

**PENSIONS AND
LIFETIME SAVINGS
ASSOCIATION**

PENSIONS DASHBOARDS: FURTHER CONSULTATION

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ABOUT THE PLSA

Our mission is to help everyone achieve a better income in retirement. We work to get more people and money into retirement savings, to get more value out of those savings and to build the confidence and understanding of savers.

We represent the defined benefit, defined contribution, master trust and local authority pension schemes that together provide a retirement income to 20 million savers in the UK and invest £1 trillion in the UK and abroad. Our members also include asset managers, consultants, law firms, fintechs and others who play an influential role in the governance, investment, administration and management of people's financial futures.

EXECUTIVE SUMMARY

The PLSA asks for longer notice period for Dashboards Availability Point.

The PLSA's position has long argued that for dashboards to be a success coverage, *find data* accuracy, and user understanding needs to be of a high standard from the public launch/Dashboards Availability Point (DAP).

The PLSA welcomes DWP setting out in advance the notice period for the DAP, but 90 days is not enough notice for most schemes.

We believe that an indication 12 months in advance, followed by a formal notice of the DAP 6 months/180 days in advance would give schemes time to prepare and make sure the public launch of dashboards is as smooth as possible.

Schemes will have to prepare for the potential surge in member queries and demands on administration. Schemes will also wish to carry out their own testing once they have connected to the dashboards ecosystem.

The DAP should be determined by thresholds on coverage, *find data* accuracy and user understanding.

- ▶ The PLSA recommends that 90% of DC schemes and 90% of DB schemes, with 90% of members, and State Pension data is available on the pensions dashboards prior to DAP, to meet the coverage requirement.
- ▶ *Find data* accuracy should be determined by having at least 90% of members having accurate Date of Birth, NINO, and Surname.
- ▶ User understanding should be demonstrated by the Pensions Dashboard Programme after extensive user testing of the display data.

It is our position that the DAP should be a soft public launch of the pensions dashboards, with either a managed numbers of members directed to the Dashboard (for example, by age group) or members being able to find the dashboards organically, prior to a hard launch, ideally aligned to a future engagement campaign.

INTRODUCTION

The PLSA has long been a supporter of pensions dashboards as a tool for enhancing engagement with pension savers and allowing for more informed choices and forward-planning.

In the [PLSA's response](#) to DWP's consultation on the draft regulations, we stated that the key to the success of pensions dashboards, was achieving good coverage, *find data* accuracy and user understanding prior to the public launch/Dashboards Availability Point (DAP). We welcome the aims of this consultation to provide greater clarity about how the DAP would be triggered.

The PLSA position is that thresholds on coverage, the accuracy of find data and user understanding, need to be met at the DAP, as outlined in the body of our response.

To meet the thresholds, and allow for the DAP to be successful, we recommended extensive user testing between the point the first schemes onboard to the ecosystem, and the DAP itself.

For dashboards to work and be seen to work, most users who log on need to see most of their pensions and understand the data provided.

There should also be a good user journey when savers seek more answers offline from their pension schemes.

It is our expectation that dashboards will increase member queries to schemes at an unprecedented level, with members seeking answers to questions not answered by, or included in, the presented data. We also expect possible/maybe matches to increase demands on administration centres as they seek to verify identities of possible members. Without sufficient notice, there is a risk of bad user journeys being prevalent, with consequential reputational risks for the dashboards.

Schemes, and third-party pensions administrators, need time to recruit and train up resource for the potential spike in demand, and labour markets are tight, with experienced pension administrators in short supply.

With an indication of the likely DAP a year in advance, and formal notice six months/180 days in advance, schemes will be able to plan effectively to make dashboards a success with the public from launch.

Answers to Consultation Questions

Consultation question 1: Do you agree that 90 days is a reasonable period between the DAP formally being announced, and the DAP itself?

We do not believe that 90 days will be sufficient notice for schemes and third-party pensions administrators to prepare for the Dashboards Availability Point/public launch of pensions dashboards.

After speaking to schemes of different sizes and levels of resource, the PLSA's preference would be for an indication of the likely date of the DAP to be given 12 months in advance and for formal notice to be given 180 days/6 months in advance.

Some schemes could envisage a notice period of 3 months being sufficient if an informal indication of DAP was given at least a year in advance, but the majority felt they needed more time for planning purposes.

The main underlying reason for our position is the likely demand on resources that the DAP could cause, but consideration is also given to the need for further testing and schemes who might wish to bring forward their connection dates.

Surge in Demand

An indication 12 months in advance and the longer 180-day formal notice period would give schemes and TPAs time to bring in and train resources for contact and administration centres, to deal with the likely surge in demand.

The first dashboards will have indicative values only and will signpost users to their schemes for more information. With Estimated Retirement Incomes being standardised we would expect that many savers will be directly contacting (for example, by phone) their schemes for more bespoke quotes, to help with their retirement planning. Others are likely to call about benefits from their pension, such as death and ill health benefits, that will not be shown on the first dashboards. We would expect others to contact their schemes to find out more details about a pension they had forgotten about.

Where a scheme returns a possible/maybe match to a user, this will also result in the user being signposted to the scheme to verify their identity and whether they have a pension with the scheme or not. It is our expectation that even if over 90% find data is accurate, that there will be many possible/maybe matches being sent out to dashboard users.

With the first dashboards not including pensions in payment, we believe that this could also cause members to contact schemes to understand why their pensions are not showing.

Schemes testing connection and onboarded data

Many schemes would like to carry out their own testing between connecting to the dashboards ecosystem and the DAP. The testing phase will allow schemes to correct any issues prior to DAP, and with an agile process of test, fix and retest, this could take a month to two months. It is important that any planned testing is not curtailed because of a short notice period to the DAP. Giving an indication at least 12 months prior to a likely DAP, and a 180 day/6-month formal notice to DAP, will help schemes programme into testing into their dashboards data connection projects.

Schemes wishing to bring forward their connection date to align with the DAP

There are some pension schemes that have expressed a desire to be connected to pensions dashboards at the time of the DAP and are prepared to move forward their connection date to do so. They want to have their pensions data available to view by members at public launch, to avoid any confusion and additional queries by members.

TPAs would need time to accommodate schemes wishing to connect early.

12 months advance indication and 180 days/6 months formal notice may allow some schemes to bring forward their connection to the pensions dashboards, so data is available to their members at public launch.

Thresholds for meeting the DAP

The consultation states that the date of the DAP will be determined by the Secretary of State in consultation with DWP, MAPs, FCA and TPR, with the test being the dashboards ecosystem being able to support the widespread use of qualifying dashboard services.

In our [response](#) to the consultation on draft regulations, the PLSA set out that thresholds on coverage, *find data* accuracy and user understanding should be met at the point of the DAP. We asked for this to ensure that users were confident in pensions dashboards and the data provided.

In respect of coverage, we would expect to see 90% members and 90% of DC schemes and 90% of DB schemes on the pensions dashboards to meet the DAP. With State Pension making up the majority of incomes in retirement for around two-thirds of pension savers, we would therefore expect to see State Pension data on the dashboards to hit this coverage threshold. This is a crucial measure as it will ensure that most savers will see most of their pensions on dashboards at first use.

Find data accuracy should also be coming in at 90%, with a confidence that Date of Birth, NINO, and Surname is correct for 90% of scheme members. We expect there to be possible/maybe matches generated in the first phase of the DAP, but these should be kept as low as possible, for the sake of managing scheme administration but more importantly to allow for a better user experience.

In respect of user understanding, we appreciate this is harder to measure, but we would expect to see evidence from the Pensions Dashboards Programme of a significant majority of users understanding the display data on dashboards to meet the DAP. This evidence should be gathered through extensive user testing between the first schemes connection to the dashboards ecosystem and the DAP.

Soft Launch

Even with the DAP conditions being met it would be preferable to have a soft public launch of pensions dashboards, with either managed numbers of members directed to the Dashboard (for example, by age group) or members being able to find the dashboards organically, prior to a hard launch, ideally aligned to a future engagement campaign.

A soft launch would allow for dealing with any initial issues that may arise from members interrogating the pensions dashboards ecosystem. Conversely, a full public launch could cause reputational risk to the pensions dashboards, if it becomes too difficult to deal with the surge in demand and the initial issues all at the same time.

Consultation question 2: Do you have any comments on the proposed powers to disclose information

The PLSA supports the proposed information sharing powers between the Money and Pensions Service and TPR. These powers will support the roles of both organisations in respect of pensions dashboards and, as such, are reasonable.

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