

Pensions Dashboards - your DWP needs you!

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Introduction

On 31 January 2022, the DWP published a [consultation](#) on pensions dashboards, including [draft regulations](#). The purpose of the consultation is to seek views on a range of policy areas relating to the creation of pensions dashboards. The “indicative” draft regulations show how the DWP envisages the policy would be turned into law.

Key points

- The draft regulations set out the requirements to be met for a pensions dashboards service to be a “qualifying pensions dashboard service” (“QPDS”), and the requirements to be met by the trustees or managers of relevant occupational pension schemes, along with provisions to ensure compliance.
- Certain elements of the data that pension schemes will need to provide exceed current disclosure requirements.
- The DWP is keen to hear from interested parties to understand what is workable.
- The requirements will be phased in from April 2023, starting with the largest pension schemes first. Trustees will need to be ready to comply with the regulations by their “staging date”

Background

The PSA21 sets out a framework for the introduction of a pensions dashboard service, a digital interface that is designed to enable individuals to see all their pensions information in one place. The detail of the requirements is set out in the draft regulations.

The consultation and draft regulations follow a [“call for input”](#) from the PDP back in May 2021, which outlined the proposals for the order and timing of when data providers will connect to the pensions dashboard ecosystem. A [summary](#) of key themes was published in October 2021.

What is being proposed?

The regulations are intended to set out:

- requirements that a pensions dashboards service must meet in order to be a QPDS
- requirements on trustees or managers of relevant occupational pension schemes in relation to cooperating with and connecting to MaPS (referred to in the consultation as the “digital architecture”) and the data they must provide to individuals via MaPS (the body responsible for running the non-commercial pensions dashboard)
- TPR’s enforcement powers in relation to pension schemes that do not comply with the new requirements.

The dashboard requirements will apply to all registrable UK-based occupational pension schemes with active and/or deferred members, including public service pension schemes. As currently drafted, pensioners are **not** in scope, meaning that pension schemes will not need to provide data on their pensioners.

MaPS’ non-commercial dashboard, will be situated within a newly developed retirement planning hub on the Money Helper website. Any commercial entity looking to provide a QPDS will have to be authorised by the FCA.

What will pension scheme trustees need to do?

Connecting with the “digital architecture”

Schemes will need to connect to the “digital architecture” by their staging date, with the exact connection date to be agreed with MaPS. In order to complete this connection, trustees will have to:

- undertake a series of pre-connection steps
- comply with all connection standards published by MaPS
- adhere to all connection, security and technical standards set by MaPS on an ongoing basis following connection.

Connection will enable a scheme to receive both “find” requests (a request sent by the pension finder service to all schemes searching for a pension match) and “view” requests (a request to see the relevant pensions information).

The process in brief

Schemes must always be ready to receive both find and view requests. Once a find request is received, a scheme will have to complete “matching” to identify whether they hold information on an individual’s pension that matches with that held in the request. The DWP are not intending to require that trustees use particular data for matching purposes. However, it expects schemes to take “reasonable, diligent steps” to search for matches and minimise the risks of data breaches or, conversely, not returning any matches.

When a pension scheme receives a “view request”, it will need to provide:

- administrative data - information about the scheme, administrator and relevant employment
- signpost data - a link to a website where the individual can find information about member-borne costs and charges, the scheme's SIP and implementation statement
- value data - accrued and projected pension values.

Whilst this data is “broadly within” the scope of the current disclosure provisions, there are areas where the data will go beyond current requirements.

Data protection

The consultation explains that the “whole process of accessing information on dashboards rests on the consent of the individual using dashboards. The nature of an individual's consent must be clear, explicit, understood, and informed. It cannot merely be perceived as a tick box condition of usage”. The PDP intends to “articulate this more clearly” in their separate UK GDPR publication, which is expected to be published in summer 2022.

With respect to find and view data, there will be a number of interactions between individuals, MaPS, schemes and QPDSs. For each of these interactions, each party will need to consider their duties under both the dashboard and data protection legislation. In the DWP's view, the dashboard providers, the DWP (as a provider of State pension information) and pension schemes will each be acting as data controllers when processing the individuals' personal data. However, the DWP leaves it up to each party to determine its role and obligations.

When will pension schemes need to comply?

As previously announced, the DWP is proposing the following staged approach to compliance with the new requirements:

- large schemes (1000 or more active or deferred members) - a staging period from April 2023 to September 2024. Master trusts, personal and stakeholder schemes are expected to be among the first to connect, followed by DC schemes used for automatic enrolment
- medium schemes (100 to 999 active or deferred members) - October 2024 to October 2025

Small and micro schemes are not specifically covered by the draft regulations but the DWP expects to stage these schemes from 2026.

With the aim of ensuring “that all schemes have a reasonable chance of being able to comply with their connection duties”, the DWP proposes some limited flexibility, in specific circumstances, to defer a staging deadline for up to 12 months.

What if things go wrong?

Under the draft regulations, TPR would have discretion to issue penalties of up to £5,000 to individuals and up to £50,000 in other cases for any instance of non-compliance. TPR will also have the option to issue a penalty notice for contraventions of individual requirements. For example, for each time a scheme failed to respond to a request to find or view pensions information in the manner required. This is intended to be a “significant deterrent” to non-compliance.

Further publications

The following is due to be published during the course of 2022:

- corresponding rules for FCA-regulated pension providers in respect of personal and stakeholder pension schemes
- MaPS' first suite of "standards", which will add more detail to the regulatory requirements. In the interim, the PDP has [published information](#) about the scope of the standards and how it will go about setting them, with some indicative examples of what the standards could contain
- guidance from both MaPS and TPR.

What's next?

The consultation closes on 13 March 2022. The DWP is hosting a [series of webinars](#) in February on the consultation to assist stakeholders with their responses. If you have any comments or concerns, we would encourage you to respond. For our support in doing so, or to discuss any of the above, please speak to your usual Sackers contact.

The DWP is aiming to lay the revised regulations before Parliament "later this year, when parliamentary time allows". In the meantime, trustees should continue their work on [improving their scheme data](#) to ensure they are "dashboard ready".

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