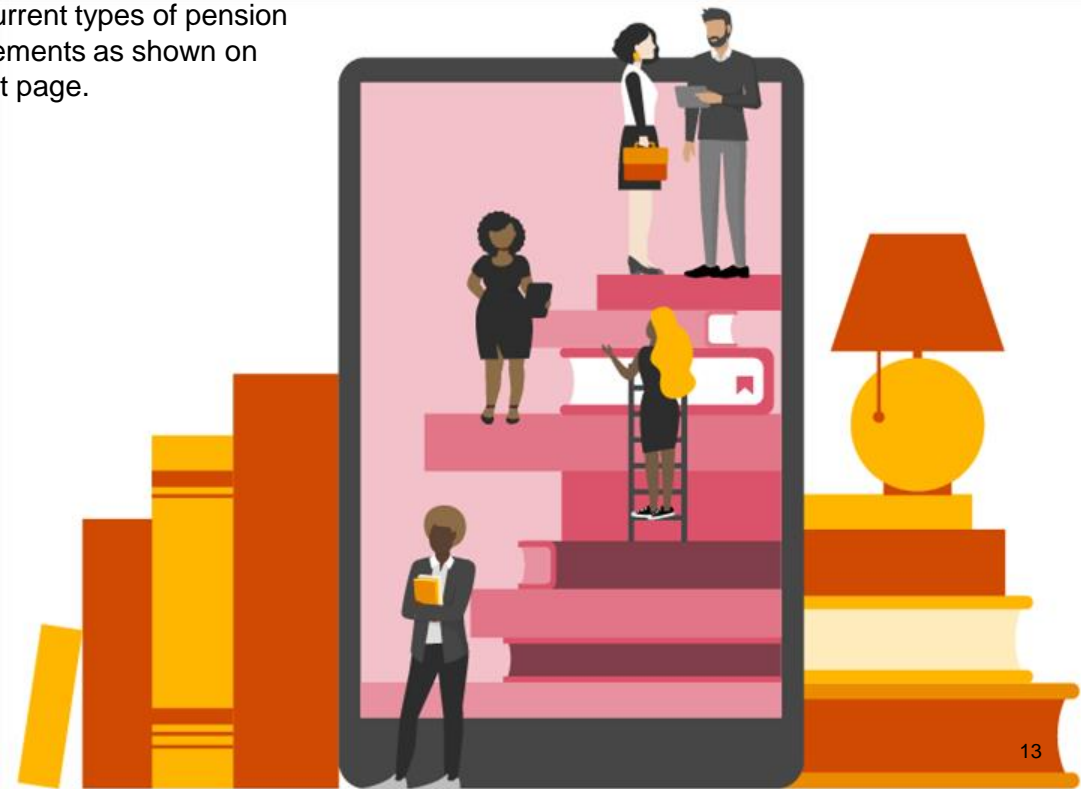
- supplying pension entitlement information to be viewed on pensions dashboards, and;
- using and interacting with the pensions dashboards ecosystem's proposed architecture, governance and data standards.

3

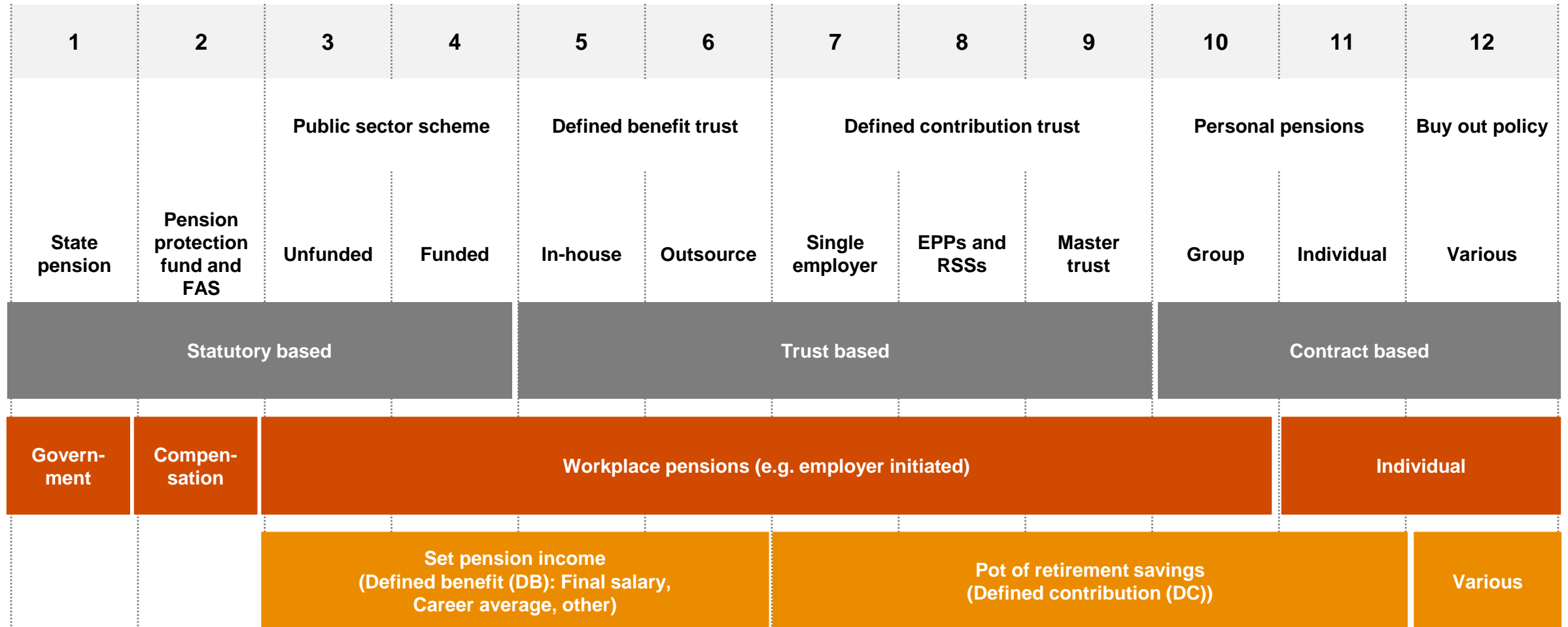
The pensions universe in the UK is complex and multi-faceted and therefore we have adopted the PDP's pension landscape diagram depicting the 12 different pensions sub-sectors of the UK's main current types of pension arrangements as shown on the next page.

4

This report sets out the approach to conducting the research, the qualitative insight from the research carried out and the research team conclusions.



UK Pensions sub-sectors



Objectives of the research

Objectives

The key focus of the research is to provide indicative qualitative insight into:

The challenges faced by data providers of integrating with the pensions dashboards ecosystem

1

The data quality challenges of information necessary to support pensions dashboards

2

Practices which support the early integration or provision of data to be viewed on pensions dashboards

3

Initial views on the Data Scope and Data Definitions papers released by the PDP in early April 2020

4

In addition to the key objectives the research also aims to:

Feed into development of the critical path to delivery of the pensions dashboards ecosystem

1

Provide input into the staging schedule timing and approach

2

Support the Data Working Group's (DWG) development of detailed data standards

3

Help understand the cost envelope for the different pensions sub-sectors

4

Research participants

15 large organisations participated in the research. The participants have been selected to cover a broad range of different characteristics:

- operating in a single pensions sub-sector or covering a range of different pensions sub-sectors;
- being responsible for hundreds to many hundreds of thousands of pension entitlements;
- having little awareness of the PDP to:
 - having responded to the pensions dashboards feasibility report and consultation, or;
 - having been an active participant in the Pensions Dashboard Prototype Project.
- having operating models which were in-house or outsourced or combinations of both; being responsible for set pension income (DB) and / or pots of retirement savings (DC) to having entitlements which covered both types simultaneously;
- having a single pension entitlement administrative system to multiple pension entitlement administrative systems;
- having minimal online capability to enabling individuals to self-serve; and
- building and maintaining core systems internally to organisations that relied solely on external system suppliers.

The participants covered 11 of the 12 pensions sub-sectors from the pension landscape diagram. The exception being sub-sector 1 – State Pension simply because the DWP has already confirmed it will make State Pensions information available to view on pensions dashboards.

Whilst some participants had schemes with very few pension entitlements (e.g. under 100 lives), the research does not include organisations who are solely responsible for small numbers of pension entitlements. This should be taken into account when considering the findings of the research.

Some participants also have clear aims to provide a pensions dashboard in future. This has deliberately not been explored as part of this research as the PDP is expecting to carry out further research on pensions dashboards providers.



Research approach

Prior to conducting the interviews, each participant was issued with a pack of information to provide background to the role of the Industry Delivery Group (now the PDP) and the pensions dashboards ecosystem. This included:

- links to publicly available blogs and updates released by the PDP;
- early drafts of the *Data Scope: Working Paper and *Data Definitions: Working Paper; and
- a list of interview questions.

*These documents were finalised and published by PDP on 8th April 2020 – after the research had commenced.

As some of the participants operated across different pensions sub-sectors or had a number of different systems supporting a range of pension entitlements, the research team had preliminary discussions with each participant to understand how best to structure the interviews for each organisation. The research team generally had one or two meetings with participants which included a small number of people (typically 4 or 5) from the participants' organisations.

Whilst the interview questions were shared in advance to allow participants to prepare, the interviews followed an overall structure but with free-flowing conversations to explore the areas discussed. Participants were asked:

- if they had any questions with the information pack provided;
- for an overview of their organisation, pensions sub-sectors and pension entitlements;
- to provide details of their general approach to measuring data quality;
- for views on the information that data providers will be expected to provide to be viewed on pensions dashboards;
- how they are expecting to meet the dashboards requirements;
- how long they may need to get ready, their views on staging and the potential costs faced; and
- to highlight any other concerns.



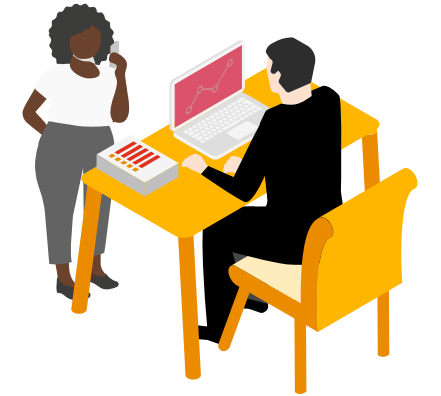
Research approach (cont.)

The data pyramid (see Appendix B) was used during the interviews to reference the data required by the pensions dashboards ecosystem. This report references the different levels of the data pyramid.

We documented the interviews and asked the participants to review the notes captured to make sure they accurately reflected the conversations. This also provided the research team with an opportunity to clarify any points or follow up with any further questions. The notes from all the research meetings, once agreed as accurate, were collated and compared to determine findings / insights across the different pensions sub-sectors and participants.

Covid-19 impact

The intention was to conduct face-to-face research interviews during March and April 2020. The research team held two face-to-face meetings with participants before the Covid-19 lockdown was imposed near the end of March. At that time, participants had to focus their attention on business-critical activities to adapt their operations to remote working and so the interviews were pushed back towards the end of April and into May and the approach changed so interviews were conducted remotely. This change in approach resulted in some participants preferring to document their responses first before the research team then spoke with them remotely. In all circumstances there was either a video conference or audio call with each participant.



Findings

Structure of findings

The findings from the research have been structured to reflect the areas covered within the interviews and are grouped into eight sections:

1. Approach



How do participants plan to meet the pensions dashboards requirements?



Have participants started to get ready for integration with pensions dashboards?



How would data be provided to be viewed on pensions dashboards?

2. Scope



Do participants agree with all pension sub-sectors being included in the initial pensions dashboards ecosystem?



Do participants agree with the breadth and depth of coverage proposed for initial pensions dashboards (the 'data pyramid')?

3. General data quality



What are participants' approaches to measuring data quality?



How does the source of data impact on quality?



Do participants have any non-electronic records?



What measures are being taken to improve data quality?



What data cleanse activity is required before participants make their data available to be viewed on pensions dashboards?



How might legacy systems impact the provision of data to be viewed on pensions dashboards?

4. Level 1a Matching data and Level 1b Administrative data



What are participants' views on the approach to matching?



How reliable is National Insurance Number (NINO) to match?



What are the challenges with other key identifier information?



What are the challenges with address information?



What are the challenges with other contact information?



What are the challenges participants foresee in providing administrative data?

Structure of findings (cont.)

5. Level 2a Estimated retirement income (ERI) and Level 2b Accrued entitlements



How do participants expect to provide ERI details to be viewed on pensions dashboards?



What are the challenges in respect of providing ERI to be viewed on pensions dashboards for DC pension entitlements?



What are the challenges in respect of providing ERI to be viewed on pensions dashboards for DB pension entitlements?



What are the challenges in respect of providing ERI for other types of pension entitlements?



How can accrued pension entitlement be provided to be viewed on pensions dashboards?

6. Level 3 Additional pension information



What are the participants' views on the approach to additional pension information proposed by the PDP?

7. Time to implement, staging and likely costs



How long do participants think it will take to be able to provide data to be viewed on pensions dashboards?



What factors are impacting on the time to implement?



Do participants have any views on the staging of pensions dashboards? What are the likely costs faced in preparing for pensions dashboards?

8. Other concerns / feedback



Do the participants have any other concerns or feedback for the PDP?

Structure of findings (cont.)

At the start of the research, the team expected to identify findings which were pensions sub-sector specific. In practice the research found that many challenges faced by one sub-sector are common to all and as such the reader can assume the findings apply to all pensions sub-sectors unless the report specifically details which sub-sector(s) the finding applies to. The most common differentiator, from a dashboards perspective, is where the finding relates to the type of pension entitlement i.e. Defined Benefit (DB) or Defined Contribution (DC), and as such the report clearly flags this.

The report also draws the reader's attention to three other areas, as shown below:



Notable practices

Highlights participants' practices which may make it easier for them to integrate with the pensions dashboards ecosystem.



Participants' views

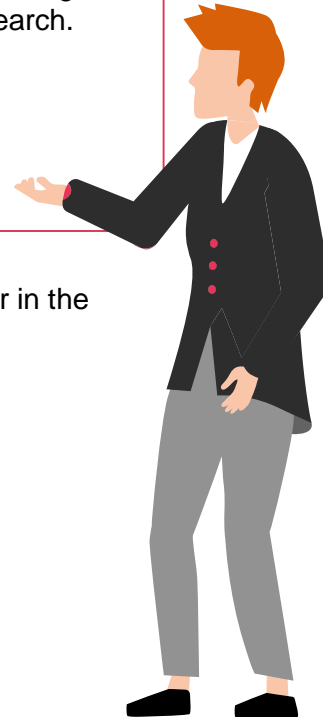
Replays feedback from participants captured from the interview notes.



Key insights

Summarises the key findings from each area of research.

Key insights and notable practices are at the end of each section whereas participants views appear in the body of the text at the point the participant raised their views.



1

Approach

Research findings

1

Approach

How do participants plan to meet the pensions dashboards requirements?



There is wide variation in the ways in which participants plan to meet the pensions dashboards requirements.

Some participants are awaiting further legislation / guidance before considering how to meet the requirements.



Firm conversations on how we shall approach the dashboards programme will take place once further technical requirements are available.

The key factor for participants who have considered how they would integrate with the pensions dashboards ecosystem was the operating model deployed for managing their existing pension entitlements. Those participants with:

- in-house operations with their own systems are planning on developing the pensions dashboards solution themselves;

- in-house operations using a core administrative system supplier are planning on working with that supplier to develop the solution;
- large, single outsourced operations are planning on working collaboratively with their administrator to develop the solutions but in some instances did not rule out the use of an Integrated Service Provider (ISP);
- smaller outsourced operations are looking to rely on their third-party supplier (either system or third-party administrator) or look to use an ISP; and
- mixed models which have a combination of in-house or outsourced solutions are looking to use a single supplier (either an existing provider, in-house capability or potentially an ISP) to meet the requirements.

Participants generally agreed that they could see a small number of ISPs being established to support organisations to meet the pensions dashboards requirements. Although in most cases, participants saw this as coming from their existing third-party system or administrative suppliers rather than new entrants to the market.

Research findings

[Exec summary](#)[Background](#)[Approach](#)[Findings](#)[Glossary](#)[Appendices](#)**1**

Approach

Have participants started to get ready for integration with pensions dashboards?



Whilst most participants are waiting to find out more details about exactly what will be required before starting any work, five participants have already started or are in the process of starting work specifically aimed at supporting the future pensions dashboards requirements.

The participants who have started tend to be those who either have a commercial interest in providing a solution, have been actively engaging with the PDP or have a range of legacy challenges which needed to be resolved.

Some examples of the work underway include:

- setting up internal working groups from different parts of their organisations to consider the impact;
- discovery projects researching the range of systems used and how they could provide data;
- setting up an ISP proof of concept by end of 2020; and
- activity to fix structural data problems with deferred pension entitlements.



We would like to know more so we can start to think about the requirements, how we would resource for them and how it sits alongside other priorities.

Research findings

1

Approach

How would data be provided to be viewed on pensions dashboards?



Many participants have not yet carried out any detailed analysis of how they would expect to provide data to be viewed on pensions dashboards and are awaiting further information in respect of the proposed pensions dashboards ecosystem.



Plans are at a very conceptual level and until the data requirements are outlined we cannot define the actual system architecture that will be required to support pensions dashboards.

For those that had considered how data may be delivered, all are considering solutions which are separate to their core systems – predominantly due to security and performance concerns.

This separate solution (referred to by some participants as a 'single data layer', 'data lake') may:

- only include identifier data and on successful matches any pension entitlement information will be retrieved (or calculated) from the underlying systems; or
- hold both identifier and pension entitlement data so that on successful matches information can be provided to be viewed on pensions dashboards.

This separate solution would be updated periodically from the underlying core systems – whether this is daily or less frequently had yet to be fully decided by participants.

This type of solution would be developed with participants' in-house teams or system suppliers. Future ISP solutions are thought to more likely support the second option and contain all relevant data to support pensions dashboards.

Participants with multiple trust based arrangements (such as third-party administrators) also pointed out that they will need to give further consideration as to how segregation will be maintained if data for multiple different schemes is transferred to an external supplier or ISP for onwards transmission to be viewed on pensions dashboards.

Key insights and notable practices

1 Approach



Key insights

- Most participants are waiting for legislation and further information from PDP before carrying out more detailed analysis.
- 5 of the 15 participants have started preparatory work which has so far been limited to collaborating with third-parties, setting up working groups, facilitating discovery projects, investigating proof of concepts and undertaking activities to rectify structural data problems in readiness for pensions dashboards.
- The ways of integrating with the pensions dashboards ecosystem reflect the participants size and operating models (e.g. in-house, outsourced, technology suppliers etc.).
- Those participants that have considered data provision in any detail think it will be delivered separately to their core systems, though these participants recognised that any solution would need to be developed either in-house or in conjunction with their existing software provider and/or an external ISP. Most participants can see a small number of ISPs being established.
- Maintaining segregation for separate trust based arrangements is important where a consolidated data layer is used (i.e. multiple schemes).



Notable practices

- One participant has set up a working group, which has been re-formed in the last few months to review the pensions dashboards requirements.
- One participant is developing a data layer for internal reporting. It is in the design stage and could be used to support a future interaction with the pensions dashboards ecosystem.

2

Scope

Research findings

2

Scope

Do participants agree with all pensions sub-sectors being included in the initial pensions dashboards ecosystem?



Participants broadly agree with the principle of including all pensions sub-sectors within the initial pensions dashboards ecosystem.



The recent IDG policy papers rightly conclude that the public will not accept an incomplete dashboard.

However, some participants felt that pensions sub-sector 8: Executive Pension Plans (EPPs) and Relevant Small Schemes (RSSs), should be excluded from scope as:

- the number of overall entitlements is small;
- there are inherent complexities with these types of arrangements which mean the calculation of benefits is hard to automate; and
- the investments are often 'non-standard' and difficult to value.

One participant from a public sector scheme also does not think that they have a major problem with lost pension entitlements when compared to other pensions sub-sectors as:

- they are industry-wide schemes (e.g. teachers, NHS staff, local authority officers etc.) which are well publicised within the particular industry; and
- individuals might stay within the same industry and move to another employer within that industry which is covered by the scheme.

This participant suggests that an option which could be explored would be to exclude all, or some, public sector entitlements from the launch of pensions dashboards if the initial aim is to reconnect individuals with lost pots – although recognising this could not apply to State Pension or the compensation sub-sector.

Two participants stressed the importance of displaying State Pension benefits on initial pensions dashboards as it will be relevant to the majority of individuals and may form a major portion of retirement provision.

Research findings

2 Scope

Do participants agree with the breadth and depth of coverage proposed for Initial Dashboards (the 'data pyramid')?



Participants agree that 'Find & View' (as outlined in the Data Scope: Working Paper) should be made mandatory for all in scope pensions sub-sectors and that pensions dashboards should be available to the public, only once a predefined Dashboards Available Point is reached.



Launching wide by pension entitlement types and then expanding by depth (of functionality) is the best approach.

The participants provided differing insights as to what data should be made available on a view basis as part of initial pensions dashboards once an individual has been found who has a pension entitlement:

- nearly half of participants felt that simply finding a pension entitlement initially would fulfil one of the major aims of pensions dashboards which is to reconnect individuals with lost pots.

- others feel strongly that ERI and / or accrued entitlements should be made available from the outset as individuals may reasonably expect to see their own benefits straight away. Not being able to do so may put individuals off from using initial pensions dashboards.
- some participants strongly agreed with the PDP's position that transfer values should not be included within initial pensions dashboards. These participants think showing transfer values could be confusing and lead to individuals taking transfer decisions that might not be in their best interests.

Participants generally agree with PDP's approach in developing the data standards as outlined within the Data Definitions: Working Paper – to define the data standards as broadly as possible and include data items as optional which could be introduced as mandatory later in the pensions dashboards lifecycle.

This approach should provide more stable standards which naturally evolve rather than change frequently. One participant did state that suppliers may not prioritise and hence provide optional data items to pensions dashboards and only provide the mandatory data items – which is a concern if the participant wanted to provide more information initially.

It is widely felt that detailed consumer research and testing should ultimately guide the information that is made available to individuals via pensions dashboards rather than what has been provided in the past, or what is easy to access. Similarly, some participants voiced concerns with aligning mandatory and optional data items with Disclosure Regulations without considering the wants and needs of users first.

Key insights

2 Scope



Key insights

- Participants broadly agree with the pensions sub-sectors proposed to be in scope for pensions dashboards, though some feel that EPPs & RSSs could be omitted and one feels that all or some public sector entitlements could be excluded as they feel lost pots are less of an issue for public sector schemes. Some participants emphasised the importance of displaying State Pension benefits.
- Participants agree that 'Find & View' (as outlined in the Data Scope: Working Paper) should be made mandatory for all in scope pensions sub-sectors and that additional functionality should be available to the public, only once a predefined Dashboards Available Point is reached.
- Participants also agree with the approach PDP is proposing in developing mandatory and optional data items although one participant did raise a concern that it would be difficult to engage outsourced data providers in respect of items that could be provided to pensions dashboards on an optional basis.
- Opinion was mixed about what users should be able to view on initial pensions dashboards – with some participants stressing the importance of reconnecting individuals with pension entitlements whereas others felt strongly that pension values (ERI and/or accrued entitlements) should be displayed.
- Consumer research and testing will be important in defining what information is made available via pensions dashboards.

3

General data quality

Research findings

3

General data quality

What are participants' approaches to measuring data quality?



All participants recognise the need for good quality data in the context of pensions dashboards and the vast majority are regularly assessing the quality of their pension entitlement data. For trust based schemes and public sector schemes, participants are reporting Common and Scheme Specific Data Scores to The Pensions Regulator and these types of tests are also being adopted by participants from other pensions sub-sectors.

Assessments are focused on the presence of data and that the data held is not obviously incorrect. Examples provided during the interviews of the general data checks are:

- date checks for reasonableness (e.g. assessing the date of birth to ensure sensible ages, joining dates etc.);
- formatting of identifiers (e.g. ensuring the NINO was in the correct format such as not accepting AA123456A, specific sequence of alpha characters at start etc.);

- duplication of data (e.g. the same data being adopted for large numbers of members i.e. NINO); and
- sense checks on financial amounts (e.g. salary information, contribution information), etc.

It is an important distinction between data being present and data being verified as correct – participants are keen to highlight that, whilst they are regularly performing data assessments, this cannot prevent data being wrong from the outset as it is impossible for them to identify certain errors.



We have a Data Governance Working Group responsible for overseeing actions being taken across the organisation regarding data management and data quality.

The success of the pensions dashboards ecosystem will rely on data providers' ability to match individuals with their pension entitlements. Whilst the majority of participants are confident of their data to perform this match and are taking regular steps to check reasonableness and presence of this key data, ultimately they are relying and trusting other parties to provide accurate data and if the data is incorrect the data providers may not be able to recognise it. This is explored further on the next page.

Research findings

3

General data quality

How does the source of data impact on quality?



A common theme, consistent across all participants and all pensions sub-sectors, is that pension entitlement data is reliant on third-parties in providing accurate and complete data for the individuals to which the pension entitlements relate.

There are a wide range of different third-parties who provide this data from the individual themselves; employers, intermediaries; payroll bureau providers, ceding pension administrators etc. and participants experience a varying degree of data quality which typically depends on:

- level of engagement and understanding of third-party providing the data;
- size and complexity of third-party providing the data; and
- rigour and degree of automation being adopted by the third-party when capturing and subsequently providing data.

Some participants find that where there is a direct relationship with the individual, data quality is much higher. Others have challenges with individuals even being aware that they have a pension entitlement in the first place – which is particularly challenging when individual's circumstances change and the data becomes out of date (e.g. address, surname or name changes, other contact details etc.).



A significant proportion of our members (say 20%) may not even be aware that they have a pension entitlement with us.

All participants agreed that data held is nearly always better for individuals currently building up pension entitlements (e.g. 'active individuals') rather than those individuals no longer paying contributions or accruing further pension benefits (e.g. 'deferred individuals') due to:

- active individuals tend to receive more correspondence than deferred individuals (e.g. benefit statements);
- deferred individuals may have a more 'transactional' relationship with the pension arrangement (i.e. only in contact at key points such as retirement or transferring their benefits);
- active individuals are often able to update their own details on a 'self service' basis or via employer updates on their behalf; and
- deferred individuals may have historical records when the recording of information was not as robust as it is now.

Research findings

3

General data quality

Do participants have any non-electronic records?



There was a range of feedback on non-electronic records – some participants did not have any; for those that did, it ranged from small pockets of records to thousands of records which related to either historical pension entitlements or complex processes where data was not held consistently.

The non-electronic information (e.g. paper files, fiche, index cards, etc.) for pension entitlements related to:

- supporting information which had to be referenced at key events (e.g. when the individual wished to take their benefit) but the data was still able to support benefit statements; and
- 'skeleton' electronic records which could support a 'Find' but have little or no benefit information to support 'View' (e.g. index cards storing Section 32 policies; information relating to transfers on divorce which is not stored in a uniform way, etc.); and

- full non-electronic records which would need to be viewed and loaded to support the pensions dashboards ecosystem.

In some cases, this non-electronic information will not prevent benefit information being displayed on pensions dashboards.



We have a small number of microfiche records which we scan as required. We could move these onto the system in a small time frame should we need to.

For the other cases, participants expect to manage these records as exceptions on pensions dashboards (e.g. confirm a match but not provide any pension benefit entitlement information) or alternatively participants may look to load the data onto their administrative systems so it can be viewed on pensions dashboards.

Research findings

3

General data quality

What measures are being taken to improve data quality?



One way in which participants are improving pension entitlement data is to use other third-parties with alternative data sources (i.e. tracing agencies, credit reference data, etc.) to test and validate data. Some participants use this as part of their ongoing business as usual processing, but it is not being universally adopted by all participants.

Even when other third-parties are being engaged to enhance data quality, it is being deployed in a variety of different ways:

- checks on the data being provided and feeding back to the original source to resolve any issues identified;
- monthly notifications of deaths and new address changes;
- annual exercises to find missing contact information;

- verifying information at the point someone looks to withdraw the funds (not at the point of joining due to the costs of these exercises); and
- verifying information ahead of a windup or buyout.

Other participants only carry out such exercises on an ad-hoc basis or as and when instructed to do so (e.g. third-party administrators who take instruction from trustees).

In some cases, participants said it was too expensive to continually do over the lifetime of the policy particularly for very small entitlements or they had stopped doing it as many individuals did not subsequently confirm their details are correct so the records could not be updated.



Clients are reluctant to pay large sums for a data cleanse above what is necessary unless undergoing a de-risking exercise.

Participants with contract based pension entitlements highlighted the data quality improvements achieved through the process of linking underlying administrative systems to produce a single customer view.

Others highlighted existing programmes of work which have been or are in the process of being completed which improve data quality (e.g. consolidation of systems, GMP reconciliation, de-risking activity, etc.).

Research findings

3

General data quality

What data cleanse activity is required before participants make their data available to be viewed on pensions dashboards?



Feedback from participants was mixed in respect of work required on the data before making it available to be viewed on the pensions dashboards. This did not particularly reflect types of pension entitlement or different pensions sub-sectors – for example, two participants from the same pensions sub-sector with similar pension entitlements expressed opposite views. The range of views expressed are:

- some participants are happy to share their data without significant work being undertaken in advance. This is not saying that they are guaranteeing that their data is correct; rather that information they have received from third-parties is reasonable.
- some participants recognise they have some structural data challenges which would have to be resolved before meeting the pensions dashboards requirements (see Estimated Retirement Income section for more details).

- some participants had concerns and thought they were quite far from making data available and wanted to better understand the requirements in more detail before estimating what data cleanse work would be required – particularly if there are any pre-requisite data quality standards which have to be met.



We do not think we would need to do any cleanse activity prior to connecting to the pensions dashboards ecosystem.

There are clearly also differences of opinion amongst the participants with regards to the mandating of data quality standards for pensions dashboards:

- three participants would like minimum data quality standards to be mandated.
- some participants are concerned that any future mandated quality standards could significantly impact when the data could be provided to be viewed on the pensions dashboards.

Research findings

3

General data quality

How might legacy systems impact the provision of data to be viewed on pensions dashboards?



A key challenge raised by some participants is how they will provide data from their legacy pension administrative systems. Legacy systems appear to be more prevalent in the contract based pensions sub-sectors (as trust based schemes tend to move administrators or migrate systems). Nonetheless, this concern does apply to the majority of sub-sectors, though it is usually only relevant for those participants who have been providing pensions services spanning many decades.



We have over 20 administration systems in total. We have two DC strategic platforms and all other systems are considered legacy.

One participant believes that (depending on the final technical solution chosen) two steps are likely to be needed in order for them to connect to the pensions dashboards ecosystem:

- connect a record of all pensions entitlements to a single customer view database (so that individuals can be matched); and
- develop data feeds from the underlying administrative systems so that the pension entitlements information can be returned to be viewed on pensions dashboards.

Some participants with legacy systems have started (to varying degrees) to either migrate onto a single system or platform or create a 'link' to information across their various systems. This is not specifically to meet future pensions dashboards requirements but is often due to a wider business need. However it was widely acknowledged that this work is hugely beneficial when connecting to the pensions dashboards ecosystem.

One participant highlights additional points where legacy administrative systems are maintained by a third-party:

- often not integrated alongside 'current' systems (i.e. those that accept new business) so third-party providers need to be included in any future integration discussions; and
- legislation may be required in order to mandate some third-parties to make the information held on legacy systems available to pensions dashboards. These providers may otherwise have little incentive to enter into integration discussions with data providers.

Key insights and notable practices

3 General data quality



Key insights

- A common theme, consistent across all participants and all pensions sub-sectors, is that the quality of pension entitlement data is reliant on third-parties in providing accurate and complete data.
- Data quality assessments carried out by data providers test the presence and reasonableness of data. This is an important distinction to data being verified as correct as some data errors would be impossible to identify.
- Data quality is generally better for currently contributing individuals than those that have left, particularly where the individual has no direct relationship in the first place. For example, via a workplace pension arrangement where the majority of interaction will be between the data provider and the employer.
- Some participants are using third-party data sources to improve data quality although it is not being adopted uniformly (e.g. monthly checks, annual exercises, the point at which the individual is looking to withdraw their benefit etc.). Likewise there is no consistent approach to data cleanse exercises with some participants carrying out regular exercises and others only when instructed to do so.
- Other projects or business initiatives (e.g. consolidation of systems, GMP reconciliation, de-risking exercises etc.) are improving data quality.
- Non-electronic records ranged from small numbers to many thousands of pension entitlements. Some only contain supporting information so data can be viewed on pensions dashboards. Some non-electronic records may support a 'Find' function whereas others would have to be loaded onto administrative systems.



Notable practices

- Rather than testing data quality on an annual basis, one provider is testing Common Data monthly and Scheme Specific Data on a quarterly basis.
- One participant confirmed that they will shortly start issuing benefit statements to deferred members as well as active members and have carried out a comprehensive tracing exercise in advance of this.
- One participant confirmed that 100% of pension information is stored electronically. This includes information used for matching as well as the underlying pensions entitlement information.

Key insights and notable practices

3

General data quality



Key insights

- Participants have very different views on what data cleanse work has to be done before data can be made available to be viewed on pensions dashboards – from doing nothing to fixing structural data problems. Some participants need further information before estimating what is required.
- Participants also have opposing views on whether minimum data quality standards should be mandated for pensions dashboards. Some participants think any mandated data quality standards could significantly impact the time before data could be made available to be viewed on pensions dashboards.
- Legacy systems exist across all pensions sub-sectors and may require 'middleware' solutions to connect their systems into the pensions dashboards ecosystem. Some participants are well progressed in centralising data from their legacy systems as part of other unrelated projects, whereas others still have a lot of work to do.
- Lack of integration of legacy systems, particularly within the contract based sub-sectors, may present a challenge for some data providers in providing pension entitlements data to be viewed on pensions dashboards. Also legacy systems maintained by a third-party may need legislation in order to mandate these third-parties to make the data available to be viewed on pensions dashboards.



Notable practices

- One participant has a rolling programme via a third-party of using data from across a variety of sources in the public domain plus member specific tracing four months prior to retirement.
- One participant has recently carried out a large-scale transformation project to fix underlying data problems for deferred DB pension benefits to support automated calculations.
- Some participants 'link' multiple underlying legacy systems to a single customer view (e.g. c.98% of all DC pension pots are connected to a 'single view of client' database for one participant).

4

Level 1a Matching data and Level 1b Administrative data

Research findings

4

Level 1a Matching data and Level 1b Administrative data

What are participants' views on the approach to matching?



As highlighted earlier, the success of pensions dashboards will rely on data providers' ability to match individuals to pension entitlements. Whilst the PDP Data Definitions: Working Paper set out the proposed data items that could be used for matching, it did not define how that matching would take place.

The majority of participants want to have the ability to determine whether an individual's information matches the records they hold, based on their own criteria, before providing any data to be viewed on pensions dashboards. These participants stated that they know their data best and are ultimately responsible for providing the data.



We would need to match by at least three of
forename; surname; NINO; date of birth,
employer or unique reference number.

There is no common approach used by participants to match individuals to pension entitlements. This varies by:

- the types of data being used to match the record (e.g. some rely on specific scheme or policy numbers; others use NINO and two / three other personal data items etc.);
- existing processes of the participants (e.g. some participants update pension entitlement records following a high probability match from a third-party whereas others require confirmation from the individual before updating the record); and
- the risk of error (e.g. some participants acknowledge that they are risk averse particularly for merging records due to the difficulty of unwinding if incorrect).

One participant thinks it is better for the matching rules to be specified centrally by the PDP to ensure the same approach is adopted by all data providers thus ensuring a consistent experience for the end user.

Where data providers cannot guarantee a match of the key identifier data, all participants are comfortable sharing their own contact details with the pensions dashboards ecosystem so a user can contact them to verify their record / entitlement.

It is worth noting though that some participants are concerned about the potential for large volumes of enquiries this may generate and as a result would like to have some control over the contact information supplied (e.g. website link rather than other contact information such as email address or telephone number).

Research findings

4

Level 1a Matching data and Level 1b Administrative data

How reliable is National Insurance Number (NINO) to match?



In the absence of a ‘universal identifier’, there is general consensus amongst participants that NINO is the key identifier to support matching of individuals when used in conjunction with other personal information.

Most participants are confident (subject to the reliance of the third-party of providing the correct information as outlined in section 3) about the quality of NINOs – particularly for those pension entitlements where tax is reclaimed, as NINO would need to match that held by HMRC, or for participants who had corrected many NINOs through GMP reconciliation exercises.

That said, even amongst the participants who are confident about using NINO, there are still known challenges which are common across all participants. Examples given include:

- historical practices did not record the last alpha character of NINO;

- NINO is wrong more than it should be, for example, people have multiple NINOs (although recognising this may be a small percentage overall);
- there are small pockets of issues with temporary NINOs, with one participant stating that these date from the 1970s and 1980s, and others saying they are more recent;
- for some historical policies, there was no business requirement to store NINO so a random string may be entered in its place;
- as per the earlier presence vs accuracy point, even where NINO is populated and is in the correct format it does not mean it is correct; and
- one participant had reservations about the quality and challenges of using NINO in the wider pensions market.



If a temporary NINO is on the system for more than three months, we reach out to the employer to review.

Some participants were keen to point out that they felt quite a few of the issues around NINO could be resolved via the implementation of a verification service for individuals and data providers whereby NINOs could be checked and confirmed against a central, online Government registry.

Research findings

4

Level 1a Matching data and Level 1b Administrative data

What are the challenges with other key identifier information?



For the key identifier fields (e.g. date of birth, surname, forenames (or initials), and gender), most participants have a degree of confidence around the information held. Challenges highlighted by the participants related to small proportions of the overall total of pension entitlements where:

- there was a mixture of forenames and initials in the same field;
- dates of birth being incorrect; and
- potential problems for individuals from overseas where they may not record date of birth as accurately as within the UK.



The Scheme has lots of records where there are only initials although there are relatively easy ways of fixing this with tracing agents.

Some participants had more concerns with this core data and had experienced additional problems with dates of birth due to transposition / re-keying errors which are only identified when:

- reviewing multiple pension entitlements records;
- the individual takes their benefits; and/or
- the data is verified with an alternative third-party data source.

All participants confirmed their current systems do have fields to store previous surnames, however, this information has not always been captured historically and/or the processes for separately capturing this information may not have existed so it tends to be sparsely populated.

One concern was raised about this in respect of potential inadvertent discrimination if pensions dashboards provide a much poorer experience for women if surname changes cause less pension entitlements to be matched.

Research findings

4

Level 1a Matching data and Level 1b Administrative data

What are the challenges with address information?



Most participants stated that they have significant challenges with address information and it is the identifier data most unlikely to match – particularly where records were no longer active.



Address is the data point we are most likely to not match due to the variety in someone's address history and not keeping this up to date.

Participants suggest many challenges that need to be overcome before matching address could be reliable. For example:

- formatting of older addresses where data was manually entered (e.g. postcode not in postcode field etc.);
- overseas address information not held consistently;
- address fields populated with employer (e.g. work based pensions) or data provider details (e.g. contract based pension to stop subsequent correspondence being sent to the same address);

- blank address field if correspondence had been traditionally distributed by the employer (e.g. for work based pensions); and
- for some older pension entitlements, participants did not need to hold address information.

Participants also do not adopt a consistent approach for tracing individuals when post is returned. Some have a regular process to trace individuals, others wait until the individual looks to take their benefits and some had run an exercise previously but this had not fixed all the records.

The extent of address mismatches may also be significantly under-represented as participants are only able to identify whether an address is no longer valid when their correspondence is returned.

If address is to be used to help data providers match records then, as one participant suggested, this becomes a history of information rather than the most current address as it is far more likely to support the matching.

Research findings

4

Level 1a Matching data and Level 1b Administrative data

What are the challenges with other contact information?



Participants see the advantage of using email address and potentially mobile phone numbers as another source of information to help identify the individual – particularly as participants found this data to be more ‘sticky’ than address information.



We have limited email data and have started to look at how we can actively get this data.

That said, one participant was keen to point out that it is important to make the distinction between personal contact details and those which are used in an employment capacity. An example given was a personal email which had been in use for 13 years and during that same period they had used 8 different work email addresses.

Individuals who join a pension arrangement via their employer are far more likely to provide a work email address which becomes obsolete should the individual then leave.

Some participants do not use this information currently but are capturing it and actively exploring ways in which it could be used in the future.

Research findings

4

Level 1a Matching data and Level 1b Administrative data

What are the challenges participants foresee in providing administrative data?



Administrative data is information data providers would provide to pensions dashboards when a positive match is made. It includes details of the pension arrangement, administrator data and, where relevant, employer information.

Participants did not flag many concerns or worries about providing this data to be viewed on pensions dashboards and generally felt that it was the correct information to be supplying, however a few areas are highlighted below:

- **Name of pension arrangement** – there may be some challenges with this data from a user experience perspective as individuals may simply not recognise this information (e.g. through provider changing names, merger and acquisition, unfamiliar scheme names not related to name of employers etc.);

- **Status** – there is a wide range of different status being used by the participants and work will be needed to develop a consolidated and meaningful list (to the user of pensions dashboards rather than data providers); and
- **Start Date** – Individuals would be more likely to recognise details of employment start date rather than scheme start date, particularly if there is a significant disparity between the two – for instance if the individual had to complete a waiting period before joining the pension arrangement.

In discussing this information with participants the research team also asked whether, at some point in the future evolution of the pensions dashboards ecosystem, it would be desirable to show other statuses.



Members can flexibly retire, these will have a 'partially vested' status on the admin platform – important that status is clearly defined by the PDP to map against.

Some participants could see some benefit in showing no liability records (e.g. for those individuals who no longer had a pension entitlement as they had previously had a refund or transferred out, etc.) however others are reluctant to show this information as the data on these records is not regularly reviewed and older records may not be reliable. In addition, some participants may have removed this information, or may do so in the future if it is particularly old and no longer used.

Research findings

4

Level 1a Matching data and Level 1b Administrative data

What are the challenges participants foresee in providing administrative data? (cont.)



For pension entitlements which are related to specific periods of employment, some participants are able to provide this information and felt that it would be useful for individuals to see alongside pension entitlement details. However there were also a number of participants where this was problematic and not straightforward to provide or this data was simply not available:

- some pension entitlements have a single record which relates to multiple periods of employment some which can span totally unrelated periods of time, others which are concurrent and some which overlap;
- some individuals who build up different pension entitlements with the same employment (e.g. potentially different sources of pension entitlements for pensions dashboards);

- service dates which are missing from older records having been received from previous administrators;
- service dates may not exist or be unreliable due to previous merger and acquisition activity; and
- the employer may not be recognisable to the individual (e.g. due to company structure, changes over time, may be something else such as an insolvency practitioner etc.).

This complexity also impacts on the ways in which participants record pension entitlements. Pensions dashboards may show multiple pension entitlement data from one data provider which exist due to:

- individuals having more than one period of employment with the same employer (e.g. an active and a deferred record, two deferred records, etc.);

- individuals opting out of a pension arrangement and then opting back in again; and
- different information being provided by different employers (e.g. key identifier data may not match – in this case the data provider may feed back a positive match for one record and only a partial match for another record).



There are many members who have multiple periods of employment with us. In these circumstances, the member has had the option to aggregate the service.

Therefore the pensions dashboards ecosystem must be able to deal with this complexity.

Key insights and notable practices

4

Level 1a Matching data and Level 1b Administrative data



Key insights

- There is a range of approaches being adopted by participants for matching individuals with their pension entitlements. These vary by the data used, the existing processes and the data provider's attitude to risk.
- The majority of participants want to have the ability to determine whether an individual's information matches the records they hold, based on their own criteria, before providing any data to be viewed on pensions dashboards.
- In the absence of a 'universal identifier', there is general consensus amongst participants that NINO is the key identifier to support matching of individuals. Most participants have a high degree of confidence in NINO and other personal identifier information.
- Whilst most participants are confident about the quality of NINO, there are still known challenges which are common across all participants which some think could be resolved through an online NINO verification service for individuals and data providers.
- Most participants would have significant challenges using address as part of the matching process. To better support this one participant suggested that it is a history of address information rather than the current address.



Notable practices

- One participant has a team looking to introduce a new matching process using artificial intelligence. Early signs are positive – increasing match rates to c. 97%.
- One participant reviews temporary NINOs for foreign nationals with their employers on a monthly basis to proactively ensure they are replaced.
- Some participants are working with third-parties to create common unique identifiers in the course of various projects which could be used as another identifier to support matching.

Key insights and notable practices

4

Level 1a Matching data and Level 1b Administrative data



Key insights

- Participants also see the advantage of using email address and potentially mobile phone numbers as another source of information to help identify the individual, however it is important to make the distinction between personal contact details and those which are used in an employment capacity. For example, individuals who join a pension arrangement via their employer are far more likely to provide a work email address which becomes obsolete should the individual then leave.
- Participants did not have any concerns with providing pension arrangement information but some participants flagged concerns that the user may not recognise certain elements. For example individuals may not recognise the name of the pension arrangement, the status and they may be more likely to recognise employment start date rather than pension entitlement start date.
- Participants also did not flag many concerns with administrator data. Although participants do want to choose the contact information provided to users of pensions dashboards to manage the channels used for enquiries from the users of pensions dashboards.
- Some participants recognise the potential benefit to making employment data available to the end user whereas others think it is more likely to cause confusion. Some participants can easily provide employment data. For others it is much more difficult and in some circumstances it may not be available – participants raised concerns that individuals may not recognise this information, particularly employer name and start date.



Notable practices

- One participant is currently undergoing a selection process to partner with a third-party data provider who will provide them with financially active address details on an ongoing basis. Another participant advised that data cleanse is being performed by third-parties ahead of joiner packs being issued electronically that focuses on email address accuracy.
- From October 2017 to the end of 2019, a participant worked with hundreds of employers to provide data necessary to correct data validation errors across their active member population.

5

Level 2a Estimated retirement income and Level 2b Accrued entitlements

Research findings

5

Level 2a Estimated retirement income

How do participants expect to provide ERI details to be viewed on pensions dashboards?



In many cases, participants have yet to decide the best approach to providing ERI information to pensions dashboards and are waiting for further information to be provided by the PDP before considering their solution further.

Solutions may either calculate ERI figures on demand or use previously calculated figures from the latest available information (typically from the annual benefit statement/Statutory Money Purchase Illustration (SMPI)). Both approaches were mentioned by participants when envisaging a possible solution for providing ERI information to be viewed on pensions dashboards.

How data providers decide what solution to implement may depend on:

- the ease with which calculation routines can be accessed and run;
- the way in which the results of the calculation can be stored or presented;

- the accessibility of information from any last calculation run;
- the ability of live systems to meet pensions dashboards demand;
- the volume of pension entitlements that have the ERI calculated; and
- whether the underlying data supports automated calculations; etc.

The potential challenges in providing ERI information to be viewed on pensions dashboards have also been identified by participants. These challenges are outlined in more detail on the next pages.

Clear themes which emerge in relation to DC and DB pension entitlements are highlighted at the top of each section where applicable using these 'banners':

Defined contribution specific findings

Defined benefit specific findings



We have not had time to consider whether it would be possible to make latest Annual Benefit Statement information available via pensions dashboards.

Research findings

5

Level 2a Estimated retirement income

What are the challenges in respect of providing ERI for DC pension entitlements?



Defined contribution specific findings

Some participants (both trust and contract based) expressed challenges in making existing benefit statement information available to be viewed on pensions dashboards if it is not stored. These participants would have to make significant changes to their current processes and systems to make this information available to be viewed on pensions dashboards.

This is not a universal view amongst participants however, as others do store a history of previous statements where data could be provided to be viewed on pensions dashboards relatively easily.

Likewise, some participants have existing infrastructure and mechanisms in place which could be adapted to meet the pensions dashboard requirements.

For example, some DC pension entitlements are 'Contract Enquiry' enabled which is an industry service to provide valuations to registered advisers. Depending on the way in which this has been implemented, data providers may be able to repurpose existing flows of information from their administrative systems – although this may be more appropriate for accrued values rather than ERI.

Some participants think it is best left to the organisations themselves to decide how to produce the ERI figures and that it should not be mandated as to whether the ERI value is taken from the last benefit statement or calculated on demand.



Some organisations might want to provide ERI from the last benefits statement whilst others will want to calculate benefits 'on the fly'.

Although some participants questioned whether it is sufficiently dynamic for pensions dashboards to only display ERI which is up to a year old (particularly in light of significant market shocks due to Covid-19).

This raises another challenge in respect of the comparability of ERI figures where some participants are providing last benefit statement data and others are calculating ERI values based on current market conditions.

Research findings

5

Level 2a Estimated retirement income

What are the challenges in respect of providing ERI for DC pension entitlements? (cont.)



Defined contribution specific findings

Some participants have concerns about the existing SMPI basis being used to calculate an ERI figure for pensions dashboards.

These participants believe the flexibility of the SMPI assumptions may become problematic in respect of pensions dashboards as some data providers may select assumptions which are unrealistic. This becomes challenging when ERI figures are presented together on pensions dashboards.

These participants are looking for the PDP to define a single set of assumptions to be used uniformly in the calculation of ERI figures displayed on pensions dashboards.

Other participants think the flexibility of SMPI is a positive aspect that allows assumptions to be varied, as appropriate, across different pension entitlements. These participants would find it difficult / time consuming to implement a different basis.

Other concerns which were raised in respect of the ERI calculations for DC pension entitlements:

- showing an ERI may be inappropriate as most individuals will not purchase an annuity with their DC pot;
- showing very small pension values as an ERI could mean that individuals may stop saving unless this is communicated properly;
- a lot of individuals misunderstand their SMPI and it's important that assumptions are communicated sufficiently on pensions dashboards;
- SMPIs are not provided to those close to retirement (due to the need for real rates of return). This is potentially a cohort that would look to use pensions dashboards; and



We feel the assumptions should be centrally set as per the Australian model where organisations worked with the Regulator to define the set of assumptions to be used.

- older policies can prove difficult to 'value' particularly where they include investments in illiquid assets or With Profits funds. Providing ERI for these individuals to be viewed on pensions dashboards will prove problematic and manual intervention may be required.

Key insights and notable practices

5

Level 2a Estimated retirement income

Defined contribution specific findings



Key insights

- One key decision participants have yet to make is in respect of whether ERI should be calculated on request or retrieved from previously calculated information. Some participants expect to provide static benefit statement information whereas others may calculate ERI on an ad-hoc basis.
- Some participants (both trust and contract based) expressed challenges in making existing SMPI information available to be viewed on pensions dashboards as it is not currently stored. These participants would have to make significant changes to their current processes and systems to make this information available.
- Many participants prefer to be given the option of whether they provide static benefit statement information or calculate ERI on demand. This raises another challenge in respect of the comparability of ERI figures where some participants provide last benefit statement data and others calculate ERI values based on current market conditions.
- Participants expressed opposing views on the appropriateness of SMPIs for providing ERI for DC pension entitlements, although some participants would find it very difficult to implement a different basis for calculating ERI to the one currently used.
- Participants also have concerns around how ERI information is presented and communicated to users to ensure understanding.



Notable practices

- Based on initial analysis, one participant expects that projections would be calculated each time, potentially by creating a new stand-alone tool so that existing processes are not impacted.
- One participant has a website which allows members to model retirement options at any time. The participant thinks the infrastructure could support pensions dashboards.
- Some participants are 'Contract Enquiry' enabled which is an industry service to provide valuations to registered advisers.

Research findings

5

Level 2a Estimated retirement income

What are the challenges in respect of providing ERI for DB pension entitlements?



Defined benefit specific findings

Participants agree with the general principle, outlined in the Data Definitions: Working Paper, that data providers are not being asked to do more than is required under Disclosure Regulations (which define the pension entitlement information to be provided to individuals in a specific timeframe) in providing data to be viewed on pensions dashboards.

Operations are typically set up to meet individual enquiries on pre-agreed service levels (often much shorter than Disclosure Regulations). However, participants may need to make significant changes to support the pensions dashboards requirements if pension entitlement information is expected to be returned quicker than the existing service levels.

As highlighted earlier in the report, these changes may predominantly relate to deferred pension entitlements rather than active pension entitlements as:

- calculations are not being programmed into the administrative system for these entitlements;

- structural problems with the data would need to be corrected before ERI figures could be calculated; and
- individuals with deferred pension entitlements may not receive an annual benefit statement.

Some participants suggested that only a very small proportion of private sector DB pension schemes issued annual deferred benefit statements (as they are not required under Disclosure Regulations). Whereas, all participants from the public sector that were interviewed issue deferred benefit statements annually (although the statement may only display an accrued entitlement rather than an ERI).

The structural data problems relate to deferred pension entitlements having 'tranches' of the pension benefit correctly identified on the system to support the calculations. This may affect a significant number of pension schemes. One participant estimated this impacted 30% of the schemes they administered.



We provide annual benefit statements for active and deferred members. We do not send paper statements anymore, everything is online unless you opt for paper.

Some participants had projects underway to fix these problems and 're-tranche' the benefits. These projects are established to support other business needs (e.g. self-service) rather than specifically aimed at meeting future pensions dashboards requirements.

Research findings

5

Level 2a Estimated retirement income

What are the challenges in respect of providing ERI for DB pension entitlements? (cont.)



Defined benefit specific findings

If data providers use ERI data from previous benefit statements to share with pensions dashboards, there is variation in the way this information is shown on benefit statements that will need to be considered by the PDP.

Examples provided by participants include:

- some only display benefits built up to current date;
- some make an allowance for future benefits (e.g. future service or future added pension);
- some display a single pension value at the latest normal pension age (with early and late adjustments to pension benefits with different normal pension ages); and
- some show pension values at the different normal pension ages (e.g. 60, 65 and State Pension Age);

Therefore, some ERI figures presented on pensions dashboards for different DB pension entitlements may have significantly different characteristics.



Annual statements show the projected pension to Normal Retirement Date without any allowance for future salary increases for active members.

Similarly, participants also flagged a number of complexities with DB pension entitlements which would have to be catered for in the pensions dashboards ecosystem (whether or not ERI is calculated on demand or provided via the latest benefit statement):

- temporary pensions / pension offsets – for example where a member's ERI would be reduced by an amount when they reached State Pension Age;
- multiple tranches of pension benefits where each tranche has a different normal pension age; and
- separately accruing tax-free cash.

Participants are looking to understand how the pensions dashboards ecosystem would manage these complexities and particularly how this complexity is communicated clearly to users to avoid confusion or misunderstanding.

As with the DC specific findings, some participants do not store or have easy access to benefit statement data and so would have to change processes and systems before it could be made available to be viewed on pensions dashboards.

Alternatively, in some cases, individuals can access an online modeller for ERI figures so there may be existing infrastructure which can support participants in meeting pensions dashboards requirements.

Research findings

5

Level 2a Estimated retirement income

What are the challenges in respect of providing ERI for DB pension entitlements? (cont.)



Defined benefit specific findings

One significant challenge in respect of DB pension entitlements raised by participants is the lack of calculation automation in producing ERI figures.

Examples given are:

- costs associated with the testing and development of calculations outweighed the benefits;
- older schemes which had never been automated;
- benefit complexity (e.g. Scheme Pays, transferred in benefits, divorce debits, certain scheme mergers etc.);
- underlying data problems limiting automation; and
- non-electronic records – particularly in reference to Equivalent Pension Benefits (EPB).

For non-automated calculations, an ERI would be calculated by an administrator (or potentially actuary in complex cases) either from first principles (e.g. referring to the scheme rules etc.) or using scheme proforma (typically in Excel).

The extent of these manual exceptions varies across the participants and for some it is difficult to quantify. Examples given included:

- for c30% of schemes the costs outweigh the benefits in respect of automation; and
- 8% of members do not get an annual benefit statement and these are only calculated on request.
- 1.5% of pension entitlements need to be calculated manually – for both annual statements and ad-hoc requests.

There may be a correlation between the size of scheme and levels of automation (i.e. due to costs outweighing the benefits) and smaller schemes may have more to do to meet pensions dashboards requirements than larger schemes and face disproportionately higher costs as a result.

Participants are looking for a pensions dashboards ecosystem to manage the exceptions (e.g. ERI figures cannot be produced) and clearly communicate the reason an ERI cannot be shown or is delayed in being provided.



Unsure how to process ERI that require manual intervention as they are on a legacy platform or have poor quality data – this would require multiple weeks to provide.

Key insights and notable practices

5

Level 2a Estimated retirement income

Defined benefit specific findings



Key insights

- ERI may be difficult to produce for deferred pension entitlements due to structural data problems or lack of calculation automation. Although some public sector schemes may have less difficulty providing ERI for DB pension entitlements as they provide annual benefit statements to deferred members currently.
- The way in which ERI information is presented on benefit statements can differ considerably. Participants are looking to understand how the complexity with DB pension entitlements would be communicated clearly to users of pensions dashboards.
- Some providers of DB benefit statements do not retain the information so a method of persistence would need to be developed.
- Lack of calculation automation will present a significant challenge for some participants when providing ERI details to be viewed on pensions dashboards. This may impact smaller schemes more.
- All participants agree that the way in which pensions dashboards communicate where ERI cannot be returned or will be delayed is very important.



Notable practices

- One participant has recently completed a project that will enable all pension entitlements to be revalued automatically on an annual basis (active and deferred).
- One participant had projects underway to fix structural data problems for deferred pension entitlements.
- One participant periodically updated AVC values, provided by a third-party to include in a combined benefit statement.
- One participant saves manually calculated ERI results on their system (in the same format as those automated) making them more accessible for pensions dashboards.

Research findings

5

Level 2a Estimated retirement income

What are the challenges in respect of providing ERI for other types of pension entitlements?



Some participants deal with pension entitlements which include a combination of DB and DC benefits which, for simplicity, is referred to as 'mixed benefits'. Examples include:

- DB benefits with DC Additional Voluntary Contributions (AVCs);
- hybrid benefits which build up DB benefits for some part of earnings and DC benefits for earnings above a threshold; and
- hybrid benefits where the DB section of the scheme is closed to future accrual and DC benefits build up after a certain date but within the same scheme.

Participants do make a distinction on the last point between a DB scheme that is closed to future accrual and DC benefits that build up in another pension structure (e.g. a master trust, Group Personal Pension etc.) as in this case benefits are separate entitlements and so would be expected to be displayed separately on a pensions dashboard.

Whereas for the mixed benefit examples provided, it is important to participants that these types of benefits are presented together as they relate to the same pension entitlement. For mixed benefits, participants foresee challenges in:

- different data providers may support the different types of benefit and the pensions dashboards ecosystem will need to be able to support data from different sources, whilst recognising it relates to the same pension entitlement;
- participants have different views as to whether this data should be amalgamated first before being provided to be viewed by the individual on a pensions dashboard or combined by pensions dashboards themselves (if possible);
- making sure pensions dashboards can distinguish between DB AVCs and DC AVCs as the certainty of outcome may be different; and
- ensuring users are clear on the options regarding tax-free cash lump sum (e.g. AVCs, DC benefits).



Pensions dashboards must avoid double counting and must ensure that the AVC is attached to the scheme benefit and cannot be transacted separately.

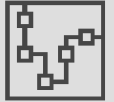
Pension entitlements with underpins (e.g. DC underpin or DB underpin) are not included in mixed benefits as it assumes the ERI figure on a pensions dashboard would be the main DB or DC benefit.

Research findings

5

Level 2b Accrued entitlements

How can accrued pension entitlement be provided to be viewed on pensions dashboards?



For DC entitlements, participants thought that accrued entitlements can be made available to pensions dashboards more easily and quickly than ERI given that:

- benefits are readily available in the form of a 'pot' or 'fund value';
- no calculations are required to project the values; and
- current infrastructure is setup to provide this information (with some exceptions).

For DB entitlements, participants face similar challenges to those already outlined in the previous sections with respect to calculation automation, underlying data challenges, etc. Therefore, there may be no real distinction in the time or effort required to provide accrued entitlement or ERI information to be viewed on pensions dashboards.

As mentioned earlier, some participants do not show ERI on benefit statements and only show an accrued entitlement revalued to the date of the statement. Therefore it will be easier for these participants to provide accrued entitlement details.

One option suggested – particularly in respect of deferred DB entitlements, is providing an accrued value at date of leaving rather than at today's date – simply as this is typically how information is recorded on the underlying systems. However, participants recognise the potential drawbacks of this as it is difficult for a user to understand the true value of a pension entitlement if it is expressed as a value from many years ago.



Our preferred option would be to provide an accrued entitlement (i.e. level 2b). Level 2a will be possible but it is not the easy option.

Key insights

5

Level 2b Accrued entitlements



Key insights

- For many participants, particularly with ‘mixed benefits’ pension arrangements, it is important that all scheme benefits are presented together to be viewed on a pensions dashboard. Participants have different views as to whether data should be amalgamated or provided separately to be viewed by the individual on their chosen pensions dashboard.
- It is easier and quicker for participants to provide accrued values for DC pension entitlements given that benefits are readily available in the form of a ‘pot’ or ‘fund value’; no calculations are required to project the values; and current infrastructure is set up to provide this information (with some exceptions).
- Deferred DB entitlements are often only recorded at date of leaving and not typically increased to reflect the value in today’s terms.
- For some DB entitlements, it will be easier for some participants to make accrued entitlements available as this information is provided on benefit statements. However, some participants face similar challenges to those for ERI with respect to calculation automation, underlying data challenges, etc. in order to make accrued entitlements available.

6

Level 3 Additional pension information

Research findings

6

Level 3 Additional pension information

What are the participants' views on the approach to additional pension information proposed by the PDP?



As with the approach to the way in which data standards are being developed by the PDP, many participants thought the approach to additional pension information is sensible in that information can be provided on an optional basis to be viewed on pensions dashboards and that it provides a good baseline to discuss and develop further. Examples of additional pension information provided by PDP within the Data Definitions: Working Paper are:

- contribution data;
- DC investment data;
- additional benefits data; and
- beneficiary data

One participant stressed that the PDP needs to consider whether including a data item is in individuals' interests, for example, it may not be feasible to describe complex options such as fund or policy guarantees in a standard format.

Some participants said that the additional data items may generate a lot more effort for them and therefore may be unlikely to be provided to initial pensions dashboards. Others felt that, depending on the final set of data items agreed, they could potentially lead to competition amongst some data providers who would like to make more information available or in a quicker timeframe than their competitors.

Some participants expressed a view that the additional pension information is quite DC focused and there are other DB pension entitlement information that could be included, such as:

- previous transfer in information (particularly where this is a significant part of the overall entitlement);
- additional pension or added years purchased from AVCs by the individual;
- pension debit information for divorce cases; and
- Scheme Pays information; etc.

One participant reported that a lot of the optional data items are historical and that the PDP should consider things like equity risk and future contributions for future pensions dashboards releases.

The next page considers the areas of additional pension information in more detail.



It increases the information and understanding of pension entitlements, provides an incentive for providers to include it and reduces development costs.

Research findings

6

Level 3 Additional pension information

What are the participants' views on the approach to additional pension information proposed by the PDP? (cont.)



Contribution Data – Only relevant to DC pension entitlements and whilst some participants could not foresee any significant challenges in providing it, others highlighted areas of concern:

- for some participants the way in which pensions contributions are paid and stored is complex – employee contributions may be paid under a salary sacrifice arrangement and stored as employer contributions. This could be confusing when viewed via pensions dashboards and will need appropriate explanation;
- for some pension entitlements, providers do not record contribution history; and
- some participants do not store this information consistently across all pension entitlements which would make it more difficult to make this information available.



Contribution data is not stored consistently between schemes i.e. if a scheme was salary sacrifice it will be stored in a different place to schemes which pay normally.

DC Investment Data – Some participants who administer pension arrangements on a third-party basis pointed out that they may only hold basic investment information such as fund name. It could be difficult to provide more information on the funds and charges as these details would be held with the fund manager. Coordination would therefore be required, possibly in a similar way to how AVC details may need to be provided by a fund manager and presented on pensions dashboards alongside a DB entitlement.

One participant said that it will be difficult to fit different investment charging structures into a single format.

Additional Benefits Data – For many participants with DB pension entitlements there are challenges in providing dependents benefits due to the complexity of the calculations. These benefits are only ever calculated manually.

It will be important for some pension schemes to include details of guarantees – Cash Balance for example, where the level of investment return may be guaranteed.

Beneficiary Data – Some participants are reluctant to provide beneficiary information to pensions dashboards and do not show this information on benefit statements. Likewise for some, this information is recorded in sealed envelopes and could not be provided. That said other participants are keen to provide this information as it might help individuals keep it up to date.

Key insights

6

Level 3 Additional pension information



Key insights

- Most participants were satisfied with the approach to additional pension information being proposed by the PDP in making the data items optional on initial pensions dashboards.
- Some participants think that the additional pension information is quite DC focussed and more information should be included for DB benefits.
- One participant would like to see details of equity risk and future contributions included at some point.
- Some participants face challenges with providing contribution data.
- Some participants reported that death benefit calculations are very complex, and often manual, so they would not be able to make this information available to be viewed on pensions dashboards.
- Participants had mixed views about beneficiary data – some are reluctant to provide this information whereas others would make this information available to be viewed on pensions dashboards as individuals seldom keep this information up-to-date.

7

Time to implement,
staging and likely
costs

Research findings

7

Time to implement, staging and likely costs

How long do participants think it will take to be able to provide data to be viewed on pensions dashboards?



Over half of the participants stated that they are unable to provide an indicative timetable without having a better understanding of what it is they are being asked to do. These participants are looking for requirements on the different aspects of the pensions dashboards ecosystem (e.g. data standards, technical, governance, etc.).

Six participants did provide an indication of how long it would take them to prepare which ranged from several months to a number of years to build and develop a solution and resolve any data quality challenges.

Participants who gave an indicative timetable are not from any particular pensions sub-sector, administer certain pension entitlements or have more straightforward operations (i.e. it includes a varied range of participants with legacy systems, DB and DC etc.)



We have dedicated system support so there should not be any issue in developing the architecture requirements and expect this to take 1 or 2 years.

Participants made it clear that these are only indicative estimates and it is important to stress they relied on a number of key dependencies:

- **Competing resource** – with other equally critical work which is already planned to happen over the same period and would require similar skilled resources (e.g. technology developments, key projects such as McCloud and GMP Equalisation etc.).
- **Data cleanse** – what standards of cleanse would be required in advance of onboarding (e.g. as part of onboarding must data providers verify they meet minimum data standards).

- **Agreement with third-parties** – one group that was mentioned was Pension Scheme Trustees who are ultimately responsible for data and would have to be fully satisfied with the controls and approaches before agreeing to release the data.
- **Market capacity** – data providers relying on outsourcers or system providers to make key changes over the same duration.
- **Staging and onboarding** – timing estimates quoted only include time for participants to prepare, not for connecting all providers, administrators and ISPs which will take longer.

Research findings

7

Time to implement, staging and likely costs

What factors are impacting on the time to implement?



There are a number of factors impacting the time required for participants to meet future pensions dashboards requirements. As highlighted earlier in this report this may be due to:

- fixing known problems with data to support the provision of ERI;
- developing calculations or changing processes to support the provision of ERI; and
- dealing with legacy systems to support matching or the provision of data.

On the last point, some participants with legacy systems are quite well progressed in providing an aligned infrastructure to support pensions dashboards as a result of other commercial initiatives. These other activities have had a positive impact on the time these participants may need to prepare for pensions dashboards but it may not be representative of other organisations with legacy systems.

Many participants are also looking to have a degree of flexibility to any stipulated time frame:

- **To deal with complexity** – For some participants the timescales they are quoting only relate to the majority of their pension entitlements and other entitlements will take longer (i.e. a ‘tail’ of small DB entitlements for a predominantly contract based provider). For instance one provided stated that 90% of their pension entitlements are DC and should be available in 18 months to 2 years but DB entitlements will take longer.
- **To align with other critical projects** – Examples given were to avoid any critical milestones (such as system migrations / launch of new online capability etc.) and also future procurement exercises (e.g. to avoid developing solutions with two providers in a very short timeframe).

- **To benefit from other initiatives** At least one provider highlighted the fact that the GMP Equalisation exercises that organisations will inevitably need to carry out in the near future could be of benefit to the PDP (from correcting structural problems with deferred records and providing values at a current date).



There are significant projects in the next 2 or 3 years (e.g. McCloud and GMP equalisation) which has an impact on when we would be able to meet the dashboard requirements.

Research findings

7

Time to implement, staging and likely costs

Do the participants have any views on the staging of pensions dashboards?
What are the likely costs faced in preparing for pensions dashboards?



There were a range of views about staging reflecting the diversity of participants. The views significantly varied depending on the organisation, the pensions sub-sectors covered and the types of pension entitlements.

Examples of feedback received include:

- the proposed approach by the PDP seems sensible;
- staging must be driven by the needs of the user rather than the constraints of the industry;
- broad and shallow approach to staging should be adopted in order to give the broadest possible reach;
- large Trust DB and Master Trust DC should go early;
- public sector schemes should be later; and
- EPPs and RSSs are likely to cause problems.



The recent IDG policy papers rightly conclude that the public will not accept an incomplete dashboard.

Participants who think the most important aspect of pensions dashboards is to reconnect individuals to pension entitlements think it is better to go quicker with little or no ERI information (or only for those that can easily provide it). Nearly half of participants held this view.

One common thread also appears to be that participants are looking for staging that is managed pragmatically and has a degree of flexibility, as indicated earlier, to allow a phased delivery of integration with the pensions dashboards ecosystem. This flexibility should also allow data providers to integrate earlier with some or all of their pension entitlements as necessary. One participant suggested that they would like to roll pensions dashboards out to 2 or 3 of their larger clients to ensure they are meeting the requirements before rolling out to all clients.

One of the original objectives of this research was to gather insight into what costs providers could face in preparing and integrating with the pensions dashboards ecosystem.

Feedback shows that there is a significant amount of work involved for data providers to get ready to meet the requirements of the pensions dashboards ecosystem – whether this is establishing data sources, automating calculations, changing processes etc.

At this stage, it is too early in the process for the majority of participants to provide some indication of the likely costs they would face. One participant was able to confirm that early indications put the infrastructure build cost at £1m plus outsourcers expenses.



Early indications put the infrastructure build cost at £1m plus outsourcers expenses.

Key insights

7

Time to implement, staging and likely costs



Key insights

- Most participants are not able to provide an indicative timetable for the integration with pensions dashboards. Six participants did provide an indication of how long it would take them to prepare and most had a relatively consistent view saying that they would need up to two years to build and develop a solution and resolve any data quality challenges. Participants made it clear that these are only indicative estimates and it is important to stress they rely on a number of key dependencies and assumptions around resources, data cleanse, agreement with third-parties and overall market capacity.
- Participants with legacy systems have already taken some of the actions required to get 'dashboard ready' as part of other initiatives. However this may not be representative of other organisations with legacy systems.
- A range of views about staging were put forward reflecting the diversity of participants, however a common thread is that participants are looking for staging that is managed pragmatically and has a degree of flexibility, to allow a phased delivery of integration with the pensions dashboards ecosystem. This flexibility should also allow data providers to integrate earlier with some or all of their pension entitlements as necessary.
- The majority of participants are unable to provide costs at this stage, though it is clear there will be a significant amount of work involved for participants to get 'pensions dashboards ready'.

8

Other concerns / feedback

Research findings

8

Other concerns / feedback

Do the participants have any other concerns or feedback for the PDP?



What is clear from this research is that participants are looking for much more information around the way in which users will be fully and robustly authenticated and provide consent for data providers to share their data and comply with any other GDPR requirements.

Some participants pointed out that they are data processors on behalf of trustees and have no legal basis to provide information without the trustees' permission. Trustees and other data controllers will therefore need assurances on these security and governance aspects of the ecosystem before they will be comfortable allowing data to be provided to be viewed on pensions dashboards.

A few participants raised concerns about who will be accountable for breaches, damages or inappropriate use if things do go wrong.

One participant pointed out that as the Pension Protection Fund (PPF) is technically a statutory public corporation, rather than a pension arrangement, specific legislation may be required in order to mandate the PPF to make data available to pensions dashboards.

In addition, the compensation provided by the PPF may be different from the original benefits of the scheme. How this is communicated will need to be considered by the PDP.

Some participants also want to see the PDP have an explicit goal of integrating with the wider financial services ecosystem -- one concern is that it may develop in isolation.

Participants also had concerns about the potential impact pensions dashboards could have on their pension operations. If pensions dashboards are a success, this may result in large increases in the number of queries and benefit quotations.

Participants are keen that the contact information provided to pensions dashboards can be managed (as highlighted earlier in the report) so that individuals can be directed to particular channels to self-serve rather than contact the pension operations directly (e.g. directing to online portals rather than telephony or email channels).



We would need confirmation that the system is secure prior to providing any data to ensure data is being transferred and displayed safely.

Some participants raised concerns about the activity of pensions dashboards hosts and the way information may be being presented to the user. Participants are looking for further clarity and information on the way in which this would be governed by the pensions dashboards ecosystem.

Research findings

8

Other concerns / feedback

Do the participants have any other concerns or feedback for the PDP? (cont.)



Some concerns were expressed by participants about the experience of the individuals using the pensions dashboards and the potential for unintended consequences it may trigger. For example, some concerns are:

- overloading the user with data they do not want;
- confusing the user in respect of the numbers being presented or where the pension entitlements do not link back to periods of employment;
- providing a false sense of security when the pension entitlement outcomes are not certain; and
- disincentivising saving for modest earners if the pension outcomes presented are small in relation to other benefits (e.g. State Pension).

Participants are encouraged that the PDP is taking an active approach to understand the user needs and wants from pensions dashboards and that the programme will be led by this consumer research in developing the requirements.

Ultimately awareness of the PDP is good and enthusiasm for the project is very high amongst participants with all showing a willingness to get involved in later stages of the programme to help shape the future of pensions dashboards.



It is somewhat reassuring that the PDP has a key focus on the individual's best interest.

Key insights

8

Other concerns / feedback



Key insights

- Participants are looking for information on key aspects of the pensions dashboards ecosystem such as user authentication, permission, GDPR, etc.
- Some participants want to ensure that the PDP has an explicit goal of integrating with the wider financial services ecosystem.
- Participants have concerns about the impact on their operations and want to be able to divert queries to self-service channels.
- Other concerns centred on risk via: breaches, damages, inappropriate use, permissions, integrating with the wider financial services ecosystem and increased workloads created as a result of referrals from pensions dashboards or user confusion.
- Participants are looking for greater assurance on the way information is presented and communicated on pensions dashboards. Although participants are encouraged by an approach which researches and understands the user needs and wants from pensions dashboards.
- Awareness of the PDP is good and enthusiasm for the project is very high amongst participants with all showing a willingness to get involved in later stages of the programme to help shape the future of pensions dashboards.

Glossary

Glossary of terms

Term	Definition
Active Individual	An individual who is contributing to or building up a pension entitlement in a pension arrangement .
Additional Pension Information	Information outside of basic information but within the pensions dashboards data standards . These data items can be supplied on an optional basis.
Annual Benefit Statement	Annual statement setting out an individual's pension entitlement from a pension arrangement on the attainment of a specific age or the occurrence of specific events.
Basic Information	The information about a found pension entitlement that all pension arrangements must make available to an individual upon request, for display on their chosen dashboard. The maximum level of basic information has been defined in the government response, but the minimum has not. Once it has been defined, the data items which comprise basic information will be the minimum mandatory items that pension arrangements will have to make available about individual's pension entitlements .
Beneficiary	The term Beneficiary generally covers both i) individuals who have pension entitlements under pension arrangements , as well as ii) people who will become entitled to pension entitlements on the happening of specified events (such as the death of the individual). For the purposes of this report, the term Beneficiary refers to just the latter category, i.e. beneficiaries other than the individual themselves.
Cash Balance	A pension arrangement whereby an individual's pension entitlement is guaranteed on the basis of a known formula related to an individual's pensionable earnings in each year of membership. The resulting Cash Balance can be used either to purchase an annuity or to make other arrangements for retirement.

Glossary of terms

Term	Definition
Common Data	Data items specified by The Pensions Regulator's record-keeping guidance as common data.
Contract Based	A pension arrangement whereby the contract is between an individual and the pension arrangement .
Dashboards Available Point	The Dashboards Available Point is the point at which it will be reasonable to make pensions dashboards available to all members of the public, meeting the first Pensions Dashboards Programme goal ('connect people with all their pensions') for most individuals .
Data Controller	An organisation or person that determines the purpose and manner in which personal information is to be processed.
Data Processor	A person, other than the data controller or an employee of the data controller , who processes personal information on behalf of the data controller .
Data Provider	Organisations who provide pension entitlement information to be viewed by an individual on their chosen pensions dashboard. This may include occupational and personal pension schemes, administrators, integrated service providers , Department for Work & Pensions (DWP) – State Pension.
Data Standards	<p>The pensions dashboards data standards will comprise a set of data items which define:</p> <ul style="list-style-type: none"> • The individual attributes that will be shared about a verified identity to enable pension records to be searched for a match, and • Which elements of an individual's pensions information must be supplied by pension providers and schemes for display to the individual (or their delegate) via pensions dashboards.

Glossary of terms

Term	Definition
Data Working Group	The Pensions Dashboards Programme data working group is a forum for representatives from across PDP stakeholders, which bring together subject matter experts with relevant skills and practical expertise to input into the design, build and run of the data specific aspects of the pensions dashboards ecosystem .
Deferred Individual	An individual who is no longer contributing or building up a pension entitlement in a pension arrangement but retains vested rights to a pension entitlement in that pension arrangement .
Defined Benefit	A pension arrangement whereby the pension entitlement is linked through a formula to the individual's earnings and/or length of pensionable employment.
Defined Contribution	A pension arrangement whereby the pension entitlement is determined by reference to contributions paid into a pension arrangement by or in respect of the individual , usually increased by the investment return on those contributions.
Digital Architecture	The digital architecture will enable multiple parties to be connected in a secure pensions dashboards ecosystem that delivers pensions dashboards for individuals . This includes a pension finder service , identity verification service and a governance register .
Disclosure and Disclosure Regulations	Disclosure is a generic term covering the requirements and rules for pension arrangements to disclose information about pension entitlements (and about the pension arrangement itself) to individuals . The main regulations governing disclosure (the Disclosure Regulations) are the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.

Glossary of terms

Term	Definition
Equivalent Pension Benefit	Pension entitlement a Defined Benefit pension arrangement must provide in respect of contracted-out rights from 1961 to 1975.
Estimated Retirement Income	An estimate of the income that an individual pension entitlement might itself provide or enable to be provided.
Executive Pension Plan	Pension arrangements which provide enhanced executive pensions as the needs of directors and key executives were different to the pension needs of the other employees.
General Data Protection Regulation	Legal framework that sets out the collection and processing of personal information from individuals who live in the European Union.
Governance Register	The Governance Register is a technical service that provides assurances that the different elements of the pensions dashboards ecosystem (pensions dashboards, identity verification services, pension finder service and connections to pension schemes) meet the required standards to participate. It ensures that all these elements operate correctly and securely and allows access to be revoked if any party is found to be operating incorrectly, for example by misusing data. It will also enable compliance and monitoring of the system as a whole.
Guaranteed Minimum Pension (GMP)	Minimum pension entitlement a Defined Benefit pension arrangement must provide in respect of rights contracted-out of the UK State Pension system from 1978 to 1997.

Glossary of terms

Term	Definition
Host	An organisation which provides a pension dashboard to individuals to find and view their pension entitlement .
Hybrid or Mixed Benefit	<p>An Occupational or Personal pension arrangement whereby:</p> <ul style="list-style-type: none"> The individual has both Defined Benefit and Defined Contribution pension entitlements; and/or An individual's pension entitlement is calculated as the better of two or more alternatives, i.e. Defined Benefit and Defined Contribution.
Identity Verification Service	<p>The Pensions Dashboards Programme will need to agree a standardised level of identity verification which sets the levels of assurance required in line with the National Cyber Security Centre's Good Practice Guide 45.</p> <p>The identity service allows users to authenticate themselves (prove they are who they say they are) so that they can access other elements of the ecosystem. It provides the verification required to assure data providers that they are returning data to the correct user and no one else.</p>
Individual	People who can use one of the dashboards to find and view their pensions.
Pensions Industry	The wider pensions industry who may be involved with pensions dashboards in different ways. This includes private and public sector pension schemes of all types, financial technology firms, third-party administrators, independent financial advisers, insurers and employee benefits platforms, among others. Other interested parties include banks, employers, consumer representative bodies and the voluntary sector.
Integrated Service Provider	An Integrated Service Provider allows pension information to be securely held on behalf of pensions schemes. This will enable pension information to be accessible via pensions dashboards in those instances where the pension scheme provider is unable to do so themselves. These arrangements already exist and are contractual relationships between the two parties. These arrangements are outside of the scope of the pensions dashboards ecosystem .

Glossary of terms

Term	Definition
Legacy System	Historical pensions administration software that is still in use and still holds pension entitlement information.
Money and Pensions Service Dashboard	The Money and Pensions Service will develop a pensions dashboard (the MaPS dashboard) as part of its function to provide information and guidance on pensions.
Master Trust	A multi-employer trust based pension arrangement whereby each employer has its own section and there is one legal trust and trustee board – for the purposes of this research, this definition does not include industry-wide pension schemes which are not master trusts for the purposes of Pension Schemes Act 2017.
Normal Pension Age	For Defined Benefit pension arrangements the age specified in the pension arrangement rules as the earliest age at which the pension entitlement becomes payable without actuarial adjustment, for Defined Contribution pension arrangements with a lifestyle investment or funding strategy the age at which an individual aims for their pension entitlement to become payable (this can also be referred to as ‘target pension age’ or ‘vesting age’).
Organisation	An entity (such as a company, an institution or an association) set up for a particular purpose.
Pension Arrangement	An umbrella term is needed which can describe all entities providing pension entitlements . From the perspective of mass individuals , the differences between the different types of pensions are irrelevant: many individuals will not know what type(s) of pensions they have and are unlikely to understand the nuances of language commonly associated with each type. PDP is therefore using the term pension arrangement to refer to all types of entities that provide pension entitlements to individuals. For pensions dashboards purposes, ‘ pension arrangement ’ is used in a different sense from the formal sense of ‘ arrangement ’ defined in Finance Act 2004.

Glossary of terms

Term	Definition
Pension Entitlement	Research shows that individuals struggle to distinguish between the different types of benefits that different pension arrangements provide (for example, Defined Benefit per annum incomes, Defined Contribution pots, and so on). PDP have therefore decided to use the generic term pension entitlement to describe the different types of monetary benefit an individual can derive from a pension arrangement (which could be a future retirement income, future drawdowns, cash lump sums, and so on).
Pension Finder Service	The pension finder service is a piece of technology that sends out an instruction to all data providers to search for a user's pensions. If a match is found, the location where the data can be found is returned to the user's chosen pensions dashboard along with a key (a token ensuring secure access) which allows that pensions dashboard to access the data and display it to the user.
Pensions Dashboard Prototype Project	A preliminary version of a pensions dashboard developed by a cross-industry team in Spring 2017, which designed, developed and demonstrated a Pensions Dashboard prototype. More information on this project can be found at https://pensionsdashboardproject.uk/ .
Pensions Dashboards	Pensions dashboards are the public facing user interfaces that will enable individuals to access their pensions information online, securely and all in one place, thereby supporting better planning for retirement. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension. They will also help them to reconnect with any lost pension pots.
Pensions Dashboards Ecosystem	Multiple parties, technical services and governance need to be connected in what we are referring to as an ecosystem. This is made up of the supporting digital architecture which allows pensions dashboards to work, the pensions dashboards themselves which individuals interact with and the governance system which monitors the whole ecosystem.

Glossary of terms

Term	Definition
Pensions Dashboards Programme	The Pensions Dashboards Programme (formerly known as the Industry Delivery Group) was set up by the Money and Pensions Service (MaPS) and is responsible for developing the pensions dashboards digital architecture which will enable individuals to view all their pensions data via their chosen pensions dashboard within a secure pensions dashboards ecosystem . The PDP will not be responsible for developing a front-end dashboard.
Pensions Dashboards Feasibility Report and Consultation	Consultation to seek views on Government findings on how the pensions industry can create online pensions dashboards .
Pensions Sector	The entire pensions market covering all pension arrangements and pension entitlements .
Pensions Sub-Sector	A specific section of the pensions sector that display similar characteristics (e.g. public sector or set pension income)
Regulators	Those regulators involved in the regulation of the pensions dashboards ecosystem, namely The Financial Conduct Authority (FCA) and The Pensions Regulator (TPR) which work to address risks and harms in the pensions and retirement income sector.
Relevant Small Schemes	A pension arrangement with fewer than 12 individuals where all Individuals are Trustees of the pension arrangement and either decisions have to be made unanimously or there is an independent Trustee appointed.

Glossary of terms

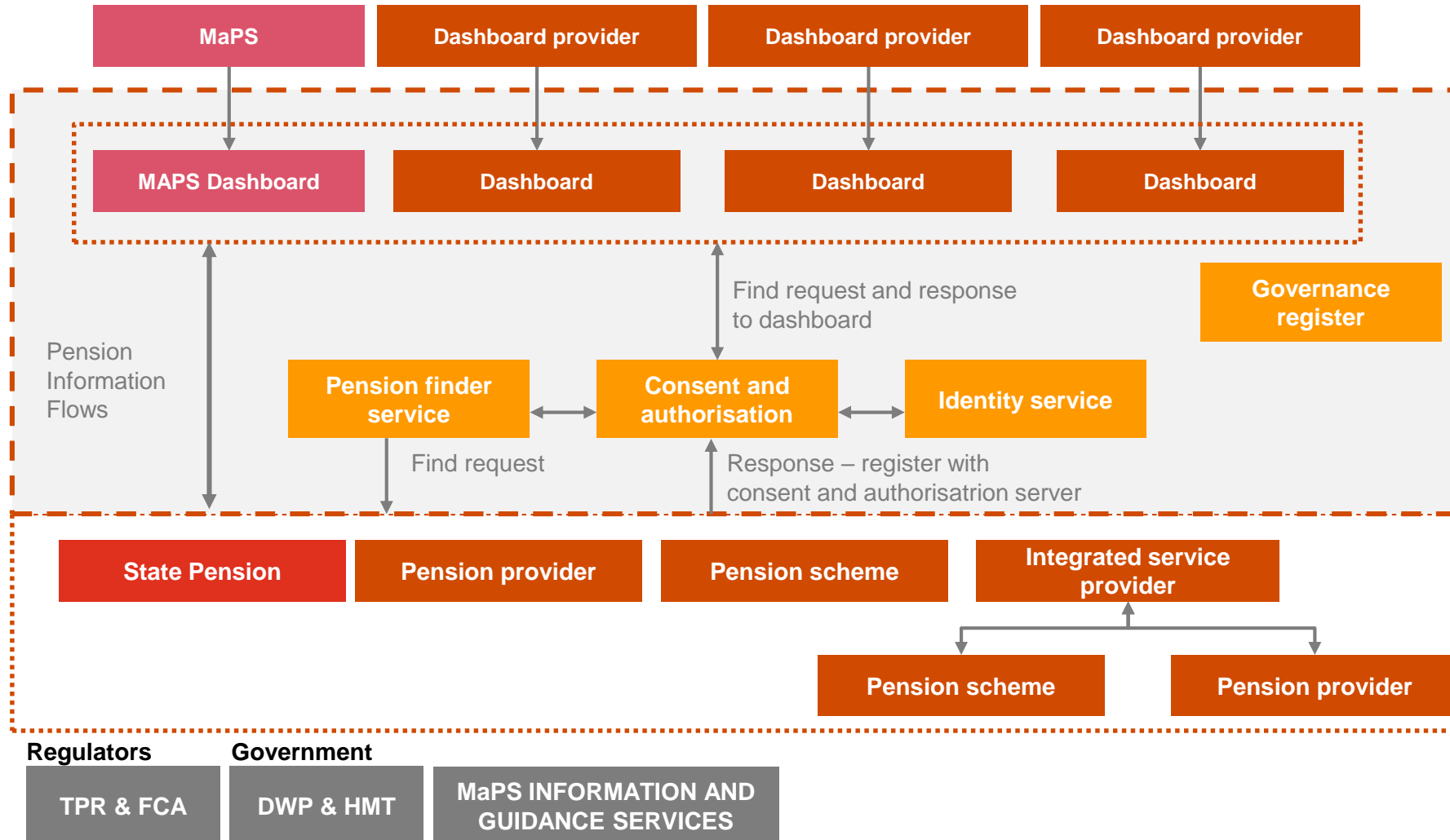
Term	Definition
Scheme Pays	Where an individual has incurred an annual allowance charge and a pension arrangement has agreed to pay the charge, financed by an appropriate reduction in the individual's pension entitlement in that pension arrangement . If certain conditions are met, an individual may by notice require the pension arrangement to pay the tax charge and this is informally known as 'Mandatory Scheme Pays'. If those conditions are not met the pension arrangement might still voluntarily agree to pay the tax charge on behalf of the individual and this is informally known as 'Voluntary Scheme Pays'.
Scheme Specific Data	Data items, in addition to common data , that a pension arrangement will require, according to The Pensions Regulator's record-keeping guidance, to administer pension entitlements .
Section 32 Policy	A deferred annuity pension entitlement .
Staging	Pension scheme providers will connect to the pensions dashboards ecosystem over a staging period of time rather than all at once. Schemes will be given a specific date within this staging period by when they must have connected.
State Pension Age	The earliest age from which an individual can claim their State Pension.
Status	Categorisation of an individual in a pension arrangement , usually related to whether the individual is contributing or building up a Pension Entitlement i.e. an Active individual , or whether the individual is no longer contributing or building up a pension entitlement i.e. a Deferred individual . It should be noted that across the pensions sector there are various Status and Status definitions, which do not align to the examples given above.

Glossary of terms

Term	Definition
Statutory Money Purchase Illustration	Annual statement setting out the value of an individual's pension entitlement at today's value which must be issued for Defined Contribution pension arrangements . Abbreviated to SMPI .
Technology Supplier	An organisation which provides technology solutions, such as software and licenses, to a separate organisation .
Third-Party Data Supplier	An organisation which stores and supplies personal data to a separate organisation .
Trust Based Arrangement	A pension arrangement whereby the assets are held by one or more trustees for the benefit of others (the Beneficiary) for the purposes specified by the trust instrument. Also referred to as trust based schemes .
Trustee	An individual or company appointed to carry out the purposes of a trust in accordance with the provisions of the trust instrument and general principles of trust law.
With Profits	A Contract Based pension arrangement whereby an individual's pension entitlement is increased by a share of the surplus disclosed by an actuarial valuation of the organisations life and pension business (usually an insurance company).

Appendices

Appendix A: Pensions dashboards ecosystem



Appendix B: Data pyramid

Following the Pensions Dashboards Prototype project, the Pensions Administration Standards Association (PASA) Pensions Dashboards Working Group, created the concept of different 'levels' of pensions dashboards data. For most of the pensions industry, with no previous involvement in the pensions dashboards initiative, this is a helpful way to introduce the different types of data relevant to pensions dashboards.

A

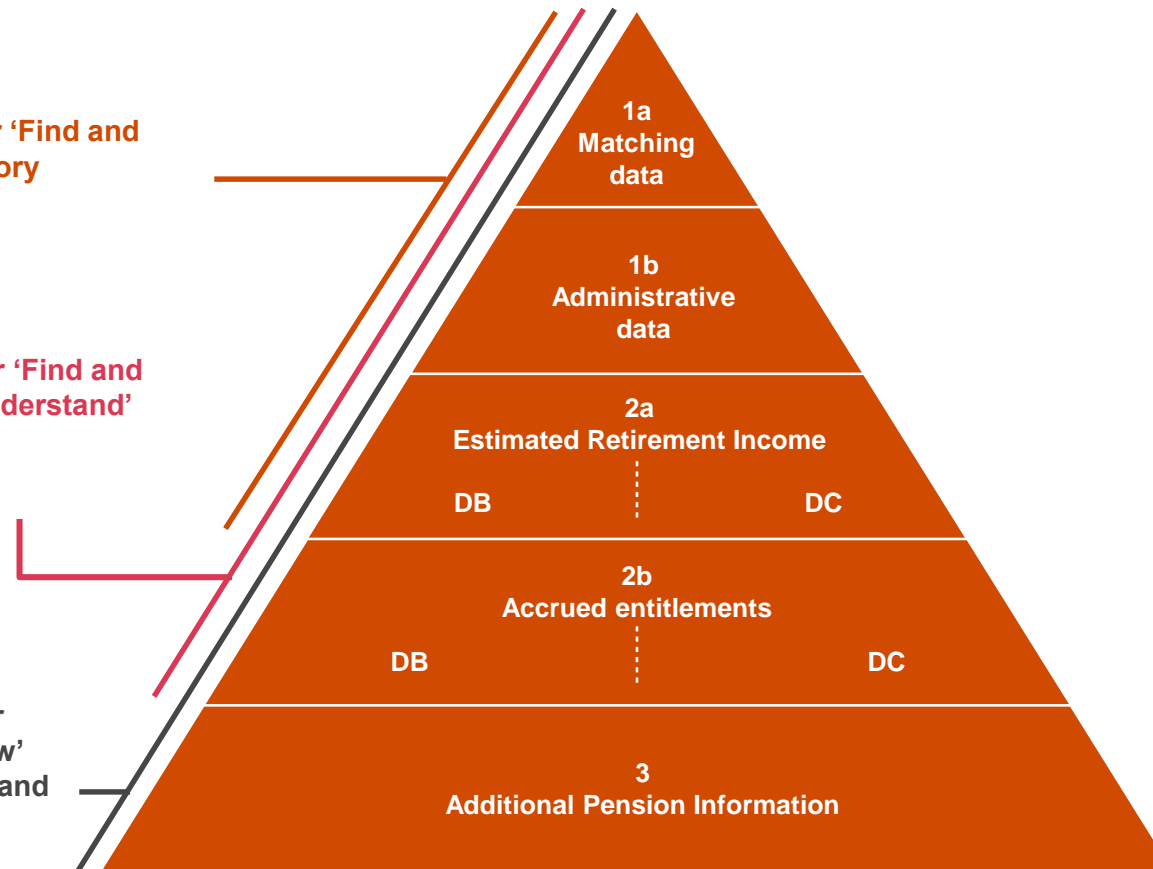
Data items for 'Find and View' mandatory

B

Data items for 'Find and View' and 'Understand'

C

Data items for 'Find and View', 'Understand' and 'Act'



Level 1a – Match data: The personal data to be used to match the individual with their pension entitlements

Level 1b – Administrative data: The details of each pension arrangement which confirms they have a pension entitlement for the individual because they have been able to successfully match against the Level 1a data

Level 2a – Estimated Retirement Income: The key item of data returned from each pension arrangement giving an estimated retirement income, in today's money

Level 2b – Accrued Entitlement Data: The data from each pension arrangement regarding the individual's current pension entitlement (i.e. accrued to date).

Level 3 – Additional Pension Information: Other data from each pension arrangement, beyond the estimated retirement income and current accrued entitlement, that will be of interest and use to some individuals

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