**Pensions
Dashboards
Programme**

Progress
Update
Report

October 2022

pensionsdashboardsprogramme.org.uk

Contents

Foreword from Chris Curry

This is the sixth update report on the Pensions Dashboards Programme, covering our progress since April 2022.

We have completed the build and are now testing the central digital architecture. Alongside this we continue to develop the various technical and operational standards which will enable pension providers and schemes to meet their connection duties. Over the coming months, providers and schemes will begin connecting which will lead to user testing of the live environment.

We are now working with over 20 organisations as early participants, who are supporting us with testing and refining the connection journey. These early participants are playing a vital role in preparing for compulsory staging, and their insights and feedback at this stage will shape the journey for the rest of industry.

Users remain at the heart of our vision and what we are trying to achieve, pensions dashboards will transform people's ability to understand their pension savings and to plan for their retirement. As well as allowing users to view all their pensions together in a single, secure place, dashboards will also connect people to pension pots that they may have 'lost'.

Dashboards will also open new opportunities for pension providers and schemes to engage their customers and members in a dialogue about their retirement savings. Crucially, this will supplement existing ways of communicating – ensuring that those without digital access are not excluded.

I remain grateful to those across government, industry, the regulators and others who continue to work together in a spirit of co-operation to make pensions dashboards a success.

Chris Curry – Principal, Pensions Dashboards Programme

Programme activity for April to October 2022

Standards consultation

In July, DWP published its response to the consultation on draft regulations for pensions dashboards. The draft regulations, which were laid in Parliament in October 2022, will provide the Money and Pensions Service (MaPS) with the authority to set standards for pensions dashboards.

In July and August, the Pensions Dashboards Programme (PDP) undertook a 6 week consultation on draft versions of data standards, technical standards and reporting standards. PDP also sought industry input on a draft code of connection to the pensions dashboards ecosystem, early connection guidance and our approach to the governance of standards. The consultation received 56 responses from across industry. The insights gained from the feedback will be used to further develop these standards.

In the winter, PDP will be publishing the updated draft of these standards for pension providers and schemes, as well as dashboard providers, which set out the technical and operational detail underpinning the dashboards legislation and rules. Once the dashboards regulations have been approved by Parliament and come into force, MaPS will formally seek approval from the Secretary of State for Work and Pensions for these to be the mandatory standards under the regulations.

Design standards call for input

Design standards will set out the requirements for the look of dashboards and how pensions information is presented to users. This is to ensure a consistent experience for users, no matter which dashboard they choose to use. As well as being a legal responsibility for dashboard providers, pension providers and schemes who are preparing their data will also need to understand how pensions information will be presented to dashboard users.

Alongside the consultation on standards, PDP ran a call for input on the design standards, seeking industry input before producing a draft for consultation. The draft design standards will also be informed by user research and engagement with stakeholders. The consultation on the draft design standards will run alongside the consultation from the Financial Conduct Authority (FCA) on the authorisation and conduct rules that they intend to put in place for firms who wish to provide a pensions dashboard.

Technology build

The technology build for the central digital architecture has been delivered by Capgemini and their subcontractor Origo.

PDP is working closely with Capgemini to complete final assurances. This will include a focus on confirming that sufficient testing has been carried out to enable real pensions data to be used with the technology. We will also ensure that all required security, functional and other requirements have been met within the solution.

Early participants connection

The programme moved into the initial build and test phase in December 2021. During this time, we have worked with 7 major pension organisations, including a number of software providers, insurers and third-party administrators in our initial test phase of the programme.

Pensions Dashboards Programme

The initial 7 volunteers represented a potential combined provider coverage of over 30 million pensions, which will eventually be accessible to consumers via dashboards. Their early participation in testing helped to create a strong foundation for this next stage of the programme.

Over the course of the summer, all the test phase participants successfully connected their endpoint builds to the central digital architecture with synthetic data.

Those early participants who are looking to become dashboard providers will still need to secure regulatory approval, overseen by the Financial Conduct Authority. This will be possible once the final regulatory framework is in place. PDP has been working with those who are planning to become dashboard providers to ensure understanding of the regulatory requirements they will need to meet.

Industry readiness

April 2022 marked one year until the first connection window opens for large Master Trusts and most personal and stakeholder pension schemes to connect to dashboards. As such, programme activity to support wider industry readiness has increased.

We continue to run regular webinars to support understanding of our pensions dashboards standards and how pension providers and schemes can prepare for connection. We have also engaged through presenting at industry events including the PLSA Annual Conference, the Open Banking Expo and TPR's pensions dashboards webinar. You can find and register for our speaker events on our events and meetings page: https://www.pensionsdashboardsprogramme.org.uk/events-and-meetings/

Some of the early participants we have been working with have supported this work by sharing key learnings from their experience and advice on how others can prepare. PDP has also produced regular videos explaining pensions dashboards, the different components of the ecosystem and standards for dashboards, along with other useful guidance.

In order to progress to the next stages of testing and to prepare for compulsory staging we identified and selected a larger group of early participants – including the initial 7 – who all began the connection process in October. They will be working towards completion ahead of the April connection window opening.

Willingness to pay research

PDP commissioned Ipsos to undertake research into a potential willingness to pay for pensions dashboards, as part of establishing a potential value of dashboards to the taxpayer. The research found that almost half of those surveyed would be willing to pay £5 per year for dashboards, despite dashboards being a free service. The research did not ask about lower amounts, so it is not known if more people would be willing to pay an amount less than £5.

Alongside willingness to pay, Ipsos surveyed people to understand the likelihood that they would use dashboards. Around 57% of people said that they would be very or fairly likely to use dashboards if they were available now. More than 6 in 10 of those people who had not accessed their pensions said that they were likely to use dashboards. The likelihood to use pensions dashboards increases with the number of pensions, with 80% of those with three or more private pensions saying that they would use dashboards.

Ipsos also conducted research to understand how many private pensions – including occupational, personal and stakeholder pension schemes – people held in addition to the State Pension. More than 81% of those surveyed have at least 1 private pension. This means that a large majority of people have multiple pensions which they would be able to view in one place on a dashboard.

Focus areas to April 2023

Updated version of standards

The consultation on standards in July and August had a strong response rate. PDP is now reviewing the responses and making updates to the standards documents. The updated draft versions of these documents will be published in the winter, outlining where changes have been made. The standards will need the approval of the Secretary of State for Work and Pensions.

Design standards consultation

PDP is reviewing the responses to the call for input as part of producing draft design standards. A 6 week consultation will be held in the winter, seeking feedback on the draft design standards. As with the other dashboard standards, PDP will then review the consultation feedback and produce an updated draft version of design standards for publication in 2023.

Connection

During the second half of October, the technology for the dashboards ecosystem was successfully completed and is now ready for testing with real data. The first data to be used will be State Pension data provided by the DWP. The first dashboard will be the MoneyHelper dashboard being built by MaPS. We are initially working at a steady pace with these organisations to ensure a safe and controlled entry into the live environment.

Once we are assured that this secure and stable process has been achieved, we will begin working with our early participants on testing and progressing through the steps of the connection journey. They will transition into the live environment, using real data, in early 2023.

During this time, we will work with the participants to test our connection processes support and the functionality of the central digital architecture.

Consumer protection

PDP will be providing an update on consumer protection to clearly explain the extent the of obligations of pension providers and schemes, and dashboards providers. This will set out how consumers are being protected through the distributed regulatory framework, highlighting which regulator is responsible for ensuring compliance in relation to organisations' interactions with dashboards.

Industry readiness

As pension providers and schemes approach their compulsory connection windows, PDP will devote particular attention to raising awareness of the timeline and dashboards duties that they will need to meet. To achieve this, we will continue to engage with the pensions industry to help them prepare and work with regulators including The Pensions Regulator (TPR) and the FCA.

In early 2023, a connection hub will be available on the PDP website where schemes and providers will find a range of supporting content to help them commence the connection process. In addition, we will run webinars and a programme of engagement to support providers, schemes and other organisations who will be completing the process.

MaPS dashboard development

The Money and Pensions Service (MaPS) are in the process of developing a pensions dashboard that will be available to any person in the UK to use. Accessible through the MoneyHelper website, this dashboard will allow users to view all their pensions together in one place in exactly the same way as any other dashboard. Links to MoneyHelper guidance on pensions and retirement planning will also be available through the MaPS dashboard.

PDP continues to work closely with MaPS on the development of the front-end dashboard and preparing for connection to the pensions dashboards ecosystem.

Partner activity

Department for Work and Pensions (DWP)

After extensive collaboration between the Department for Work and Pensions (DWP) and its delivery partners, together with industry input, the draft Pensions Dashboards Regulations 2022 have been recently laid in parliament which marks a significant milestone in the delivery of pensions dashboards services. Alongside the regulations, DWP has also published the Government's response to the further consultation on the minimum notice period for the Dashboards Available Point (DAP) and the disclosure of information between MaPS and TPR, and draft guidance for schemes wishing to apply to defer connection.

The Department will work closely with industry and key stakeholders over the coming months to develop the framework, as broadly set out in the response to the further consultation, that will inform the DAP.

The Department is also working with the Programme to connect State Pension data as part of the upcoming testing phase.

Financial Conduct Authority (FCA)

After considering the responses received to consultation paper (CP22/3) and having regard to the Pensions Dashboards Regulations that Government laid in Parliament earlier this month, the Financial Conduct Authority (FCA) will soon finalise pensions dashboard rules for the pension providers it regulates. Making these rules will satisfy the statutory duty placed on the FCA by the Pension Schemes Act 2021. These rules, alongside the forthcoming PDP standards will give pension providers clarity and certainty on the obligations they must meet and the date by which they must meet them.

Government intends to make the FCA responsible for regulating commercial bodies that operate pensions dashboard services. It will achieve this by introducing a new regulated activity into the Regulated Activities Order (RAO). Once this legislative amendment is made, any firm wishing to operate a pensions dashboard service must (a) be or become FCA authorised; (b) obtain FCA's regulatory permission to undertake the new regulated activity; and (c) meet the FCA's requirements for firms undertaking this activity.

In advance of the RAO amendment, the FCA will publish a consultation paper later this year setting out its proposed regulatory framework for the operators of pensions dashboard services. PDP will publish its consultation on Design Standards alongside the FCA's consultation. The consultations will run for 11 weeks and all interested stakeholders are encouraged to consider the papers side by side and to provide insight and feedback on the proposals they contain.

The Pensions Regulator (TPR)

The Pensions Regulator (TPR) will be delivering a comprehensive package of communications to the schemes it regulates, in recognition that these are at different stages of awareness and preparation for the new duties. In June TPR published initial guidance for trustees to help them understand their duties. The guidance includes a checklist to help trustees track their progress, and is updated regularly as DWP's legislation and our standards progress. TPR has also recorded a webinar for trustees, with participation from PDP and DWP.

TPR has also begun writing to schemes about their duties – all schemes can expect several communications, starting at least 12 months ahead of their deadline. TPR has also launched a 'tracker' survey issued to all schemes ahead of their duties, to better understand how schemes are preparing and any challenges they face. This valuable, anonymised information will help inform future communications and tools to ready schemes ahead of their duties.

TPR continued its internal preparations to be ready to monitor, and regulate, compliance with the duties. It will be consulting on its proposed compliance and enforcement policy end 2022.