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Lord Young of Cookham
The Baroness Altmann CBE
The Baroness Drake CBE
The Baroness Sherlock OBE
Lord Vaux of Harrowden
Lord Palmer of Childs Hill

25th July 2023

My Lords,

THE PENSIONS DASHBOARDS (AMENDMENT) REGULATIONS 2023

Thank you for your attendance during the debate on the above referenced statutory instrument on 12 July 2023. I agreed during the debate I would write with further information in response to three specific issues raised by Lord Young, Baroness Altmann, and Baroness Drake. I have copied this letter to all Peers who spoke as I believe the responses will be of interest to all.

One Login

Lord Young asked whether it was the Government's objective that One Login will be utilised by the Pensions Dashboards Programme as the identity service provider.

I stated that the Pensions Dashboards Programme has procured an interim identity service provider, whose contract runs until January 2024. The Money and Pensions Service is engaging with officials in the Cabinet Office and the Government Digital Service, as well as the wider market, building on previous engagement work to identify all possible options that may comprise its new identity service delivery model.

I wish to clarify that at this stage, while the Money and Pensions Service is looking at both One Login and the wider market, it is not possible to confirm whether or not One Login will be used for pensions dashboards. The key focus for the Money and Pensions Service is to ensure inclusivity for individuals while meeting a verification standard that is appropriate both to Government (for example, for State Pension) and wider stakeholders.

Data Security

Lady Altmann asked me to explain how we are enhancing data security. During my closing speech, I provided some detail in response to this question, but due to time constraints, I committed to providing further information in writing.

I assured the committee that safeguarding consumers is absolutely fundamental to our approach, and pensions dashboards and the technology behind them are designed to maximise data security. Pensions information will be sent directly and securely from the scheme to the individual. It will not be stored centrally, either by Qualifying Pensions Dashboard Services or by the digital architecture. We will follow National Cyber Security Centre standards and best practice to ensure the appropriate level of security. They will detail the technical authentication requirements for communication between parties within the ecosystem, encryption requirements for all data in transit across the ecosystem and the requirements for security-testing interfaces to the ecosystem.

This will mitigate the risks of data theft and ensure data protection by guaranteeing all communication between parties within the ecosystem is appropriately encrypted, that parties are appropriately authenticated to each other when communicating and by ensuring that parties' technical interfaces to the pensions dashboards ecosystem will be regularly and independently tested for any vulnerabilities.

Individuals must pass the identity verification process in order to initiate a search, and they will always have control over who has access to their data and will be able to revoke access at any time. Only the Money and Pensions Service, Qualifying Pensions Dashboard Services, pension schemes or their contracted parties which meet the agreed standards and regulatory requirements will be able to connect to the digital architecture.

Qualifying Pensions Dashboard Services must be authorised by the FCA, meaning that only those firms which meet the requirements for the new regulated activity will be able to connect to the architecture and operate a dashboard.

Alignment of pensions dashboards with wider pensions policy objectives

Lady Drake spoke in the debate about key pensions public policy outcomes. Pensions dashboards support our priorities of fairness and adequacy. We want people to have choice and responsibility in relation to whether, how, and when they save for retirement. Pensions dashboards will be an important tool alongside existing provision which seeks to ensure that individuals are empowered by having the right information to make informed choices. The scoping work for the monitoring and evaluation of pensions dashboards is ongoing. The critical success factors should be viewed in tandem with the theory of change (see page 16 of the dashboards impact assessment), which outlines the changes we would envisage pensions dashboards bringing about. This will include increased engagement, a greater understanding and awareness of pensions, and better retirement outcomes.

The exciting package of pension reform documents published on Tuesday 11 July are aimed at helping improve member outcomes and link to our work to introduce pensions dashboards. For example:

- **Small Pots** – As outlined in the dashboards impact assessment, we recognise the growth in lost pension pots in recent years may be linked to the rise in deferred small pension pots. Both pensions dashboards and the plans set out in our recently published consultation on ending the proliferation of deferred small pots will help to tackle this problem. Pensions dashboards will help people track down lost pots and support member-led decisions to consolidate, whilst our proposals for authorised default consolidators will reduce the number of deferred small pots that members have.
- **Value For Money (VfM) framework** – As outlined in the [consultation](#), there may be a future opportunity to use dashboards to encourage savers to consider VfM assessments. Greater transparency is a key aspect and benefit of pensions dashboards and the increased engagement that dashboards will encourage should support use and understanding of value for money.

I hope this clarifies the position on the above matters. I will place a copy of this letter in the House library.

*My best wishes
James Younger*

**VISCOUNT YOUNGER OF LECKIE
PARLIAMENTARY UNDER SECRETARY OF STATE FOR WORK AND PENSIONS
(LORDS)**