Summary note on Pensions Dashboard roundtable, 27 November 2018

Potential benefits

The dashboard would allow consumers to see all or their pensions in one place, help to reunite them with prior pension savings (or avoid losing contact with them) and help them to plan for the future by being more aware of what their retirement income might be.

Legislation – mandatory provision of data

There was general agreement that there was a need for the Government to bring forward legislation to require firms and schemes to provide access to customer data. This would create a level playing field. Without compulsion, not all firms or trustees would choose to provide data.

An incomplete dashboard could do more harm than good if people were making decisions based on partial information. For that reason, all pensions needed to be on the dashboard and the roll out period needed to not drag on for too long.

Much preparatory work could be done before the legislation was in place, but this would only happen if the Government had given a clear indication of its intent to legislate. Without that indication, it would be very difficult for firms to make the business case.

Independent governance

There was consensus on the need for independent governance. This was seen as crucial in ensuring that the dashboard worked for consumers and could command consumer confidence.

It was suggested that this might involve a board with a mix of consumer and industry representation.

The Government, along with the independent governance body, needed to set a clear roadmap for delivery.

Verifying identity

To make the dashboard happen, there was a need for a secure authentication mechanism to verify the identity of consumers—a single digital ID, along the lines of the Government's Verify service.

It was agreed that the Government had a role to play here, working with the industry.

Timescale

It was agreed that the Government had a role to play in setting a realistic timetable for delivery of the dashboard.

For large defined contribution schemes, this might be relatively short—perhaps a year to eighteen months, once the intention to proceed and method was clear and there was certainty about future legal requirements. Legacy DC schemes in particular may take more than a year to get on board.

For defined benefit schemes, depending on the information that the dashboard was required to show, it would take longer. DB presented more challenges when it came to providing a current value. Some schemes will have that information now, but for others there may be a longer implementation period, depending on the requirements of dashboard.

A period of perhaps 3 to 5 years was suggested.

There were concerns about the quality of data and administrative systems for some schemes—particularly but not exclusively occupational pension schemes, especially older DB schemes and some smaller schemes—and how long it might take to bring these up to the standard needed for the dashboard. Again, if the Government gave a clear indication of likely future requirements now, schemes could begin to prepare.

There was also a need to be realistic about the amount of time needed to develop the necessary regulation.

State Pension

The provision of State Pension information in the Dashboard was considered to be essential, and there was a general view that the Government's commitment made in the Budget was evidence that this would happen.

Regulation and consumer protection

It was generally agreed that providing a pensions dashboard should be a regulated activity.

There is a risk that a 'non-regulated' dashboard could make it easier for consumers to fall victim to scams or bad practice/poor advice. These risks already exist, but—without the right protections in place—the dashboard could enable existing types of fraud and misconduct to be 'industrialised'.

It was generally agreed that regulation and consumer protections needed to be in place before the dashboard went live, even if early iterations of the dashboard only provided read-only outputs of information to the consumer. All parts of the jigsaw (technology, data feeds and regulation) needed to be at a satisfactory level before the dashboard launched.

Multiple dashboards vs single dashboard

Most participants agreed that there should be at least one, non-commercial, 'public good' dashboard, likely hosted by the Single Financial Guidance Body, to enable synergies with the SFGB's pension guidance function.

There was also general agreement that a dashboard would be most effective if people could access it in places they already visited and where they were already engaged. But it was also recognised that there would need to be regulation to ensure consistency of the provision of information across multiple dashboards, via a single pension finder service, as well as a need to protect consumers' rights and ensure they remained in control of their data.

Advice gap

Concerns were raised about the capacity of the Single Financial Guidance Body to cope with increased numbers of people seeking pensions guidance, prompted by the dashboard. There needed to be space for providers to develop guidance to meet demand.

The wider problem of a scarcity of affordable financial advice was also raised. It was noted that the dashboard has the capacity to reduce the cost of financial advice, as advisors will have easier access to the data that they need to provide a recommendation.

Future development

It was generally agreed that developing the dashboard would be an iterative process rather than a one-off task. There was a need to set out a plan for the initial concept of the dashboard (somewhere where an individual can see what they have), which could then be further developed in future.

Future possibilities suggested for the dashboard included:

- showing projected future income, rather than simply the value of pension pots (though it was also noted that, according to consumer research, consumers wanted the Dashboard to show pension savings in terms of annual income rather than as a pot from the outset)

- offering guidance about saving and planning for retirement, especially for people at an early stage of saving

- giving information about fees, terms and charges (transfer value, exit fees, guarantees, employer contributions and so on)

- consideration needed to be given to whether future versions of the dashboard could offer transactions as well as information