

# PDP call for input on data standards: response from Smart

## Executive summary

- **Getting the data standards clear and right is a necessary first step in injecting some momentum into the creation of pension dashboards, and the MAPS working documents are a welcome development on the road to implementing dashboards.**
- So far progress with dashboards has been painfully slow and we are hoping that agreement of the data standards and scope will kick start the project, giving it much-needed impetus.
- **Overall we are broadly supportive of the approaches outlined in the documents**, but with some caveats and we would suggest:
  - The project aims for full coverage as quickly as possible, even if this is just based around people being able to ‘find’ their pensions.
  - ‘Clever’ segmentation techniques to maximise coverage for certain parts of the population are likely to backfire.
  - Dashboards should allow calculations to be made off the back of core data (to help people plan and manage their finances). Information should also flow two-ways through allowing people to e.g. update contact details.

# Questions

[Questions 1-4 are intentionally excluded in this document as they are administrative questions]

## **Q5. Existing user research indicates that people have a low tolerance for incomplete dashboards and would rather wait until the majority of pension providers and schemes are 'online'. To be acceptable to individuals, what proportion of their pension entitlements should initial dashboards find? Please indicate any consumer or other research used in framing your response to this question.**

- 5.1. Ultimately, dashboards will only be as useful as the timeliness, accuracy and completeness of the data displayed. Start with too patchy coverage or incomplete data and potential users will either be disappointed or, worse, make decisions on incomplete information potentially causing financial harm.
- 5.2. That said, a project of this nature and size would need to be phased, and as long as that phasing in was communicated clearly and occurred relatively quickly, then we think messages can be appropriately managed (perhaps through a beta or testing phase).
- 5.3. Furthermore, we think that, particularly for defined benefit pensions, getting the 'find' portion of the service up and running in a speedy way would be very beneficial to achieve initial goals regarding dashboard coverage, but also needs to be accompanied by a swift plan to ensure fuller defined benefit data inclusion on the dashboard.
- 5.4. For defined contribution schemes, we see no reason why the programme shouldn't aim for a broad and comprehensive approach in the early stages of the development of the dashboard.

## **Q6. How long (i.e. 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?**

- 6.1. How long is a piece of string! (it is an impossible question to answer!)
- 6.2. Ultimately this is about trade offs, and there isn't an exact science behind which the programme can make decisions (there's only so much 'science' that can be followed) . We know that incomplete information will cause consumer disappointment and render an incomplete dashboard less useful than a complete dashboard. For us this

points to an aggressive phasing in during a testing (beta) phase to maximise coverage and this should be based on the programme's ability to onboard providers. The full dashboard should only launch once the programme is satisfied that coverage will be comprehensive for the vast majority of customers.

**Q7. 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?**

- 7.1. Working patterns are so fluid these days that such an approach to maximise coverage by population characteristics will be difficult, if not impossible.

**Q8. If you have identified one or more population segments in response to Question 7, what simple, cost effective communication approach(es) could be adopted to explain to all individuals (both within and outside of the specified segment(s)) which pensions they should and should not expect to be able to view on initial dashboards?**

- 8.1. This is a non starter in our opinion as such segmentation is not really workable.
- 8.2. From a cost perspective, piggy-backing off other comms (e.g. wake up packs, annual statements etc) would be most cost effective, although care needs to be taken not to confuse messages.

**Q9. 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?**

- 9.1. The data elements set out broadly appropriate for matching purposes. National Insurance numbers (even with their well known deficiencies) will be an essential matching item, particularly for 'gone away' customers.

**Q10. 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.**

10.1. We think that the data items are relatively easy to provide, but crucially this will depend on how the dashboard infrastructure is set up and configured.

**Q11. 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.**

11.1. Our view is this is a big mistake in the design principles, not least because allowing customers to update e.g. contact data through the dashboard infrastructure would have massive benefits to members of schemes (only having to tell the industry once), and hugely improve data quality in a low risk and cost effective way.

11.2. Furthermore, with regard to the example at hand, we believe schemes presenting ERI on the basis of SMPI calculations leads to a false sense of security as it fundamentally depends on the assumptions used by each provider and may not provide as good a comparison as people think.

11.3. Finally, if we want people to take ownership and personal responsibility of their pensions, then embedding data into tools and calculators will help people plan and think about their options. Having a plain vanilla dashboard might suit some powerful forces in the industry who don't want to (or can't) support innovation and choice, but in the long run such an approach will be detrimental to the people dashboards are meant to help consumers.

**Q12. 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?**

12.1. On the whole we feel that we would be able to supply most of the data items identified for level 3 data (where relevant), although there may be issues around longer term history for individuals where they were part of other schemes we have taken over.

**Q13. Most data items in level 3 are not currently required to be made available to individuals under the current disclosure regulations. Would any of these (or other) areas of data be able to be supplied voluntarily for initial dashboards?**

13.1. We think charges data should be supplied to the dashboard.

13.2. Data supplied voluntarily will no doubt depend on how useful it will be for schemes to provide that data, which in turn will depend on wider dashboard functionality and usage.

## **Contact details**

For further information on this response or the work of Smart, please contact:

**Darren Philp**  
**Director of Policy**  
darren.philp@smartpension.co.uk  
07887 876567