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Frank Field MP  
Chair  
Work and Pensions Committee  
House of Commons  
London, SW1A 0AA

17 July 2018

*Dear Mr Field,*

**Urgent - Pensions Dashboard**

In the light of your welcome comments in today's Times article on the threat to the pensions dashboard (attached), I thought it would be helpful to provide some further briefing on the state of play and the central arguments for supporting its implementation.

Enclosed is a short slide deck summarising the key reasons why the DWP should continue to work with the long-term savings industry to implement a pensions dashboard. These include:

- The need for 9 million new auto-enrolled workplace savers to be able to keep track of their pension pots. Given the average worker changes jobs 11 times during their working life, the DWP itself estimates that 50 million pension pots will be lost by 2050 without a dashboard. Lower-end estimates suggest that £3bn, is already being held in lost pots.
- The importance of minimising the scope for scammers and fraudsters to operate in this space, especially given the opportunities and risks from the Freedom & Choice reforms.
- The creation of the dashboard is a key enabler for the remedies proposed in the final report of the FCA's Retirement Outcomes Review and is a central assumption in the TPR Innovation & Regulation Plan.

You will remember the ABI led a successful prototype project for HM Treasury and DWP that established a dashboard was technically viable and clearly in consumers' interests. There were always several different models for delivering a government-led public-private partnership to deliver the dashboard and DWP ministers chose last autumn to have a DWP-led project with industry support. Since then, DWP officials have done further project work and we are aware of no new material facts that should change the central assumption that delivery of this is a) in the public interest and b) doable with minimal operational risk. Similar dashboards exist successfully in Sweden, the Netherlands, Australia, Denmark, Israel and other countries.

DWP is the largest department in Whitehall and is funded by the taxpayer to do more than one thing at a time. There is no credible reason why this project should not be proceeding at pace given the work already done and the high levels of support from the industry, from your committee and from consumer groups. We would be grateful for any further support you can provide in ensuring this key project is not halted at the 11<sup>th</sup> hour.

I am copying this letter to the members of your committee.

*Yours, with best wishes,*

**Huw Evans**  
Director General

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## Minister 'wants to kill off' online pension tracker

Francis Elliott Political Editor

Millions of workers face losing track of their pension pots as Esther McVey, the welfare secretary, prepares to ditch an online dashboard that would help them to follow their savings.

The government promised the service more than two years ago to assist workers planning for retirement and to protect them from fraudsters.

It was announced by George Osborne but has the backing of Philip Hammond, his successor in the Treasury, and Theresa May.

An official consultation on the service, strongly supported by the pen-

sions industry and charities, finished in March but ministers have since remained silent about the next steps.

Sources say that Ms McVey, appointed in January, has moved to kill off the project. She is said to believe that the service should not be provided by the state and is a distraction from efforts to roll out universal credit.

She plans to wait until MPs start their summer holiday, the sources said. Last night industry figures launched a last-ditch effort to save the policy, which would cost taxpayers almost nothing.

The Association of British Insurers pointed out that one in five workers already admits to having lost at least

one pension pot and that an estimated £3 billion is sitting unclaimed in accounts. The industry needs government backing to set up the dashboard, forcing all providers to digitise their records and ensure a level playing field on how information is presented.

According to estimates by the Department for Work and Pensions (DWP), 50 million pension pots will be lost by 2050 without an official online hub to help workers to keep track of retirement savings through their careers.

The case for a government-backed "dashboard" is all the more pressing because of legislation to boost pensions' provision that has led to 9 million

workers being automatically enrolled on to workplace schemes in recent years, its supporters said.

Huw Evans, director general of the association, said: "It is vital the government stands by its promises on the pen-

sion dashboard. Without it, millions of people will be unable to track their pensions and vulnerable to fraudsters.

"The pensions industry is committed to helping but we need government involvement to ensure the system works fairly."

Dominic Lindley, author of a report on the pensions dashboard for *Which?*, said: "Given the complexity that consumers face in trying to keep track of

their pensions it would be a disaster if the government abandoned this policy."

Frank Field, Labour chairman of the Commons work and pensions committee, said he would be pressing Ms McVey to disclose her plans for the service. "This must be the first case of a secretary of state looking a gift horse in the mouth — and then kicking it in the shins," he said. "Horses so mistreated tend to misbehave."

A political aide to Ms McVey did not deny that she wanted to ditch the policy. A spokesman for the DWP said: "When we have an announcement to make we will make it."



# Pensions Dashboard



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# Compelling public policy that puts consumers first:

- There are 39 million members of workplace pension schemes. Of these 13.5 million are active members and the Government's Auto Enrolment policy has led to over 9 million new workplace savers.
- These people need to be able to find their pension pots. Already 1 in 5 adults admit to having lost a pension pot and there are an estimated £3 billion of lost pensions already. Without a dashboard, DWP estimates 50 million pension pots will be lost by 2050.
- The Government's Freedom & Choice reforms give people unprecedented ability to take their own decisions about retirement. But to do this safely, they need the right tools and information. Without it, people are very vulnerable to fraud and scams.
- The pensions dashboard is now woven into 9 different Government and regulatory policy strategies, including the Government's UK Digital Strategy, the FCA's Retirement Outcomes Review and the Cabinet Office's Dormant Assets Commission.
- It is a key principle of the Government's Data Protection Act 2018 that consumers should be able to take control of their personal data in a manner that suits them – as in HMT's Open Banking initiative.

## Universal support for the policy:

- There are no losers with this policy, only millions of winners.
- Cross-party support in Parliament and backed by the Work & Pensions Select Committee.
- Widely supported by consumer organisations such as Which?, MoneySavingExpert.com, AgeUK.
- Widely backed across the pensions & long-term savings industry, financial advisory sector and by the FinTech community.
- Supported by the public guidance services such as The Pension Advisory Service.

- Extensive HMT-sponsored prototype project delivered successfully ahead of schedule and on budget.
- Equivalent technology currently used in Sweden, the Netherlands, Denmark, Australia, Israel and others.
- DWP has provisional agreement for a Pensions Bill in the 2019/20 session which could provide the legislative underpinning.
- Several potential public-private partnership models could deliver the end result; a DWP sole project has never been the only delivery option. All, however, require Govt involvement.
- Could be up and running ahead by the end of this Parliament in 2021-22.