



Department
for Work &
Pensions

Consultation Questions: Consultation on the draft Pensions Dashboards Regulations 2022

Name of respondent/s / organisation (please provide):

Dan Summerfield, Head of Corporate Affairs
USS (Universities Superannuation Scheme)

Respondent Types - Please tick all that apply:			
Pension Scheme type		Pension scheme size (Large; Medium or Small/Micro)	
Master Trust	<input checked="" type="checkbox"/>	Large Scheme (1000 members+)	<input checked="" type="checkbox"/>
Money purchase (used for Automatic Enrolment)	<input type="checkbox"/>	Medium Scheme (100 -999 members)	<input type="checkbox"/>
Money purchase (other)	<input type="checkbox"/>	Small Scheme (<100 members)	<input type="checkbox"/>
Non money purchase (excluding Public Service Pension Scheme)	<input type="checkbox"/>		<input type="checkbox"/>
Public Service Pension Scheme	<input type="checkbox"/>		<input type="checkbox"/>
Hybrid	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Administrator			
Software provider			
Consumer organisation			
Dashboard provider			
Other (please state)			

Responses to consultation questions are optional. We ask that you provide your reasoning for your answers to the consultation questions that you respond to.

Chapter 1: Overview of Pensions Dashboards

Question 1: Do you have any comments on any aspect of the Regulations or consultation, that is not covered in the following consultation questions?

Whilst the trustee is the target of these regulations and is responsible for data quality/provision; linking up with the dashboard ecosystem will have the dependency on system providers, and whilst we've engaged with them, their confirmation that they can meet the detailed requirements and standards will be necessary in order for the trustee to meet its duty.

There is no dedicated question to offer feedback on the Identity or Consent and Authorisation Services. Both services are rightly ambitious, but a UK-wide identification and consent service is currently not widely used, meaning development of this service is a large piece of work without the pension dashboard work on top of this. Another layer of information is needed on these services to address:

- o how they will work in practice?
- o what assurances can be placed on them?
- o how they will be run and managed and what happens if there is an unavailability or worse still a data breach with them?

Regarding references to "Administrative data" and providing pension projections, we have the following comments/questions:

What, if any, are the requirements on the trustee when structural changes are proposed to be made to members' future benefits. For instance:

- o Are there specific timescales to update scheme benefit descriptions and member data (particularly projected values)?
- o Are there any warnings that need to be delivered via the dashboard if changes are being considered or consulted on?

We believe that updated basic scheme information could be covered under Regulation 24 "signpost data" by providing a link to a relevant web address, however, we would appreciate if this, and the position regarding projections, could be clarified.

There is a concern that there will be a significant increase in member queries as a result of the increased member engagement and queries generated by the information presented on partial matching. However, the exception rate for USS seems like it would be quite low, with the relevant data remediation process being concluded by then.

Although the projected strike rate of requests is unknown, we do not believe the operational burden is likely to be overly significant such that it would cause detriment to those using the dashboard, if the required timescales remain reasonable.

We would also like to call your attention to our responses to questions 21 and 26 regarding staging:

- We agree that the priority should be DC pots initially, and that schemes should link up all their data at one point. For those reasons we are not sure why hybrid schemes such as ourselves, which tend to be majority DB, would be required to link up with the dashboards architecture at the earlier of the two dates that would apply to their DB/DC sections respectively. This will lead to a reduction of the initial focus on DC pots.
- From an operational perspective, as a hybrid scheme we face the same challenges as large DB-only schemes in providing DB data, which is generally more challenging to deliver than DC data. Therefore, in our view we strongly believe that the staging deadline of hybrid schemes should be based on the number of DB members, or at the very least be no earlier than large 'pure-DB' schemes. You can see further comments on this point under our response to question 26.

Question 2: Do you agree with the proposed approach to the oversight and approval of standards?

No comment.

Chapter 2: Data

Question 3: User testing shows that the inclusion of date of birth for display logic purposes could be useful for individuals using dashboards, so we are minded to include it. Does this cause concern?

No

Question 4: Will it be feasible for trustees or managers to provide administrative data to new members making a request for information within three months of joining the scheme?

Yes, but only for 'administrative data', and assuming employers submit new member notifications in a timely fashion.

The structure of the scheme means that DB benefits built up in the scheme year, which runs from 01/04 – 31/03, are calculated annually after the March contribution payments are made and reconciled. In practice, this means that if a member joined within the scheme year then they would not have value data for present accrual or a projected benefit until the year end processing of pension values were completed in early May. Therefore, we would be unable to produce any value data for new members until this time.

Question 5: To what extent do schemes currently make use of the exemptions under Disclosure Regulations 2013, regulation 17(6)(c), which exempt money purchase schemes from issuing projections if certain criteria are met? Do many choose instead to issue SMPs to individuals in these circumstances?

Yes, USS issues SMPs without any exemptions.

Question 6: Do schemes apply exemptions when providing information in respect of cash balance benefits, which they think should be transferred over to dashboard regulations?

No comment.

Question 7: Do the Regulations reasonably allow for our policy intent for deferred non-money purchase schemes to be achieved, and does it reflect current practice?

We agree that it is important for deferred members to be able to see up to date benefit information across both of our sections. Failure to do so could cause significant confusion for members who see out of date DB benefits alongside up to date DC benefits and trigger large numbers of enquiries.

However, USS currently does not provide regular benefit information to deferred members unless requested. Where it is requested, we provide the information in accordance with scheme rules, as provided for in the regulations.

Question 8: Would provision of an alternative, simplified approach to calculating deferred non-money purchase benefits as described make a material difference in terms of coverage, speed of delivery or cost of delivery of deferred values for any members for whom the standard calculation (pension revalued to current date in line with scheme rules) is not available?

No, the alternative approach would not make a material difference for USS. Bulk revaluation of deferred benefits is not currently performed within USS, therefore if revaluation is required our preferred methodology would be to perform it as per scheme rules. This is subject to dependency on our scheme administrator as it would be a system / calculation change required within the administration system.

Question 8a: If a scheme were to use the alternative, simplified approach to calculate the deferred non-money purchase value, would the resulting values be accurate enough for the purposes of dashboards and as a comparison with other pension values? Is the potential for this degree of inconsistency of approach reasonable? What are the potential risks to consumers or schemes in providing a value based on a simplified calculation?

No. Due to the inherent complexities and variety of revaluation methods associated with legacy DB arrangements, any simplified approach would likely create inconsistency in any figures provided separately to individual members and potentially raise further queries in terms of the accuracy of any figures provided. There are also potential issues around misleading members where increases in line with simple inflation would overstate benefits where revaluations are limited or completed on a different basis.

Question 9: Do the regulations as drafted fulfil our policy intent for cash balance benefits, and do the requirements reflect current practice in delivering values?

No comment (see Q6)

Question 10: Is displaying more than one value, to account for legacy and new schemes, in respect of members affected by the McCloud judgement and Deferred Choice Underpin a feasible approach? Do consultees believe it is the correct approach in terms of user experience?

Not applicable to USS.

Question 11: We have proposed that hybrid schemes should return the value data elements as outlined for money purchase/non-money purchase schemes depending on the structure of the individual's benefit within the scheme, within the relevant timescales. Are the regulations drafted in such a way as to deliver the policy intent stated, and is this deliverable?

Yes, this is deliverable but USS cannot comment currently on the timescale point as USS has a dependency on our system provider to deliver functionality.

In our view Part 1 of Schedule 3 isn't as clearly aligned with the stated policy intent as it could be. In particular, paragraphs 1 and 2 of Schedule 3 require that the value data in those paragraphs is provided in respect of members with money purchase or non-money purchase benefits respectively, rather than the value data being provided in respect of the relevant category of benefits. For example, if a member has DC and DB benefits, paragraph 1(1) could be read as requiring the value data under paragraph 1(2) to be provided in respect of both the DC and DB benefits of that member.

Question 12: Our policy intention is that where a benefit is calculated with reference to both money purchase and non-money purchase values (as opposed to hybrid schemes with separate values), schemes should only provide a single value. The regulations do not currently make this explicit. Would a requirement that a scheme must supply only the data for the greater benefit of the two cover all scenarios with mixed benefits? Are there other hybrid scenarios which are not covered within these regulations?

No comment.

Question 13: Are the accrued values for different scheme and member types deliverable, and can they be produced in the time frames set out in

the 'Response times' section? Are these values necessary for optimal user experience?

Yes, but we would reiterate that USS has a dependency on our system provider.

However, it is not clear why "explicit flags" under Regulation 26(2)(i) are only applicable to projected values. For example, ongoing benefits rectification exercises may affect accrued and projected values and it may therefore help to enhance the members understanding if bespoke "explicit flags" are allowed in respect of both accrued and projected values.

Question 14: Do you believe our proposals for data to be provided and displayed on dashboards, particularly on value data, provide the appropriate level of coverage to meet the needs of individuals and achieve the aims of the Dashboard programme?

We believe that they are broadly appropriate, but that projected pots for money purchase schemes should be included. These are included in SMPI statements and we believe that dashboards should aim for the highest degree of matching between different sources of information provided by schemes.

Question 15: Are there ways in which industry burden in terms of producing and returning value data could be reduced without significant detriment to the experience of individuals using dashboards?

No comment.

Chapter 3: How will pensions dashboards operate? Find and View

Question 16: Is 30 days an appropriate length of time for individuals to respond to their pension scheme with the necessary additional information to turn a possible match into a match made?

There needs to be a common approach proposed for individuals working with a pension scheme to assist with providing relevant, additional information otherwise schemes will do this differently to the detriment of individuals. We would appreciate clarification on:

- What information will look to be provided and how?
- Will proof of identity documents be needed?
- How will these be shared?

A similar approach is needed for closing the case after 30 days,

- what chasers if any are needed from the provider?
- Will there be a standard approach to handling these if the individual is unable to provide additional information?

It should be noted that we believe that the responsibility to return this information in a timely manner should sit with the potential member.

Question 17: Do you think that the response times proposed are ambitious enough?

We believe that the ten day SLA for any manual calculation / manual intervention is ambitious, especially if correspondence with employers is required to obtain additional data. We agree that schemes should aim to provide value data immediately where possible, but this will not always be possible.

It would be useful if the regulations looked to monitor any consistent issues that may arise with a Scheme and when imposing any penalties, the regulator should look to determine the reasoning behind these issues and should seek plans for improvements where possible and work with the Trustees to resolve these issues.

Question 18: What issues are likely to prevent schemes being able to return data in line with the proposed response times?

There will be instances where information may not be available initially and would require confirmation from a third party, in our case employers. This could mean that we would be unable to complete a request within the specified timescales. There would also be some specific special calculation circumstances i.e. benefits with special increase requirements resulting from scheme mergers where it may be necessary to query information or produce special calculations that may fall outside of this where we require information from a third party. The process/API for communicating this information would be integral to our ability to link the data to the dashboard.

Question 19: We are particularly keen to hear of where there could be specific difficulties to providing this data for exceptional cases, how many cases this might include, and whether consultees have views on how exceptions could be made without damaging the experience of individuals using dashboards for most cases where values can be provided more readily. Are there any specific cases when providing the information asked for would be particularly difficult?

There is a small population within USS of specific special calculation circumstances. These member's calculations cannot be automated and it would not be possible to put these member's benefit figures on the system in a meaningful way, as is, to ensure that we could accurately provide the member with figures via the dashboard. In these instances, it may be necessary to provide the figures in writing outside of the dashboard ecosystem.

Chapter 4: Connection: What will occupational pension schemes be required to do?

Question 20: Do the proposed connection requirements seem appropriate and reasonable? If not, what alternative approach would you suggest and why?

USS expects any connection requirements will be addressed by CAPITA as our system provider.

Chapter 5: Staging – the sequencing of scheme connection

Question 21: Do you agree that the proposed staging timelines strike the right balance between allowing schemes the time they need to prepare, and delivering a viable pensions dashboards service within a reasonable timeframe for the benefit of individuals?

We believe the balance is right from the perspective of availability of the member data, but we are unable to comment on the feasibility of staging timelines, as USS has a dependency on its scheme administrator to deliver functionality as our system provider.

We agree that the priority should be DC pots initially, and that schemes should link up all their data at one point. For those reasons we are not sure why hybrid schemes such as ourselves, which tend to be majority DB, would be required to link up with the dashboards architecture at the earlier of the two dates that would apply to their DB/DC sections respectively. This will lead to a reduction of the initial focus on DC pots.

However, from an operational perspective, as a hybrid scheme we face the same challenges as large DB-only schemes in providing DB data, which is generally more challenging to deliver than DC data. Therefore, in our view we strongly believe that the staging deadline of hybrid schemes should be based on the number of DB members, or at the very least be no earlier than large 'pure-DB' schemes. You can see further comments on this point under our response to question 26.

Question 22: Apart from those listed in the table 'classes of scheme out of scope of the Regulations' are there other types of schemes or benefits that should be outside the scope of these Regulations? If you have answered 'yes,' please provide reasons to support your answer.

No comment.

Question 23: Do you agree with the proposed sequencing as set out in the staging profile (Schedule 2 of the Regulations), prioritising Master Trusts, DC used for Automatic Enrolment and so on?

Please see our response to Question 21.

Question 24: (Cohort specific) If you represent a specific scheme or provider, would you be able to connect and meet your statutory duties by your connection deadline?

If not, please provide evidence to demonstrate why this deadline is potentially unachievable and set out what would be achievable and by when.

We expect to be able to connect and meet our statutory duties by our connection deadline, and we have taken steps to ensure our data quality is fit for purpose. However, for connection to the dashboard ecosystem we have a complete dependency on our software provider. They are engaged with MaPs alpha but, given the relatively early stage that work is at, there are still risks that they will not be able to connect in time for our staging date. We hope these risks will subside as we work through the requirements with our provider.

Question 25: Do you agree that the connection deadline for Collective Money Purchase schemes/Collective Defined Contribution schemes (CDCs) should be the end of April 2024?

No comment.

Question 26: Do you agree with our proposition that in the case of hybrid schemes, the connection deadline should be based on whichever memberships falls in scope earliest in the staging profile and the entire scheme should connect at that point?

We disagree that the connection deadline for hybrid schemes should be based on whichever membership falls in scope earliest in the staging profile and that the entire scheme should connect at that point.

The stated staging objective is to have prioritised pace and deliverability factors. As noted above (in Q21), from an operational perspective, as a large hybrid scheme we face the same challenges as large DB-only schemes in providing DB data, which is generally more complex and challenging to deliver than DC data. Additionally, a significant majority of our deferred members currently only have DB benefits.

Therefore, in our view hybrid schemes should be required to stage at the date that applies to them based on the number of DB members they have, or at the very least no earlier than large 'pure-DB' schemes, noting that in all circumstances we are aware of, this would be comfortably before dashboards go live.

However, DB and DC benefit information should become available to members at the same time, as it will be confusing if members can only see part of their benefits and, as noted above, many of our members currently do not have any DC benefits at all.

Question 27: Do you agree that the Regulations meet the policy intent for hybrid schemes as set out in Question 26?

Regulation 15(1)(a)(i) refers to the number of members at the reference date with money purchase benefits that do / do not “involve automatic enrolment”. It isn’t clear how this applies to schemes where the automatic enrolment criteria are met through DB accrual but auto-enrolled members may also accrue DC benefits (e.g. DC benefits past a certain salary threshold). Can the language in the regulation be clarified to confirm this point?

Question 28: Do you agree with our proposals for new schemes and schemes that change in size?

Not applicable to USS.

Question 29: Do you agree with the proposed approach to allow for deferral of staging in limited circumstances?

Please see our response to Question 30.

Question 30: Are there any other circumstances in which trustees or managers should be permitted to apply to defer their connection date to ensure they have a reasonable chance to comply with the requirements in the Regulations?

We agree that a change of scheme administrator would warrant a deferral, given the critical risks to member data and prioritisation of normal operations during transition. However, we would also press that unlike most regulatory requirements, where workarounds can and often are deployed by schemes in the early days, this is not practicable for dashboards. We would also request that the regulations allow for deferral, as agreed by MaPs/TPR, where there are circumstances where the scheme cannot meet their duties due to a failure of their administrator/system provider to have the technology in place. Government may be tempted to believe that there are data intermediaries that could step in and solve the issue rapidly in these circumstances, but in reality they could not, and doing so would involve significant costs to members. The deferral would mean that enforcement action could be avoided and such a deferral should only be granted where the scheme has demonstrated these extenuating circumstances to the relevant power (be that the regulator or MaPs).

Chapter 6: Compliance and enforcement

Question 31: Do you agree that the proposed compliance measures for dashboards are appropriate and proportionate?

We have concerns about the proportionality of the fining regime. In particular, the total potential fines for schemes with large numbers of members are extremely high in aggregate, and fines could be triggered in lots of circumstances including those outside of a scheme's control (TPR has the option to make a compliance notice conditional on compliance by a third party but isn't required to do so). We welcome that TPR has discretion in respect of applying fines but in our view (1) a "reasonable excuse" defence, or similar, would be appropriate and (2) an aggregate fines cap in respect of a single or linked issues would help ensure proportionality.

Chapter 7: Qualifying Pensions dashboard services

Question 32: Do you agree that our proposals for the operation of QPDS ensure adequate consumer protection? Are there any risks created by our approach that we have not considered?

No comment.

Question 33: We are proposing that dashboards may not manipulate the view data in any way beyond the relatively restrictive bounds set out in Regulations and Standards, as a means of engendering trust in Dashboards. Do you agree that this is a reasonable approach?

Yes. It is important that dashboards do not undermine information available direct from schemes, via their member portals, annual statements and SMPs. Standardisation will help understanding and reduce queries from members.

Question 34: Do you agree that not constraining the content placed around dashboards is the right approach for dashboard providers and users?

We note that pension schemes cannot be responsible for the use of data that may be rendered inappropriate via juxtaposition with content placed around dashboards, and this should be made clear to members.

Question 35: Do the proposals set out here provide the right balance between protecting consumers and enabling dashboards to deliver the best user experience? Are there ways in which consumers might be afforded more protection without negatively impacting the user experience?

No comment.

Question 36: Does the introduction of a 3rd party audit sound workable for potential dashboard providers? We are particularly keen to receive views on:

- The deliverability of such an approach.
- The availability of relevant organisations to deliver such an audit.
- The degree of assurance that individuals can take from this third-party audit approach.

- Who should be this third-party trusted professional to carry out the assessment on dashboards compliance with design and reporting standards.

No comment.

Question 37: In what ways might prospective dashboard providers expect a third-party auditor to assume any liabilities?

No comment.

Question 38: What would dashboard providers expect the cost of procuring such a service to be?

No comment.

Question 39: What are your views on the potential for dashboards to enable data to be exported from dashboards to other areas of the dashboard providers' systems, to other organisations and to other individuals?

We think this an area where caution would be sensible. We are not sure if the ability of commercial pension providers to harvest pension member data from other schemes (pension trusts/defined benefit/hybrid schemes) is a good idea. This could lead to onward selling of pension products that may or may not be in the person's best interest. A commercial pension provider could start offering the person transfers out or financial advice services off the back of the transferred data. Also, would it be clear enough to members that their data would be used in this way? There would be unintended consequences of this data being transferred as commercial pension providers look to monetise these data sets. A rigorous assessment of the risks and benefits of such an approach should be carried out by MaPS, in consultation with the industry, before any steps in this direction.

Question 40: If data exports were prohibited, would prospective dashboard providers still be keen to enter the market to provide dashboards?

We remain unconvinced by the public interest case for commercial dashboards and if data harvesting was required to make them commercially viable, this would strengthen the case against.

Question 41: Do you have any comments on the impact of our proposals on protected groups and/or views on how any negative effects may be mitigated?

As this is a 'digital only' service it will disadvantage anyone not currently using the Internet. Provisions must be included to keep posted paper copies of this information and consider other accessibility issues especially if commercial pension firms are able to create their own dashboards.

A high level of accessibility across all potential users must be a key feature of dashboards. Therefore we'd encourage the requirements and/or guidance here to make this clear, and set some basic standards e.g. the AA standard of WCAG (<https://www.w3.org/WAI/WCAG21/quickref/>)