

Pensions Dashboards – DWP consultation response



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Introduction

On 14 July 2022, the DWP published a [response](#) to its [consultation on pensions dashboards](#). The consultation sought views on a range of policy areas relating to the creation of the dashboards system, as well as on “indicative” [draft regulations](#) designed to turn that policy into law.

Key points

- Staging deadlines for the first two dashboard cohorts (large master trusts and large DC schemes used for automatic enrolment) have been deferred by two months to 31 August and 30 September 2023 respectively.
- More flexibility will be given to schemes when preparing value data, including a simplified approach for revaluing deferred DB benefits.
- Trustees should be preparing for their scheme’s staging date. In particular, the ICO (from a data protection perspective) has echoed the DWP’s view that “it is vital schemes are doing what they can to improve the accuracy of the data which will be integral to the success of pensions dashboards” and that steps should be taken to rectify or remove any inaccurate data “without delay”.

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.

Under the draft regulations, trustees of schemes in scope (all registrable UK-based occupational pension schemes with 100 or more members, excluding pensioners) will need to:

- register their scheme with MaPS and connect to the “digital architecture” by their staging date
- ensure their scheme can 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)

- co-operate with MaPS when preparing to connect, maintain appropriate records, and report certain information to both TPR and MaPS.

The DWP is [currently consulting](#) on two specific issues arising from the original consultation, including notification requirements on the “dashboard available point” or “DAP”, which is the date that dashboards will “go live” to the public. Although no date has been officially set yet, the current expectation is that the DAP will not be until at least 2024.

When will pension schemes need to comply?

The Government remains “fully committed” to making pensions dashboards happen at the “earliest opportunity”, and urges trustees and managers “to ramp up their preparations”. However, it recognises that final regulations (expected before the end of the year), FCA rules and the MaPS standards (which will provide more detail on the requirements) are an “important part of finalising this work ahead of staging deadlines”.

Acknowledging that “a modest change to the staging timetable for the first two cohorts could support schemes to meet their legislative duties without affecting the start of onboarding” or the potential DAP, the DWP has decided to defer the deadlines for these cohorts by two months. At the same time, so that connection can still begin from 1 April 2023, the connection window for the first cohort will be expanded to five months (see table below). Following feedback from public service pension schemes, to mitigate the impact of the McCloud remedy implementation, the staging deadline for those schemes will be deferred by five months, from 30 April to 30 September 2024.

High-level summary of staging deadlines

Type	Staging deadline
Master Trust (20,000 or more members)	31 August 2023
DC schemes used for automatic enrolment (20,000 or more members)	30 September 2023
Remaining large schemes (1000 or more)	Between 30 September 2023 and 30 September 2024
Public service pension schemes	30 September 2024
Medium schemes (100 to 999 members)	Between 31 October 2024 to 31 October 2025

Hybrid schemes

The original consultation proposed that hybrid scheme staging dates be based on the earlier of each section’s equivalent cohort dates. In light of feedback, the DWP has adopted a simplified approach. To determine their staging deadline, hybrid schemes should total the relevant members across both their DC and non-DC sections, and then treat the entirety as a non-DC scheme. This means that hybrid schemes will have a staging deadline no earlier than 30 November 2023.

Limited ability to defer staging deadline

There is some limited flexibility in the draft regulations to defer a staging deadline for up to 12 months where a scheme is in the process of changing administrator, provided certain conditions are met. The DWP has confirmed that is not intending to expand this criteria, and notes that TPR already has

discretion not to take enforcement action if a scheme is unable to comply with dashboard requirements due to circumstances outside of its control.

Exceptions

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

The DWP will amend the draft regulations to make some exceptions to the information requirements placed on schemes in wind-up, but there will be no general exclusion from the dashboard requirements. Similar concessions will apply to schemes in a PPF assessment, with only entire schemes already in assessment before their staging deadline fully exempt, provided they do not come out the other side.

Find requests

Schemes must be ready to receive find requests from their staging date. 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.

Matching data

Under the draft regulations, trustees will need to decide the data items that they are going to use for matching purposes. In doing this, trustees will need to balance the dashboard requirements against their data protection obligations. “Possible matches” are designed to ease this “tension”, by allowing trustees to flag where there may be a match even though they are not certain of having the correct person.

The DWP expects trustees to be “confident in the accuracy of the data they are using for matching and to put a plan in place to improve this data if required”. The ICO noted in its response to the DWP consultation that trustees must consider the data minimisation principle, only using the minimum amount of personal data they need to fulfil the matching process.

Data Protection Impact Assessment (“DPIA”)

Data protection legislation automatically requires a DPIA when “combining, comparing or matching personal data obtained from multiple sources”. Organisations “should actively consider the benefits of producing or reviewing their DPIAs to demonstrate compliance”.

View requests

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.

More flexible approach to value data

Responding to industry concerns, more flexibility will be given in respect of the value data that needs to be provided, including:

- that data is to be provided by reference to an individual's "retirement date", rather than the narrower term "normal pension age"
- a simplified approach to calculating revalued accrued values for deferred DB members
- for DB benefits with different benefit tranches, different retirement ages or step-ups, an option to provide a combined value of all tranches, along with a single common retirement date, or a separate set of values for different combinations of tranches, along with a retirement date in relation to each.

Response times

There are some useful clarifications on the expected response times for the provision of different types of data, with MaPS to provide further information around timeframes for "immediate" responses in their service standards.

What if things go wrong?

Under the draft regulations, TPR will have discretion to issue penalties of up to £5,000 to individuals and up to £50,000 in other cases for any single instance of non-compliance. There will be no grace period before TPR undertakes enforcement activity. Such a period could encourage non-compliance, and would prevent TPR from being able to take immediate action were there has been wilful non-compliance.

TPR approach to enforcement

TPR is required by the Regulator's Code to take a "proportionate, consistent, and targeted" approach to enforcement. It will provide further information about how it expects to approach regulating dashboard compliance in its compliance and enforcement policy, with a consultation expected shortly after the final dashboards regulations are laid before Parliament.

Trustee liability

Separately from any breach of dashboard requirements, there has been concern about the risk to trustees from member claims, where an individual has made a poor decision based on data provided through the dashboard service. The PDP will be consulting on design standards, which the DWP understands will include requirements to display a clear explanation pointing out the limitations of the information displayed, which will hopefully "help mitigate the risk that individuals misuse or misinterpret the data".

Next steps

The draft set of “standards” is expected to be published on 19 July, along with additional guidance on early and voluntary connection. These standards will put some flesh on the bones of the requirements in the draft regulations. Final regulations are expected to be published later this year.

Trustees should be pressing ahead with their preparations and can use TPR’s [recent guidance](#) and [checklist](#) to help with this.

For any assistance with your preparations, or if you would like to discuss any of the above, **please speak to your usual Sackers contact.**

Sacker & Partners LLP
20 Gresham Street
London EC2V 7JE
T +44 (0)20 7329 6699
E enquiries@sackers.com
www.sackers.com

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