Pensions Dashboards Programme

Summary of responses to the Call for Input on data standards

October 2020

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Executive summary

Introduction

1. This document is a summary of responses received to the Pensions Dashboards Programme (PDP) Call for Input on data standards.

2. The Call for Input ran for eight weeks from 6th July to 31st August 2020. We received 61 responses from a range of consumer facing and pensions industry organisations, for which the Programme team is very grateful.

3. We asked nine substantive questions relating to the content of our two working papers on data, published in April 2020, namely:

- Data Scope: working paper, setting out options for achieving comprehensive coverage across all pension sectors in order to deliver an acceptable early breadth of coverage for individuals.
- Data Definitions: working paper, listing the set of data items that could be included in the data standards for initial dashboards.

4. Respondents expressed a range of views on the different questions which are set out in this document and summarised below.

Summary of responses to questions on data scope (breadth of data)

5. **Coverage at launch**: of those who responded to this question (49 out of 61 responses) 86% of respondents said that pensions dashboards should be launched to the public **only when c.75%+ coverage[1] has been reached**, although most recognised this could mean dashboards are launched later, rather than earlier, in the staging window (the staged introduction of compulsion). However, a small minority favoured launching at much less than this, in order to gain early learnings and insights from live dashboards usage, notwithstanding the "incomplete experience" this would provide to early users of initial dashboards.

6. **Period from launch to full coverage**: respondents suggested that further detailed user research be undertaken in this area. Many felt that the clarity and quality of **launch communications will be more important than the duration of the period** from launch to full coverage. The vast majority of those respondents who did suggest a period (16 out of 17 responses) said that dashboards should aim to reach full coverage within 12 months of launch.

7. **Segment focus**: whilst respondents recognised that **large volumes of pension entitlements could be brought to availability on dashboards quite rapidly by large schemes complying first**, many also felt that the **oldest pensions have the greatest reconnection value for individuals**. Several favoured achieving full coverage rapidly by focussing on **find** rather than **view** data.

8. **Launch communications**: respondents felt clear, high quality communications will be essential to support the effective launch of dashboards, but **various views were expressed about how launch communications should be delivered**. Most responses suggested that extensive, detailed user testing should be undertaken to understand what launch communication approaches will be most effective for individuals.

[1] of all pension entitlements

Summary of responses to questions on data definitions (depth of data)

9. **Matching individuals to their pensions**: respondents confirmed that a valid **national insurance number (NINO), date of birth and surname** will be key to schemes' ability to match an individual to their pension entitlements. Additional match data items were also suggested, and the need to investigate **partial match processes** was also raised.

10. **Showing individuals where their pensions are**: respondents were generally **confident that information could be supplied about pension arrangements**, showing individuals where their pensions are. However, many said employment data is more challenging as it is often absent or incomplete, or held inconsistently, and some schemes maintain single pension entitlements for multiple employments.

11. **Displaying estimated retirement incomes (ERIs)**: responses showed that ERIs are the most challenging aspect of dashboards. Respondents said that, because the ERI information currently provided on different schemes' annual statements is highly inconsistent, putting it alongside each other on dashboards, would be **confusing, misleading and generally off-putting to users**.

12. Some respondents do not agree with the Government's design principle of initial dashboards being presentational only, **saying that dashboards carrying out projection calculations, on an agreed industry-standard basis, would be the best way of quickly arriving at comparable ERI data** across the industry.

13. Failing that, respondents said concerns could only be addressed, or at least simplified, if all schemes standardised what they provide, but this would be burdensome and therefore not quick to achieve, leading to several suggestions that **ERIs should be in a later delivery phase**, focussing first on **find** rather than **view**.

14. **Displaying pension entitlements built up so far**: whilst a minority of respondents felt that all disclosure items could be provided digitally, many highlighted **significant challenges in being able to digitally supply view information for all pension entitlements** accrued to date. This is a particular issue for older and smaller schemes, especially defined benefit (DB), where there is no current requirement for annual statements, and for entitlements with special features.

15. **Displaying additional pensions information**: whilst some respondents felt it is important for dashboards to prioritise information about DC charges and investments, a significant proportion felt that initial dashboards should be launched with just basic information, and the **subsequent inclusion of any additional information should informed by detailed user research** about what individuals want to see and can understand.

Next steps

16. Put together with our independent qualitative research, discussions over the summer with our Data Working Group, and responses the Minister for Pensions' letter to large providers in June, these Call for Input responses will help further refine our thinking on pensions dashboards data. This is a considerable body of input so it will take a little time to assimilate all the various views into our thinking.

17. We aim to publish a first version of pensions dashboards data standards before the end of the year. These draft standards will then be further refined, with outstanding questions being addressed, through extensive testing with individuals, dashboard providers, and pension providers and schemes who voluntarily connect to the pensions dashboards ecosystem prior to compulsion coming into force. Further information about next steps is contained in our October 2020 Progress Update Report.

Call for Input responses

Introduction

18. This document is a Summary of Responses received to our Call for Input on data standards for pensions dashboards.

19. The Call for Input ran for eight weeks from 6 July to 31 August 2020.

20. The 61 responses to the Call for Input came from the following six categories of organisation:

- consumer facing organisations (CFOs) – 6 responses
- commercial pension providers (CPPs) – 14 responses
- Pensions Industry Associations / Bodies (PIAs) – 10 responses
- pension schemes and master trusts (PSMs) – 11 responses
- third-party pensions administrators (TPAs) – 10 responses
- technology providers / bodies and others (TPOs) – 10 responses.

21. We asked nine substantive questions relating to the content of our two working papers on data, published in April 2020, namely:

- Data Scope: working paper, setting out options for achieving comprehensive coverage across all pension sectors in order to deliver an acceptable early breadth of coverage for individuals
- Data Definitions: working paper, listing the set of data items that could be included in the data standards for initial dashboards

22. Respondents expressed a range of views on the different questions which are set out in the sections below.

What proportion of pensions should initial dashboards find at launch?

23. In **Question 5** we asked:

"To be acceptable to individuals, what proportion of their pension entitlements should initial dashboards find? (citing research findings where possible)"

Overview of responses

24. Responses to this question broke down into four types:

- the majority of respondents (38 responses), across all six categories, said they didn't have any specific research evidence on this question, but felt initial dashboards should aspire to rapid c.75%+ coverage, achieved if necessary by an initial focus on **find** rather than **view**
- four respondents who carried out some specific research to answer this question (which, in all cases, pointed towards the same aspiration), making 42 responses together with the 38 above
- six respondents who felt there would be utility in launching dashboards with less than full coverage, and
- one PSM respondent who suggested the **value**, rather than the **number**, of pension entitlements, may be most material for initial dashboards coverage, and that further data analysis of the different pension sub-sectors should be undertaken to inform this

(12 responses did not express an opinion on this question).

25. The large proportion of respondents that favoured aspiring to an initial coverage of c.75%+ felt that any lower level of coverage at launch risked being seen by the public as unacceptable.

26. There was a concern that, unless the experience (when an individual first visits their chosen pensions dashboard) is meaningful and engaging, they might become disengaged and never return.

27. Word of mouth was felt to be important too: a good initial experience might encourage people to suggest that their friends use dashboards; a poor first experience might mean people tell their friends not to ever bother.

28. Citizens Advice, a delivery partner of the Pension Wise financial guidance service have over 150 Pension Wise guidance specialists guiders who speak with individuals every day about their pensions (in the 12 months to July 2020, they talked to over 60,000 individuals through either face to face meetings or telephone appointments). Citizens Advice's sentiment was widely reflected in the responses:

"To avoid a poor first impression that could have long term reputational consequences, [a] dashboard should aim to include as high a proportion of pensions and relevant information from launch as possible. Even if companies can only provide a very basic level of information initially they should still be included." (Citizens Advice)

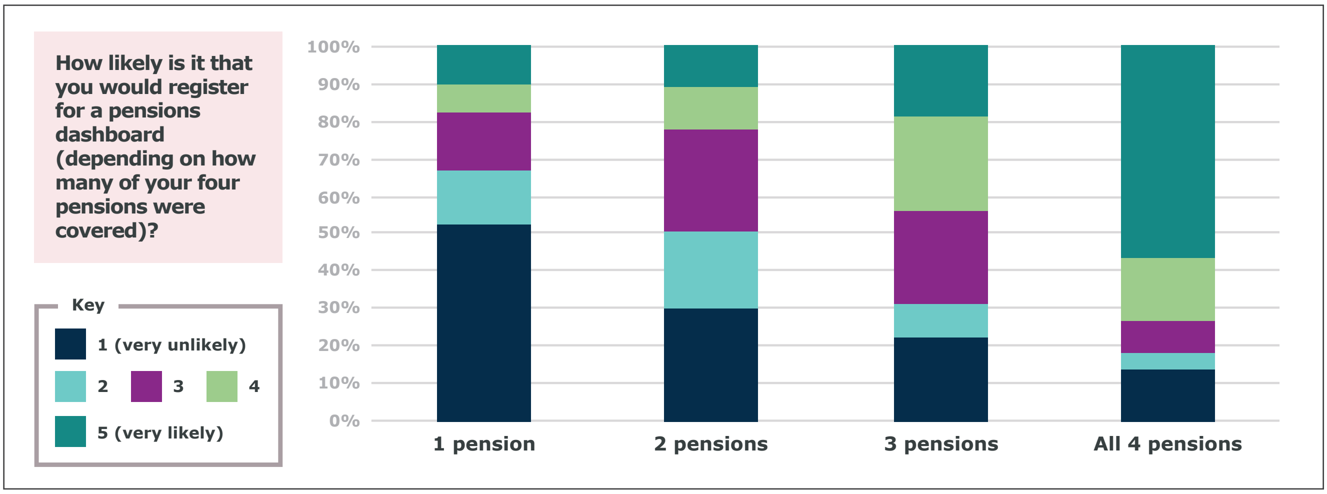
Specific research

29. The four respondents who conducted some research to answer this question were:

- Hargreaves Lansdown, a direct-to-investor provider
- Retirement Line, a retirement product provider
- The Society of Pension Professionals (SPP), and
- The Pensions Management Institute, the institute for pensions professionals

30. The Hargreaves Lansdown (HL) research received responses from 368 clients in August 2020, some with a direct HL Self Invested Personal Pension (SIPP), some with an automatic enrolment workplace pension, and some with no HL pension.

31. The survey respondents were told to assume they had four pensions and were then asked how likely it would be for them to register for a dashboard depending on how many pensions it covered. The range of answers is shown in the chart below:



32. 56% said they would be very likely to register for a dashboard if all four pensions were covered (or 65% of those survey respondents who were auto-enrolled). This number fell dramatically to 19% if the dashboard only covered three pensions.

33. Retirement Line carried out a customer survey over three weeks in the Call for Input period and received over 200 responses. The results to this question were clear: 95% of respondents said they would want a minimum of 75% coverage, the remaining 5% of respondents answered they would want 50-75% coverage.

34. SPP's survey of its members in May found there was a concern that anything below 80% coverage may be deemed unacceptable to the majority of the public and lead to disengagement. 36% of respondents thought that dashboards should go live when most users would be able to see all of their pensions and a further 38% of respondents said it should be when most users would be able to see at least half of their pensions.

35. Finally, during the Call for Input period, the Pensions Management Institute (PMI) carried out a two-week survey of its members (who are mainly pensions professionals working for pension schemes and various pensions service organisations). 125 PMI members responded and again, the results were similar to those above. 55% of respondents felt that at least three quarters of all pensions should be shown on initial dashboards at launch, and 91% said at least half of all pensions should be shown.

"From my experience, and having spoken about this, there's very little chance people will engage until such time it's a one-stop-shop."
(PMI survey respondent)

Less than full coverage

36. The six respondents, mainly TPOs, who favoured launching dashboards at less than full coverage, felt that the most critical thing is to maintain momentum and to undertake iterative learning from live usage of dashboards as early as possible.

37. One of these respondents felt that it would be acceptable to launch dashboards with coverage as low as 20%, as long as it was clearly explained to individuals that it is a developing service. They felt individuals will accept this low level of coverage if the service is clearly branded as Beta.

38. The topic of live, iterative testing was mentioned more in response to Question 7.

39. The proposed architecture for the initial pensions dashboards ecosystem does not support any data persistency, but one respondent suggested a facility could be made available for dashboard users to manually add any of their missing pensions until such time as full coverage is reached.

"From preliminary work done last summer, we suspect that people will push hard to complete the job themselves, once they are given a start." (AgeWage)

Summary

40. Of those who responded to this question (49 out of 61 responses), 86% of respondents, of all types, felt that, to secure dashboards' reputation, they should only be launched to the public when c.75%+ coverage has been reached. Most recognised this could mean dashboards are launched later, rather than earlier, in the staging window (the staged introduction of compulsion).

"The answer to proportionality lies in the [previous] research, which concluded there is a greater risk in launching an incomplete dashboard than a delayed one." (National Employment Savings Trust, Nest)

How long is acceptable before seeing all pension entitlements?

41. In **Question 6** we asked:

"How many months will most individuals find acceptable between first using a pensions dashboard (and finding only some of their pensions) and subsequently finding out that more of their pensions are now available to view?"

Overview of responses

42. 36 respondents answered Question 6 although many of these respondents did not specify an actual period of time. Just over half of these respondents (19 out of 36) felt that the actual length of the period (to full coverage) was less important than the quality of communications which are used to set dashboard users' expectations. These respondents felt that people would be accommodating as long as communications were clear. Communications are covered in Question 8.

43. Understandably, seeing as most respondents' answer to Question 5 was "c.75%+", common answers (8 out of 17 responses) to this question were "zero months" or "not very long at all".

"In our experience, pension scheme members tend to be frustrated by delays, and lose confidence quickly, which is why we believe a high coverage of schemes is appropriate before publicly launching dashboards." (Hymans Robertson)

44. The majority of the remaining responses (a further 8 out of 17) said that dashboards should aim to reach full coverage within 12 months of launch.

45. Some respondents also felt that there may be less, or little, urgency for individuals to see all their pensions unless they are approaching retirement. And for these older individuals the most important thing wasn't felt to be the pension value, but the contact details of the pension provider. This idea of focussing initially on **find**, rather than **view**, data also featured in responses to Question 7.

46. Building on this, some respondents went on to say that there could be a shorter staged introduction of compulsion for **find** to arrive at full coverage, than if a full **find** and **view** service is required initially.

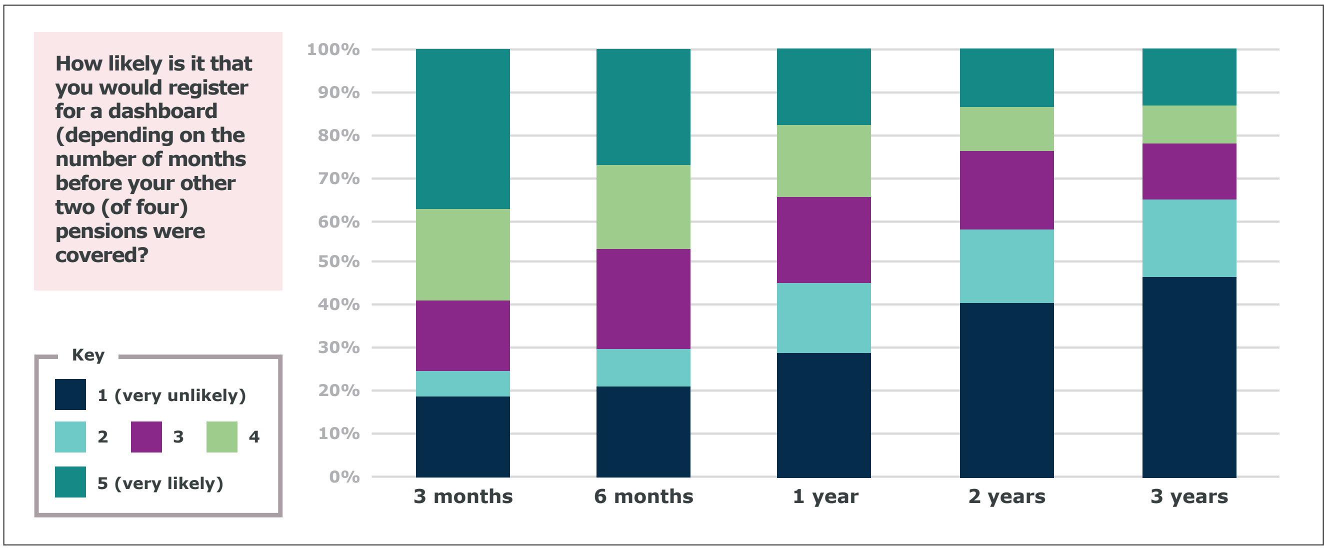
User testing

47. The FSCP, PASA, PLSA and others all felt that further user research should be undertaken to fully understand the answer to this question, including learning from the experiences of the staged rollout of international dashboards. This research should focus, for different types of dashboard user, on what duration(s) to full coverage will be tolerable to secure the all important second visit to their chosen dashboard.

Specific research

48. The same four respondents who had conducted specific research for Question 5 also researched the topic of the period to full coverage.

49. In the HL research, the 368 survey respondents were told to assume that their chosen pensions dashboard showed two of their four pensions, and were asked how likely they would be to sign up today if they knew the other two pensions would be included later, over different times. The responses are shown in the graph on the next page.



50. The baseline, from Question 5, was that 56% of respondents said they would be very likely to register for a dashboard today if it had immediate full coverage. This figure dropped to 37% if they had to wait three months for full coverage, 27% for six months, 18% for 12 months, and 13% for 24 or 36 months.

51. Similarly, Retirement Line found that over 90% of its 200 survey respondents would want full coverage within 12 months.

52. And likewise, 80% of the 125 institute members that the PMI surveyed felt that full coverage should be reached within 12 months of launch. 12% felt that 24 months was acceptable, but only 8% felt that users would accept more than 24 months.

53. The SPP research findings echoed the general feeling that different individuals will have different tolerance levels on the period to full coverage, falling broadly into two cohorts:

- individuals nearing retirement with numerous prior employments who are likely to be more persistent in using a pensions dashboard initially and have a smaller window of time in which the use of a dashboard would be most advantageous to them, and
- younger individuals, nearer the start of their careers, who are less likely to be frequent users of pensions dashboards and who are therefore likely to be more patient in waiting for more comprehensive coverage of their pension entitlements.

54. The ability of the media to quickly sway public opinion was also flagged, in terms of impacting engagement with dashboards by influencing perceptions about coverage and therefore tolerance levels.

"Messages for the media and public should be carefully managed and underpinned with clear expectations regarding the coverage users can expect." (Society of Pension Professionals, SPP)

Summary

55. Many respondents said that high quality communications were more important than the actual duration of the period from launch to full coverage. Although more detailed user research is required, the vast majority of those respondents who did suggest a period (16 out of 17 responses) said that dashboards should aim to reach full coverage within 12 months of launch.

Should any subset of pension provider / scheme types be staged early?

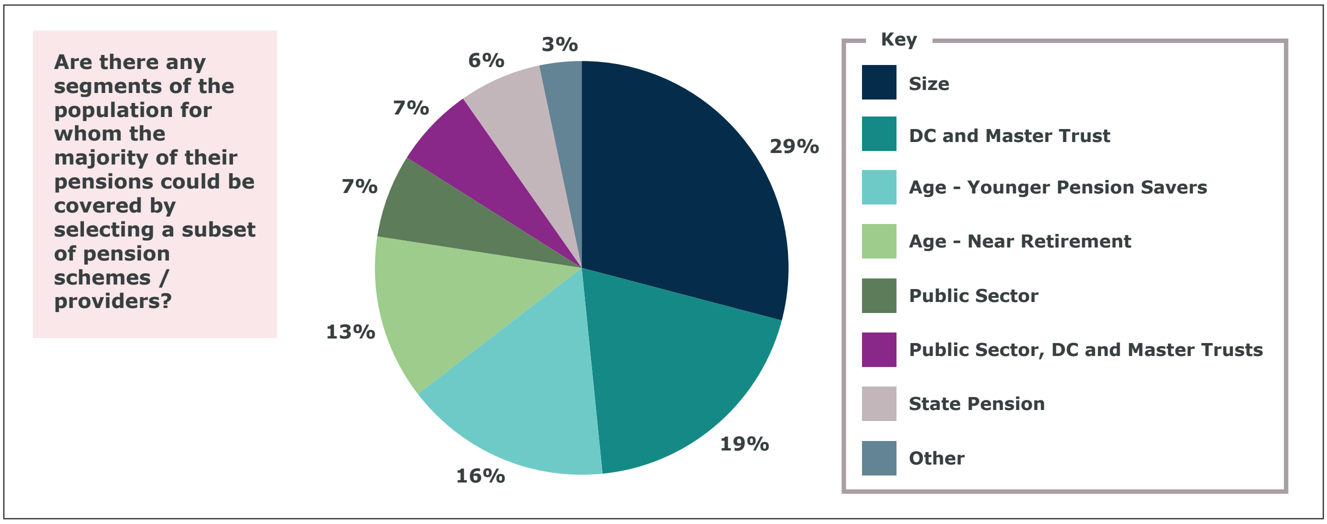
56. In **Question 7** we asked:

"Are there any segments of the population for whom the majority of their pensions could be covered early by selecting a subset of pension provider / scheme types?"

Overview of responses

57. Just over half of the c.75%+ at launch advocates from Question 5 (22 of the 42) argued that segmentation phases should not be attempted, or, indeed, are even relevant, because dashboards shouldn't be launched until c.75%+ coverage has been reached.

58. In total, 31 responses proposed different segments for initial dashboards. The chart below outlines these different responses:



"Other" included self-employed who, it was suggested, could potentially be covered by selecting a subset of pension entitlement types

59. These respondents who suggested particular segments recognised that a significant number of pension entitlements could be made available, to be found for display on dashboards, if large schemes were required to comply first, in particular (as shown in the pie chart):

- large master trusts established for automatic enrolment
- other large defined contribution pension arrangements
- large public sector pension schemes

60. Some respondents favoured an initial focus on DC pension entitlements, master trusts and younger pension savers, arguing that this would bring the greatest number, of "cleanest", most "modern", data to dashboards soonest.

Connecting with lost pensions

61. However, many of these same respondents then went on immediately to say that this might rather miss the primary point of initial dashboards, i.e. to "connect me with all my pensions".

62. A view widely expressed by respondents was that it is the oldest, most "forgotten about", pensions that most need to be found in order to meet this primary user need.

"One of the most difficult pieces of information to obtain are the details of lost pensions. This can be caused by providers changing over time and pensions being taken over by different companies." (Citizens Advice Pension Wise)

63. Several respondents explained that, by definition, these older pensions belong to older individuals, who may have the greatest appetite to use dashboards initially.

"The older working population are more likely to have 'older-style' pensions; these schemes may find it more challenging to connect to dashboards. But it's this group who are likely to be early dashboard adopters to help them get ready for retirement. Therefore, it's critical that the pension information, with at least contact information, is available for this cohort from day one." (Aegon)

64. Further research was advocated in this area.

"The question that needs to be explored through research is whether people would be more engaged finding something on [a] dashboard that they didn't think they had, rather than being told what they already know." (Legal & General)

Focusing on find for initial dashboards

65. A solution proposed by several respondents, of all different categories, is that rapid full coverage should be delivered, but with shallow **find** data requirements for some, or all, pensions. As well as enabling faster, broader coverage, to "connect me with all my pensions", additional arguments put forward in support of this approach included:

- an early practical focus for data providers on connecting to the dashboards ecosystem (rather than focussing on compliance in all cases on potentially complicated **view** data requirements)
- a soft launch to overcome connection teething issues
- an extended testing period to understand users' behaviours
- an early chance for existing pensioners to find other lost pensions, and
- an opportunity to test various **view** data solutions, based on real data, to understand what users expect and can understand, prior to full launch

Other suggestions

66. Some other ideas for potentially segmenting pension entitlements were suggested by individual respondents:

- value of pension entitlements segmentation
- pensions simplicity-based segmentation
- administration system-based segmentation
- technological readiness-based segmentation
- self-employment based segmentation

Summary

67. Whilst respondents recognise that large volumes of pension entitlements could be brought to availability on dashboards fairly rapidly by large schemes complying first, many also feel that it is the oldest pensions which have the greatest reconnection value for individuals. This supports the argument for rapid full coverage, but potentially focussing initially on **find** rather than **view** data requirements to ensure that all schemes can connect quickly and without holdups.

What communications approaches could be adopted?

68. In **Question 8** we asked:

"What simple, cost effective communication approach(es) could be adopted to explain to all individuals which pensions they should and should not expect to be able to view on initial dashboards?"

Overview of responses

69. About a third of respondents (21 out of 61) flagged the importance of high quality, clear communications, surrounding all aspects of the launch of pensions dashboards.

70. Respondents were clear that individuals' expectations must be clearly set as to:

- what pensions are included, at any given time, and
- what pensions are not included, with clear dates when they will be

71. However, different views were expressed about how best to achieve this:

- some respondents felt that messages about specific pensions coverage should appear at the initial stage of registering to use a dashboard. Other respondents felt that these messages should be within dashboards themselves, either post-registration but before a **find**, or after pensions have been found
- some respondents felt that the specific scheme types currently included, or excluded, should be explained, whereas other respondents felt that many individuals do not understand the different types of pensions so this would be confusing
- one respondent suggested listing the schemes currently included; another suggested listing the schemes that are not yet included
- one respondent suggested explaining to individuals that "We currently estimate that YY% of the UK's pensions are covered, and this will be 100% by X date", whereas another suggested communications should focus individuals on only starting to use dashboards once full coverage has been reached

Who should be responsible for the communications?

72. Different views were also expressed about who should be responsible for these communications. Of the 30 respondents who expressed a view, 10 respondents felt there should be central communications from government, regulators, media and other central bodies, whereas others felt schemes should responsible for telling individuals about dashboards.

73. These "central communications" respondents suggested a variety of media / initiatives:

- government and regulatory campaigns
- social media campaigns

- radio and television, news media
- targeted Government mailings
- education in schools
- changing disclosure regulations to require schemes to mention dashboards
- developing standard communications for use by schemes

"It is very likely that many schemes would welcome the ability to adopt standard materials acting as a conduit for key messaging to savers … this would streamline the process of managing enquiries as dashboards [will] act as a de facto "front door" for schemes." (Willis Towers Watson)

74. 12 respondents said pension providers and schemes should deliver communications about pensions dashboards. These "scheme communications" respondents had numerous suggestions for leveraging existing pension communication materials to inform individuals about dashboards:

- joiner packs, booklets and scheme websites
- employer payslips
- annual statements
- wake up packs
- other regular and one-off pension communications.

75. The final 8 respondents suggested the communications should be targeted when the individual logs in and uses their preferred pensions dashboard.

Frequency of communications

76. The timing, and periodicity, of communications was also mentioned. One respondent suggested warm up communications could start prior to the launch of dashboards, as soon as the compulsion staging profile is settled by government.

77. Other respondents felt regular, perhaps quarterly, communications would be required as more data becomes available to view on dashboards. For example, nudge reminders, notification emails or texts encouraging individuals to revisit their registered dashboard when more pensions have become available. One respondent felt that the coming on stream of different dashboards at different times could also help in this respect.

Clarity, simplicity and user testing

78. Many respondents said that communications must be standardised and consistent, simple and clear, so that messages are unambiguous and easily understood. Several advocated explainer videos, and also the use of plain English.

79. Respondents recommended that a significant amount of user testing is undertaken to better understand all these topics: touchpoints, messages, sources, channels, language, media and so on.

Summary

80. Respondents felt clear, high quality communications will be essential to support the effective launch of dashboards. A variety of views exist about how these communications should be delivered, so considerable user testing should be undertaken to understand what communication approaches will be most effective for individuals.

How could individuals be matched to their pension entitlements?

81. In **Question 9**, we asked:

Which data items do you anticipate could be used to definitively match individuals to their pension entitlements? Of the data items listed, are there some (or some combinations) that will provide a more accurate match than others?

Overview of responses

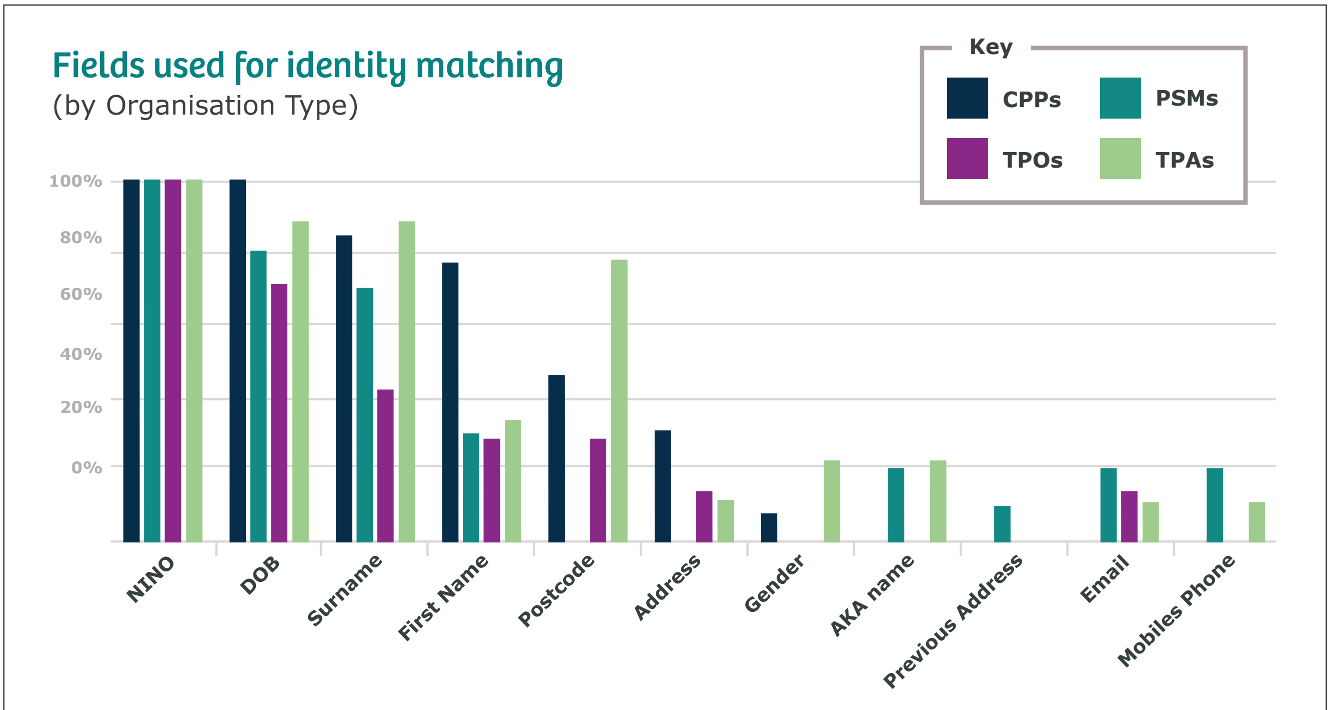
82. 79% of respondents (48 of 61) highlighted the fields they are likely to use to match individuals to their pension entitlements. All felt that the data items proposed (i.e. the Level 1a Match Data fields in the Data definitions working paper) would cover the needs of matching an individual to their pension entitlements.

83. The clear indication provided was that the most commonly expected fields to be used for matching between the central Pension Finder Service (PFS) and pensions providers, schemes and administrators are:

- National Insurance Number (NINO)
- Date of birth
- Surname

84. All respondents who proposed match criteria were unanimous that NINO would be part of their expected match criteria.

85. The fields used to match individuals to their pension entitlements are shown in the graph below, broadly consistent across the different organisation types responding as shown:



The use of email and mobile phone, however, does not appear to be as prevalent for commercial pension providers (CPPs).

Specific research

86. The PLSA and PMI carried out some specific research with their members on this topic, and again the results were consistent with the findings above.

Primary matching data

87. On NINO, as well as being a critical match item, 15% of respondents said that it is also important for the NINO to be verified alongside the other identity attributes in order to achieve a definitive match.

"The NINO and date of birth are crucial to the matching process, especially with older pensions which may not hold up to date personal details, however dashboards need to be sure that the NINO provided is that of the authenticated user." (Standard Life Aberdeen)

88. Date of birth was included as a key match field by 88% of the respondents who proposed match criteria, because it doesn't change over time.

89. Similarly, surname was common to many responses: 73% of those who proposed match criteria.

Secondary matching data

90. Post code was cited as being beneficial as a secondary match item, however around 10% of respondents believed that address could not be relied upon because of the changeable nature of addresses over time.

91. Four responses (7% of respondents) suggested that gender could be helpful to support some matching scenarios but there was not widespread support for this. Respondents said careful consideration would need to be given on whether to include gender in the standards for match data.

92. Some respondents would look to include email address (6 respondents) and mobile phone number (4 respondents) in a match approach as these items do not change frequently and could be utilised as secondary validation.

Partial matching

93. Some respondents highlighted a zero tolerance for false positives, i.e. incorrectly linking an individual to a pension entitlement:

"The risk of false positives is intolerable for most if not all schemes, and so any solutions formed by industry should reflect that position." (Equiniti)

94. However, these respondents also acknowledged that a zero tolerance to false positives could lead to a number of false negatives, i.e. not linking an individual to their pension entitlement, with potential knock on impacts to the success of pensions dashboards.

95. These respondents envisaged situations where a data provider may strongly suspect they hold a pension entitlement belonging to the dashboard user but there is only a partial match i.e. some of the individual's matching criteria are met but other required items do not match: for example, NINO matches but the date of birth is different.

96. 12 responses (20% of respondents) included a specific reference to the need for clarity on the handling of these partial matches.

97. Seven responses asked for guidelines / best practice guides / a defined process for matching and handling partial matches.

Additional matching data

98. A number of additional data items not currently included in the proposed Level 1a data set were suggested:

- plan/policy/scheme/payroll/NHS numbers
- unique tax reference
- Gender
- age
- place of birth
- contribution amount

Summary

99. There was a general and broad consensus, across all categories of respondent, about the key data items that could be used by data providers to match individuals to their pension entitlements. Respondents confirmed that a valid national insurance number (NINO), date of birth and surname will be key to schemes' ability to make positive matches. Additional match data items were also suggested, and the need to investigate partial match processes was also raised.

What are the challenges with administrative data?

100. In **Question 10** we asked

"In Level 1b, we have set out the administrative data items that will be useful to individuals, as these items will enable them to see where their pension entitlements are. Which of these items would be most challenging for pension providers and schemes to supply? Please indicate in your response why this would be the case."

Overview of responses

101. Respondents to this question fell into two broad categories:

- the majority of respondents (38 out of 46) felt that they would have no, or few, problems providing the key Administrative "Level 1b" data items listed in the Data Definitions working paper
- however just under half of these respondents (22 out of 46) said they would be able to provide core details of where the pension arrangement is administered, and contact details of the administrator, but would not be able to provide complete employment details or start date and end dates, for various reasons

102. The challenges preventing the supply of complete employment data were:

- this data being incomplete when the scheme administration transferred to the current administrator
- the nature or structure of the scheme meaning this data is not held
- this data being held in non-digital or inconsistent formats giving rise to considerable cost if it is required to be supplied in a standard digital format

Respondents' further explanation of these different data challenges are summarised below.

Inability to provide employment data due to it being incomplete

103. Pension arrangements are frequently subject to change of administrators and other services which can lead to a loss of data. Respondents said this is particularly significant with older schemes that may have been administered in-house originally and have since been administered by several organisations.

"The challenge comes when schemes (and employers) undergo merger and acquisition activity, or simply pass from one administrator to another and un-needed detail[s] [were] dropped. There are many companies and pension schemes not called what they were when the members worked there." (PASA)

"Employer names and employment dates may not be held on administration systems or may not be recognisable by the individual due to company mergers, name changes and takeovers." (SPP)

Inability to provide employment data due to the arrangement's nature

104. Some pension arrangements have features, such as multiple sections within a single scheme, that would preclude the provision of some data items within Level 1b. Some multi-employer schemes maintain the same pension entitlement for different employments, so may not be able to provide information about the different periods of employment that relate to the pension entitlement.

"Whilst we record employer details, Nest's pot-for-life system means it may not be possible to identify which contributions are attributable to each period of employment. It's unclear how multiple concurrent employments would be captured or, in the case of bulk transfers, how it would be recorded when members are deferred-on-transfer." (Nest)

Inability to provide data due to non-digital or inconsistent formats

105. Some data is held in non-digital formats and would need to be digitised in order to be returned. Other data items are held in inconsistent formats, even within a single administrator or system. Both of these issues would incur significant costs to address.

"Some DB pensions schemes will inevitably require later staging dates due to how they have operated historically and the extent to which they hold information digitally. For example:

- *some schemes do not yet hold data in digital form*
- *some schemes may not be using data fields consistently. The work involved in adopting standardised data fields across the DB landscape should not be underestimated. The type and detail of some data fields can vary by scheme, even within the same administration provider." (Willis Towers Watson)*

Summary

106. A large majority of respondents (38 out of 46) were confident that they could supply some of the proposed administrative data on the assumption that a strong positive match had been made. Respondents felt confident they could provide the name of the pension arrangement and details of the organisation administering the pension arrangement.

107. Many respondents (22 out of 46) were less certain about being able to provide all the proposed administrative data for a number of reasons. Employment data is seen to be challenging, as not all providers collect it or hold data that is historically incomplete / inconsistent. Other respondents hold single pension entitlements for multiple employments or have different sections within a single scheme, making start and end dates challenging to provide.

How could estimated retirement incomes (ERIs) be provided?

108. In **Question 11** we asked:

> *" One of the DWP design principles is that dashboards will initially be used for presentation purposes only (i.e. they will not alter the source data).*
>
> *This means that initial dashboards cannot calculate projected pensions, meaning that pension providers / schemes must supply an estimated retirement income (ERI) for each pension.*
>
> *This includes situations where there are multiple tranches within a pension i.e. multiple ERIs with multiple Payable Dates may need to be supplied.*
>
> *The Level 2a data table sets out our assumptions on the simplest way for pension providers / schemes to meet this requirement. Please comment on these assumptions."*

Overview of responses

109. The importance, yet complexity, of ERIs was highlighted by respondents focusing on user needs.

> *"Our experience [of tens of thousands of pension conversations with over 50s] suggests that the most important information consumers would need to access on dashboards [is] the estimated amount of income they're going to get (Citizens Advice Pension Wise)*

> *"Consumer research found that the item people most want to see on dashboards is 'the totality of what they'll have in retirement' – i.e. aggregate ERI. It's unclear how useful dashboard users will find a selection of ERIs based on different assumptions, calculation dates and retirement dates …*
>
> *We recognise the question of ERI standardisation is complex and we believe this needs further consultation before ERI data is of the minimum quality needed for the launch of dashboards." (Nest)*

110. Most respondents commented on the proposed assumptions for the provision of ERIs. The headline responses are as follows:

- most respondents (36 respondents) chose not to comment specifically on whether dashboards should be able to calculate projected pensions but focussed on the difficulties in schemes/providers producing ERIs. However, where respondents expressed a view, the majority (17 out of 25 respondents) either explicitly stated or implied that dashboards should have the ability to do projection calculations, now or in the future, as a way of delivering standard comparable ERIs
- one-third of respondents (22 out of 61) expressed concerns that ERI values are not calculated on comparable or standard bases and half of these highlighted concerns that a mix of retirement estimates at various ages and on various bases would be very difficult for the individual to understand
- 20% of respondents (12 out of 61) specifically criticised the Statutory Money Purchase Illustrations (SMPI) regime currently prescribed for producing illustrated ERIs for DC pension

entitlements. This included a critique of the different assumptions allowed and the fact that the illustrated ERI is based on outdated annuity purchase

- 10% of respondents (7 out of 61) argued that showing an ERI on dashboards would not be as useful to the individual as showing a current value

Advantages of dashboards calculating ERIs

111. Those respondents who favoured dashboards being able to calculate ERIs were principally concerned with the industry's inability to provide comparable numbers. Rather than expect industry to align in short timescales to provide comparable numbers, it was felt a shorter timeframe could be achieved by allowing simple alignment and projection of the numbers presented within dashboards.

112. It was understood by this group of respondents that this would require a standardised way of doing the ERI calculations.

113. It was further understood that this could not rely on schemes sending all of their scheme-specific rules to dashboards to use in calculations and that therefore an agreed approximation method would be needed.

114. Some respondents warned, however, that if numbers shown on a dashboard differed to the numbers shown on a benefit statement, that could lead to an influx of queries to scheme administrators.

Inconsistency of pension entitlements and benefit statements

115. The specific issues raised by those respondents concerned with the incomparability of schemes and providers supplying ERIs on different bases were:

- **no statements**: some schemes do not routinely provide annual benefit statements for some or all members.
- **no ERI**: those schemes that do provide benefit statements do not all show an ERI on the statement as it is optional under existing Disclosure regulations.
- **no standard ERI basis**: Where ERI projection calculations do exist, they are scheme-specific and have no standard basis (e.g. DB schemes). Common examples of differences in projections highlighted by respondents include:

  i. projected retirement dates differing between different scheme defaults or member choices

  ii. some scheme benefits having different retirement dates relating to different tranches, even within one benefit structure

  iii. for active members, schemes having differing approaches on to whether prospective service is included in calculations

  iv. providers having no commonality for future growth assumptions (e.g. salary)

Inconsistency, even where there are existing standards

116. Respondents' fear about user confusion around a potentially messy and disjointed provision of different ERIs was not just constrained to DB style benefit provision (where there is no standardisation).

117. Those respondents representing DC style benefits were equally concerned over variations between, and within, SMPI and FCA Conduct of Business Sourcebook (COBS) rules. These concerns fell into three areas:

- similarly to DB, there is no one single age to which all providers project ERIs
- within boundaries, each scheme or provider is allowed to set their own assumptions regarding future salary, costs and investment growth
- the SMPI basis for income assumes an annuity purchase, which gives rise to two further concerns:

  i. not all providers use the same annuity factors

  ii. SMPI has not kept pace with the market where annuity purchase is now the minority method for accessing an income for a DC pension, compared to other methods such as income drawdown

118. For these respondents, this lack of standard assumptions gives rise to two risks:

- that members would not understand two current DC pots, that were similar in value, potentially leading to very different projected ERIs
- that providers who had used lower assumptions in the ERI calculations might look "worse" than providers who had higher assumptions

119. For three respondents, these concerns supported the proposal mentioned above that dashboards could standardise these assumptions by taking the current DC pot values from the different providers and then perform one standardised projection with one set of income conversion factors.

Alternative solution options

120. The common theme amongst the respondents who chose to comment on these difficulties was not whether ERI should be shown on dashboards, but when. Many favoured ERI being in a later phase of rollout, with an initial focus on **find** data, allowing time for industry to standardise and for data providers to carry out any work required to fill any gaps in their ability to deliver **view** data.

121. Whilst Question 11 did not explicitly call for alternatives, two respondents took the opportunity to suggest a different interpretation of the government's consultation guideline on the extent of data for initial dashboards.

122. The suggestion is that schemes that do not currently provide an ERI today, could treat a dashboard find request as an individual requesting a single retirement quotation, rather than attempt to standardised benefit statements.

123. The administration body PASA suggested that if work were required for a scheme to comply, at least automating a retirement quotation process would be activity that would have benefits to the running of the scheme beyond simply "complying with dashboards". Thorough user and industry testing of this potential single retirement quotation solution would be required to understand usability and deliverability.

124. Respondents clearly articulated the many challenges in the provision of benefit statement-equivalent data, but very few suggested solutions to meet key users' need of seeing comparable ERIs (other than the significant number who argued for enabling dashboards to calculate ERIs).

Summary

125. The principal concern of respondents was the inconsistency of the ERI data being provided and how confusing, misleading or generally off-putting this would be to users of initial dashboards.

126. Some respondents did not agree with the government's design principle of initial dashboards being presentational only, saying that dashboards carrying out projection calculations, on an agreed industry-standard basis, would be the best way of quickly arriving at comparable ERI data across the industry.

127. Failing that, respondents said concerns could only be addressed, or at least simplified, if all schemes standardised what they provide, but that would be burdensome and therefore not quick to achieve, leading to several suggestions that ERIs should be in a later phase of delivery, focussing first on **find** rather than **view** data.

Can disclosure items be provided digitally?

128. In **Question 12**, we asked:

Are there any disclosure items (i.e. items required under current disclosure regulations) that are currently challenging to supply digitally? If so, please indicate how many months it would take to make these disclosure items available digitally?

Overview of responses

129. Some respondents indicated that it would be straightforward to provide all disclosure items in a digital format.

130. However, others didn't feel able to respond, because either:

- they felt they would need to undertake more analysis in order to provide an accurate answer to the question
- they did not feel they had the necessary relevant experience to answer the question, i.e. because they are not schemes / providers / TPAs / etc

131. Other respondents, however, did offer:

- views on what disclosure items should be displayed on dashboards and the associated challenges
- examples of disclosure items that would be challenging to provide digitally and/or the types of pension provision which might face the greatest challenges in this regard

Views on disclosure items being shown on dashboards

132. Several respondents indicated that the data standards for pensions dashboards should not attempt to include the full range of disclosure items, for several reasons:

- **utility**: data should not be made available on dashboards if it is not useful to individuals or does not meet one of the stated goals for dashboards
- **relevance**: current disclosure requirements have evolved over a long period of time and some data items are now out of step with individuals' behaviour (e.g. they make invalid assumptions about DC savers' at-retirement choices)
- **cost**: attempting to make the full range of disclosure items available digitally would require very significant investment by schemes and providers

133. The first of these reasons was widely voiced by respondents in one form or another.

"We encourage the PDP not to expect firms to provide all data points within the disclosure items if they do not add value or contribute towards the stated goals of the dashboards." (Hargreaves Lansdown)

"Our experience tells us that the definition of specific data items is most effective when it is informed by a comprehensive understanding of the [relevant] use cases and user stories" (Criterion)

134. In the responses which argued for the inclusion of particular disclosure items, those most commonly cited were:

- current entitlement value (largely DC pot size, but some respondents alluded to current DB entitlements)
- estimated retirement income (ERI), although one respondent challenged whether ERI is a disclosure requirement

Challenges

135. Respondents highlighted challenges with providing disclosure data:

- **non-persistency of data**: some disclosure items are derived at the point at which annual statements are produced, or an individual makes a request, but these derived items are not persistently stored after the statement / request has been actioned
- **non-availability of data**: older entitlements, particularly (though not exclusively) older DB entitlements, may be held on paper or microfiche records and not currently available in a digital format, requiring a longer lead in time to be ready for dashboards

136. Several respondents highlighted the substantial investment that would be required to make disclosure items available to dashboards. Only a few respondents estimated how long it would take to make these items available digitally: those who did answer this part of the question suggested that between 12 and 24 months would be required for schemes to do so.

137. Respondents indicated that it will be the providers and schemes who do not already supply data digitally to individuals who will face the biggest challenges in making disclosure items available in this format.

138. Respondents also argued that DB schemes in particular (especially smaller DB schemes) and small schemes in general (DB and DC) would be least well placed to supply this data.

"It will be challenging for any schemes to provide data digitally where this is not currently an undertaking. It is envisaged that Defined Benefit schemes would find this particularly difficult and require the longest lead times." (SPP)

Special features

139. Many respondents made specific comments about special features / circumstances related to particular pension entitlements. These responses highlighted the various complexities associated with these features / circumstances (such as pension sharing orders) and the importance of making individuals aware if and where these special conditions exist.

"Our experience [of tens of thousands of pension conversations with over 50s] suggests that

the most important information consumers would need to access on dashboards [includes]:

- *any restrictions or key dates that might impact the value*
- *any special conditions or time limited criteria." (Citizens Advice Pension Wise)*

"There are many safeguarded benefits within defined contribution and defined benefit schemes that need to be explored further, there should be a flag accompanying certain submissions by providers highlighting that there are safeguarded benefits." (AgeWage)

Summary

140. Responses to this question were mixed. Whilst a significant minority of respondents stated that all disclosure items could currently be provided digitally, many highlighted significant challenges in being able to digitally supply **view** information for all pension entitlements accrued to date. This is a particular issue for older and smaller schemes, especially DB schemes, where there is no current requirement for annual statements, and for entitlements with special features.

What additional data could be supplied to initial dashboards?

141. In **Question 13** we asked:

"Would any of these (or other) areas of additional data be able to be supplied voluntarily for initial dashboards?"

142. The areas of additional data listed in the Data definitions working paper were:

- contributions data
- DC investments data, including funds and charges
- additional benefits data, such as dependents' benefits
- beneficiary data i.e. details of the people to whom the individual would like dependents' benefits to be paid

143. It was stated in the Working Paper that this was not an exhaustive list, in case any respondents wished to suggest any other potential areas of additional data.

144. Summarised below are the responses to each of the above areas of data, in the order of importance raised by respondents, as well as pensions in payment data which was an additional area raised.

DC charges information

145. The strongest support for additional data, from four consumer facing organisation (CFO) respondents, was to display charges information in respect of DC pension entitlements.

146. However, there was also a clear focus in these responses on the need for user testing the understandability of how dashboards should display this charges information.

"Displaying charges can be very good for the consumer and we would like to see charges displayed on dashboards fairly, transparently and in a way that is easy to understand. Care must be taken to ensure that charges are displayed according to a standardised set of criteria in order to ensure fair competition" (Citizens Advice Pension Wise)

147. One consumer organisation felt that some type of consistent value for money traffic light system could be user tested, echoing an industry body which cautioned against displaying plain charges side by side (which they said would potentially risk individuals making decisions on the basis of charges alone).

148. If not on initial dashboards from day one (ideal), the four CFO respondents felt the inclusion of DC charges should be prioritised.

"Consumer research has found that half of people want to see information about charges on their DC pots in pounds and pence on dashboards. Along with current pot value, this was the joint-third most important item people wanted to see after state pension and aggregate ERI. This means that half of the items consumers most want to see on a dashboard – personalised charges and aggregate ERI – aren't [yet] in the data standards." (Nest)

DC investments data

149. Four CFO and technology respondents also felt that showing DC investment funds was important for users of dashboards, especially in relation to Ethical, Social & Governance (ESG) issues.

150. Data items suggested in responses were the underlying International Securities Identification Number (ISIN) data, investment fund risk ratings, and growth / loss amounts in the previous year.

151. Four pension provider respondents said they would be willing and able to voluntarily supply detailed DC investments data for display on initial dashboards. But a much more prevalent view, across different categories of respondent, was that the individual should be directed to the relevant part of the provider's / scheme's own website for this type of information.

Contributions data

152. Over a dozen respondents said that some partial supply of contributions data could be possible, but a number of challenges were cited, including:

- mixed availability of contribution histories
- large and complex contribution histories
- salary sacrifice and non-contributory complications
- the timing of the supply of contributions data to dashboards

Additional benefits (dependents' pension) data

153. Half a dozen pension provider and scheme respondents were confident about being able to supply information on death benefits, at least for active members, but a couple of TPA respondents indicated that this would be challenging, especially for deferred members.

Beneficiary data

154. Four respondents felt it would be helpful, and possible, to supply information on the beneficiaries to whom the individual would like dependents' benefits to be paid.

155. However, ten other respondents who mentioned this data said this would be undesirable and / or impossible given the absent, non-digital, historic and / or sensitive nature of this information.

Pensions in payment data

156. The Data definitions working paper set out the assumption that crystallised pensions (such as pensions in payment or in drawdown, annuities in payment, and so on) will not be included on initial dashboards.

157. One scheme respondent highlighted that going forward individuals will seek a flexible approach to retirement and being able to see what you are in receipt of, alongside other potential options for increasing your income (i.e. pensions not yet in payment), could be beneficial for individuals. This respondent therefore argued that the addition of pensions in payment should not be ruled out, although probably not a priority for launch.

General comments on additional Level 3 data

158. In more general terms, there were two widely opposing views on displaying additional Level 3 data on initial pensions dashboards.

159. **For**: three TPO respondents felt that all Level 3 data should be available for individuals to view on dashboards, from a General Data Protection Regulations (GDPR) access perspective.

160. One cautioned however, that if there is a requirement for data, then it should be made mandatory, as experience from other financial services initiatives indicates that if data items are optional then they general aren't supplied by data providers.

161. **Against**: a much more widely held view (by over 20 respondents), was that Level 3 data should **not** be supplied for display on initial pensions dashboards. A range of arguments were put forward:

- not overwhelming users of initial dashboards with complicated data, i.e. seeking to keep things simple for individuals initially by only displaying limited data
- avoiding giving individuals the impression that pensions dashboards are a substitute for going to the relevant part of their pension provider's / scheme's / administrator's website for full details about their pension entitlement, where additional relevant context and explanation is provided
- focussing initially on getting dashboards up and running as quickly as possible for individuals, with data limited to Levels 1 and 2
- not being distracted / taking time agreeing complex optional Level 3 data standards which could delay the launch of initial dashboards
- optional data becoming mandatory and adding disproportionate burdens on data providers, especially small schemes
- additional data on dashboards not really being valuable to individuals until dashboards are allowed to calculate projected retirement benefits, and
- data providers' lack of availability of consistent detailed Level 3 data

162. A couple of respondents said that user testing should be undertaken to understand individuals' reactions to differing levels of data being displayed for different pension entitlements:

"[while] it is likely that a high proportion of pension schemes will be able to provide additional data on a voluntary basis … we are not convinced that it is desirable to display different depths of data to savers on the basis of schemes being able to provide it voluntarily" (PLSA)

163. The overriding and strong suggestion from 20 respondents, however, was that any supply, and display, of additional data on pensions dashboards should be informed by extensive user research, potentially once Level 1/2 dashboards are up and running, and channels for detailed real user feedback are flowing freely.

*"We can see we need to take the lead at the **find** stage, because people don't know what they don't know. But having started them on the journey to better engagement, we need to let them take the lead." (PASA)*

Summary

164. Whilst some respondents felt it is important for dashboards to prioritise information about DC charges and investments, a significant proportion felt that initial dashboards should be launched with just basic information, and the subsequent inclusion of any additional data should be informed by detailed user research about what individuals want to see and can understand.

Appendix

Appendix A: organisations which responded to the Call for Input

- Aegon
- AgeWage
- AJ Bell
- Aon
- Aquila Heywood
- Association of British Insurers (ABI)
- Association of Consulting Actuaries (ACA)
- Association of Member-Directed Pension Schemes (AMPS)
- Association of Pension Lawyers
- B&CE (The People's Pension)
- Barnett Waddingham
- Capita
- Citizens Advice (Pension Wise)
- Criterion
- D & L Scott
- Equiniti
- Financial Data and Technology Association (FDATA)
- Financial Services Consumer Panel (FSCP)
- First Actuarial
- Hargreaves Lansdown
- Hymans Robertson
- Institute and Faculty of Actuaries (IFoA)
- Investment and Life Assurance Group (ILAG)
- ITM
- LCP
- Legal & General
- Local Government Association
- Low Incomes Tax Reform Group (LITRG)
- M&G
- Moneyhub
- National Employment Savings Trust (Nest)
- Nest Member Panel
- NFU Mutual
- Northern Ireland Local Government Officers' Superannuation Committee
- Pension Protection Fund (PPF)
- Pensions Administration Standards Association (PASA)
- Pensions and Lifetime Savings Association (PLSA)
- Pensions Management Institute (PMI)
- Phoenix Group
- Plumbing Pensions
- Premier Pensions
- Profile Pensions
- Rainbow Systems
- ReAssure
- Retirement Line
- Royal London
- RPMI
- SAUL
- Scottish Widows
- ShareAction
- Smart Pension
- Society of Pension Professionals (SPP)
- St. James's Place Wealth Management
- Standard Life Aberdeen
- The Investing and Saving Alliance (TISA)
- UK Power Networks
- Universities Superannuation Scheme (USS)
- Visible Capital
- Willis Towers Watson
- XPS
- Zurich

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