

PDP DESIGN STANDARDS CONSULTATION -

PLSA RESPONSE

FEBRUARY 2023

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EXECUTIVE SUMMARY – KEY POINTS

- ▶ **Testing** – while we think many of the proposals for the display of data are sensible and prioritise user needs, until they are thoroughly user tested, the standards will need to remain flexible, as real-world experience informs communication approaches.
- ▶ **MoneyHelper** – the MaPS dashboard is currently the only one connected to the Central Digital Architecture (CDA), so more information sharing on the testing progress MoneyHelper is making would benefit the entire dashboard ecosystem, for instance on areas such as standardised terminology.
- ▶ **Security & safety** – of users and their data. Dashboards must present information in a completely neutral manner, without seeking to influence user behaviour in any way.
- ▶ **Coordination between all parties** – we have called for quarterly reporting before the Dashboards Available Point from the PDP, MaPS, industry, government and regulators. Each element of the programme is interdependent, so full clarity is required on progress.
- ▶ **Flexibility of presentation within defined standards** – certain key concepts and data must be consistent across dashboards, including the display of pensions as an income, and certain terminology where there is potential for misunderstanding (with mandated explanations). However, dashboards need to retain the ability to tailor their communication approach to specific demographics.
- ▶ **Warnings and limitations** – dashboards need to be completely up front in terms of their limitations, including where certain pensions are not displayed, and that users should not act based solely on the indicative data presented on a dashboard.

INTRODUCTION

1. The PLSA welcomes this consultation on the Design Standards for pensions dashboards, and following on from the broader engagement on standards in summer 2022, we are pleased to contribute more detail on this key element of the project. As we touched on in our [submission](#) to that 2022 consultation¹, it is imperative the Design Standards set a clear basis on which dashboard providers communicate with their users, for what limitations users should expect regarding the data displayed, and therefore ensure consistency of core information across the different Qualifying Pension Dashboards Services (QPDS) which come to market.
2. As we have noted in our previous engagement with the Programme, user testing must play a central role in the development of all the standards over the coming years, along with controlled iterative changes which do not place undue burden on industry. As we outline in our response below, many of the proposals in the Design Standards consultation appear sensible, and appear to prioritise the intended user understanding and behaviour; however, until they are tested in the real world, on real users, viewing their real pensions, we will not know how effective they are. Therefore, the standards will need to remain dynamic, and the Programme will need to remain sufficiently flexible to adapt them as we gain a body of evidence about the real experiences of users.
3. Regarding those iterations, the programme as a whole needs to remain cognisant of the interplay and inter-dependency between the Dashboards Available Point (DAP) and the change cycle with its annual (major) and six-monthly (minor) changes to standards. In our submission to the DWP on the DAP we called for quarterly reporting from April this year, and this will be necessary to monitor progress with changes. In view of the V2 standards due in October 2024, the Secretary of State's six-month notice of the DAP will therefore remain dependent on this change cycle.
4. At this point, there is also a lack of clarity around the status of the development of 'front ends', including from MoneyHelper. It is therefore not yet possible to test the proposed Design Standards, so we are commenting in our response on whether they might theoretically achieve dashboards' aims, i.e., growing awareness, confidence and understanding in pensions, and to stimulate savers into considering their own retirement provisions. To move from the theoretical to reality, we feel the sooner we receive clarity on the progress being made with the MoneyHelper dashboard – and plans to user test both it and authorised QPDS – the better.
5. As well as setting and realising suitable user expectations and experiences, one vital element of dashboards, and of the regulatory regime and standards, is ensuring the highest levels of consumer protection. The success of dashboards will be dependent on savers being able to rely on the information they are shown and have confidence that the availability of this data will not lead to them being directed towards poor value products. Overall, we are pleased with the level of consumer protection and support the standards propose and are confident that they – alongside the high bar set by the FCA's Proposed regulatory framework for QPDS – are a good starting point.
6. In our 2022 standards submission we noted that *it is important that the Design standards restrict opportunities to sell to dashboard users or monetise data. The PLSA would like to see the QPDS material that accompanies pension dashboards restricted to guidance for users and technical material.* We also expressed a preference to prevent data export from dashboards in order to prevent mis-selling and scams. We acknowledge that – as per the current FCA consultation – data export will be permitted, and we are partially reassured that savers will be sufficiently protected in that it will be restricted to firms associated with the QPDS. However, with some data export allowed, we do believe it is now of even greater importance that messaging provided on dashboards is – as these draft standards note – *neutral and logical* – and that it in no way leads a user in any one particular direction over another, other than aiding understanding. Keen attention will therefore need to be paid during testing to establish that users are not being inadvertently (or otherwise) directed towards any particular course of action.

¹ <https://www.plsa.co.uk/Portals/0/Documents/Policy-Documents/2022/Dashboards-Standards-Consultation-PLSA-response.pdf>

7. The final points we would make about the Design Standards are about access and how different parties may view dashboard data across a variety of platforms. It will of course be up to each QPDS to make their dashboard available on the platforms they deem most practical for their target users, however it is key that all platforms will follow the same rules. Paragraph 10 of the draft standards discusses delegated access to financial advisers, and we would like to see more information on the level and process of validation for an adviser; additionally, we would be interested to know whether more advanced functionality, e.g., modelling, visuals, may be permitted under the standards where the user is a verified financial adviser.

RESPONSES TO CONSULTATION QUESTIONS

8. For the purposes of this submission we have grouped our answers into the sections within the draft standards.

COMMUNICATION (QUESTIONS A-H)

9. Overall the approach taken to communication within the standards is the right one. In terms of audience we agree with the fact that QPDS should be engaging, inclusive and accessible and welcome that the standards explicitly call out the inclusion of vulnerable consumers (paragraph 25,b,ii). In order to achieve these ends, and make sure all dashboards follow these values – without stifling QPDS’ ability to innovate and communicate with users in the ways they see most suitable – there is clearly a balance to be struck.
10. With this in mind, we are supportive of the options left open to QPDS for the display of information, including charts and graphs (paragraph 25,d), but agree the flexibility must stop short of being able to modify the underlying data. That said, the graphic at paragraph 21 of the draft standards says that *dashboards may present information in a way which enhances the user’s experience without doing calculations*; this seems at odds with any display of incomes or graphics, such as the proposed estimated retirement incomes (ERI) – or simply the suggested monthly income figures – which themselves would require calculations. Therefore, more information over which calculations are and are not permitted, as well as how assumptions are to be controlled and displayed would be helpful.
11. Paragraph 26 notes that QPDS should test their communication approaches to justify how they are displaying data to users. This makes sense, however the expected depth and scale of this testing is unclear. Reference to mandatory testing in the FCA QPDS consultation covers post-view services and Consumer Duty-related communications testing, so we would welcome some more detail on expectations, as well as the timing of such testing, given testing on real users will only be possible *after* a QPDS launches.
12. Furthermore, we assume MoneyHelper will undertake similar testing of its own presentation of information and the sharing of the outcomes of this testing will be vital. As MoneyHelper will remain the only dashboard connected to the CDA until commercial QPDS are authorised, it is currently the only source of end-to-end testing. Therefore, the outcomes of its testing should provide the reassurance schemes need that data they provide is displayed in a meaningful way. It will also be greatly beneficial for both the incremental development of the Design Standards, and any QPDS yet to be authorised and connected.
13. We believe a similar approach should apply to terminology used on dashboards and are pleased the standards do not prescribe this, as doing so would stifle QPDS’ ability to communicate with users in what could perhaps be a more effective manner. Indeed, different QPDS will need to be able to assess their own customer base, and according to testing, adopt terminology most likely to resonate with that particular demographic. As such, a one size fits all approach is unlikely to be fruitful. Furthermore, given different schemes and providers will continue to use a variety of terminology in other communications, such as Annual Benefits Statements (themselves a regulatory requirement), websites and apps, and will want to remain consistent with those, any attempt to standardise large proportions of terminology across dashboards would only have limited success.
14. Where terminology is prescribed, further thought may be necessary, such as with the proposed labels outlined in paragraph 25,c. It is not clear exactly which terms require labels (or whether this is left to QPDS’ discretion), while the example ‘detailed explanations’ provided under paragraph 25,c,i&ii are in places technical, and arguably beyond the understanding of many users. Again, the only way to establish suitability of these explanations is testing; but broadly, we don’t believe that simply because these elements can essentially be hidden behind an *‘information’ button or a collapsible box*, they should be exempt from the stringent user understanding standards expected elsewhere. This may

require centralised PDP testing to establish exactly where users would benefit (or otherwise) from standard terms, and tell us what they should be.

15. There are certain terms where different schemes may define certain information differently, e.g., retirement date. Some may define this as a chosen date, while others may align it to State Pension Age by default, while it could also be easily confused with 'payable date' or 'pension start date'. We appreciate the definition of this, as per the Disclosure Regulations, intentionally allows trustees some discretion, so clarification from each QPDS over *their* definition may be needed. Likewise, there are certain similar fields which without clear, perhaps standard explanation, could end up misleading users; these include ERI and annualised accrued value. Again, user testing will be necessary to indicate the how such terms should be labelled.

STEP 1: ARRIVING AT THE DASHBOARD

16. To optimise user experience and engagement with dashboards, the first webpages displayed when a user arrives at a QPDS are vital so that people know exactly what to expect. Paragraph 27,b specifies that dashboards must explain *relevant members as active, deferred and pension credit members*. In order that users whose pensions will not be displayed on dashboards have expectations set appropriately, we agree that on arrival there needs to be a caveat explaining any exempted pensions, but suspect the terms *active* and *deferred* may require explanation for most users, and to provide this, some flexibility over the pre-positioning UX may be required. Some standardisation of terminology would be helpful around the term *active* in particular, which can easily be misconstrued for someone still working but where DB schemes, for instance, are closed.
17. Further, we think dashboards should explain to users that **pensions in payment will not be shown**. These are probably the most significant portion of pensions which are out of scope, but existing pensioners may be among the populations most likely to try to access a dashboard.
18. The other important message/caveat we would like to see displayed early on a user's dashboard journey is – as we outlined in our 2022 submission - *disclaimer wording on pensions dashboards that makes clear to users that values shown are indicative, limits scheme and provider liability in respect of those numbers and directs users to contact their scheme or provider before making any decisions on their pensions*. This is crucial to reduce the chance of users acting/transacting based solely on this information, to reassure schemes and providers who are submitting pensions data to dashboards of this, and also to protect those data providers on the basis that figures are estimates and not precise values. We notice the Design Standards do not provide details on this, although we are pleased to see the inclusion of this disclaimer is articulated in the FCA's proposed regulatory framework for QPDS.
19. Finally, we think there should be some focus within the Design Standards on the handover to, and back from, the CDA, for the ID Verification and Consent & Authorisation steps. In order to minimise abandonment rates these will need to be smooth user journeys (along with the whole end-to-end user experience) which dashboards will need to thoroughly test once they are authorised and connected to the CDA.

SUMMARY OF PENSIONS INFORMATION (QUESTION H)

20. We broadly agree with the approach of providing a summary of pensions information returned, with further details easily accessible to clarify, add colour or explain. We made this point regarding service expectations and user comprehension in our 2022 submission, and think the proposals in paragraphs 33-38 should go a large way to achieving these aims.
21. Where ERIs are required to be displayed, we are concerned that the suggestion under paragraph 33,c might cause confusion: *the QPDS must show one of the two ERIs returned and indicate there is another alternative ERI*. If we are seeking as consistent an experience as possible across dashboards, a single ERI methodology across all QPDS would make sense. Different QPDS displaying different

ERIs risks the perception of data manipulation or arbitrage between different dashboards, which would undermine trust and the core purpose of dashboards of helping with tracing and awareness of pensions. User testing of such cases will demonstrate what most users find most natural and simple to comprehend. Further to this, the draft standards are clear that the initial display of a DC ERI must show an annual income, but as per paragraph 39, functionality may then allow the user to switch to a monthly income. Some of our members have suggested that at this stage users may benefit from being able to switch to a 'pot' view as well. We are aware that this information would be available in the 'detailed information' section, but allowing users to opt for this earlier on may be helpful, along with a clarification that DC pensions will not automatically be available as an income.

22. In terms of the precise display approach to the different data elements in the table in paragraph 33, we would again urge flexibility and iterative changes as testing reveals what works and what doesn't. We would also suggest the inclusion in this table of pensions which are within a year of being drawable. Our understanding is that pensions in this category will be returned, but values/incomes will not be displayed on dashboards, due to the difficulty providing an accurate figure that is reliable amid market movements, so close to a consumer accessing. Therefore, the inclusion of these, along with a signpost to the fact that a user will need to contact their scheme/provider, would be useful, indeed signposting to source schemes and providers is vital throughout the user journey so decisions are only taken with full, up to date, accurate information.
23. Finally, we submitted to the PDP in 2022 that we would have liked to have seen more clarity on data ordering and layering at this stage. We are glad to see the detail outlined in paragraphs 34-36 and believe this provides such clarity. It is however slightly unclear the approach a QPDS should take to grouping pensions where certain entitlements fall under multiple categories, e.g. multiple possible matches *as well as* multiple pensions in the same scheme.

PROVIDING DETAILED PENSIONS INFORMATION

24. We do not have comprehensive feedback on this section aside from that the proposals – subject to user testing – do appear sensible, and strike a good balance between user protection and flexibility for QPDS.

OTHER DISPLAY REQUIREMENTS (QUESTIONS I-L)

25. As above, we are supportive of dashboards using graphical representations to display pension values as well as the freedom to display them as annual or monthly incomes. Different users will engage with information in different ways so it is important this flexibility exists in order to provide an effective service to everyone.
26. The mandated explanation mitigations also broadly make sense, though along with many other areas of the standards, various elements may require explanation, and user testing will establish where the focus of this should lie. We hope that as its testing plan develops, MoneyHelper will be able to share its experiences and shed further light on these areas for the benefit of all dashboards – and vice versa.
27. We are aware of a variety of opinions regarding the totalling of pensions discussed under paragraph 46. Experience from international dashboards, as well as consumer research consistently indicates that consumers have a greater comprehension of an 'income' than a 'pot'², especially in the context of targets such as our [Retirement Living Standards](#), and as such it makes sense that the standards permit the totalling of a user's pensions, while pot values are displayed under detailed pensions information. However, it is vital that the explanations (paragraphs 46a, b, c) and any graphical representations are clear and have been thoroughly tested for user comprehension. While users may prefer an income figure, the risks of them misinterpreting a DC pot as a guaranteed DB income – given the considerable retirement decisions they will need to take – are significant, so totalling

² <https://www.nestinsight.org.uk/wp-content/uploads/2020/11/Beyond-the-defaults.pdf>

should only be displayed **after** comprehensive explanation, as well as prompts that they will need to contact their scheme for accurate figures and options.

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