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Dear Chris

Open Letter - SPP's seven immediate priorities for clarity on Pensions Dashboards

As you know, the Society of Pension Professionals (SPP) is the representative body for a wide range of providers of advice and services to work-based pension schemes and their sponsors. We represent the interests of more than 15,000 pension professionals drawn from across around 65 member firms.

We share here a list of seven priority areas where our members feel clarity is needed before substantial progress can be made on their contribution to the Pensions Dashboards. This list is issued in the context of a stated intention to go live in 2023, but with concerns in the industry that unless clarity is provided urgently, then that timescale will be under threat.

Dashboard data standards were published during 2020, giving administrators and schemes information about the basics of what they will be expected to deliver to make the dashboard project possible. Those were helpful. However, before action can start in earnest, the industry needs greater clarity on several additional areas.

From conversations with our membership, we have summarised the following list of priorities:

1. Calculation requirements

Many items in the published standards are data items, but some are calculations. Some of these calculations are straightforward, but some, such as Estimated Retirement Income, are complex and need better definition to ensure consistency between schemes. In many schemes these calculations are not automated, and results do not currently exist to share on a dashboard. Where automation does exist, it may not be precisely what the dashboards require. Schemes and administrators cannot start work to deliver those calculations until there is greater clarity on exactly what is required.

2. IT Infrastructure

The way that information will flow between individual schemes/administrators and the various parts of the dashboard environment remains undefined. It is expected that there will be multiple contact points, each of which needs to operate smoothly and securely. IT solutions need to be

built and tested, either by providers or third parties. And while providers can start to identify an overall strategy for connecting to the dashboard ecosystem, this cannot be progressed until there is clarity about what is needed.

3. **Matching rules**

A critical dashboard requirement is to match individuals with scheme records. How that matching will work remains unclear, with indications being that each scheme or administrator could have their own unique set of rules. This would be not only be highly inefficient but could lead to very different standards across the industry. It also risks schemes faced with making their own rules reverting to a "least risk" approach, where they will only release data if absolutely certain, leading to too many missed matches. This is an area that does not just need clarity but needs an industry-wide solution.

4. **Partial matches**

Dealing with partial matches is a different problem from matching generally. The first issue is whether there will be a facility for schemes to flag that they have a record that is similar to, but not an exact match to, the member. The second is how those partial matches get resolved, either by confirming they are a genuine match or confirming that they are not. It is undoubtedly helpful to have partial matches to allow more cases to be correctly matched, but this area is fraught with difficulties. Again this needs an industry-wide solution that schemes and administrators can work with, rather than each developing their own solutions.

5. **Legal questions**

Making all UK pension scheme data and calculations available online, albeit behind secure systems, increases the risk of members receiving someone else's data, being given misleading/incorrect information, as well as risking cybercrime and identity theft. Savers will need robust assurance that the information they are to access will be both secure and accurate. Schemes and administrators will want to know that any failure of the dashboard infrastructure will not result in them being liable for losses or claims. These issues do not prevent work from taking place, but could cause delays in schemes and administrators connecting to the dashboard environment.

6. **Timing**

Initial indications are that voluntary onboarding will take place in 2022, with dashboards going live in 2023. However, within those broad timescales, schemes and administrators have no certainty over what will be required when, including how any staging will work and whether their deliverables will be required all at once or gradually over time. There is a lead time for budgets and projects to get approval, and many schemes and administrators have no budget allocated for dashboard developments during 2021. Administrators already have concerns that even if all of the above items were available immediately, then their other commitments are such that they would not be able to deliver for a 2023 implementation date.

7. **Call for action**

Although many pension administrators, providers and the largest schemes are actively engaged with dashboards, most trust-based pension schemes have not discussed dashboards at all with their board or advisers, and have no plans to do so any time soon. In our experience, understanding of dashboards at a scheme level remains poor. If providers are to get schemes to take dashboards seriously, including agreeing budgets for the work that is required, then more needs to be done to call individual schemes to action, explaining to them the actions they need to take (beyond just "clean your data") and when they need to be done.

We are grateful to you, and all those involved directly on this project, for the work done to date, but we believe that further clarity and engagement is needed if the industry is to complete the remaining work in time to meet the 2023 deadline. To that end, if there is any particular aspect that you feel that the SPP could help with we would be very happy to offer our assistance and we anticipate that other industry bodies will feel similarly.

To conclude, the industry needs clarity on a range of issues, and an indication of a clear timeline, so that we can prepare accordingly.

We look forward to hearing from you.

Yours sincerely

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