

In a nutshell – Pensions Dashboard Feasibility Report

The Government's feasibility report on the Pensions Dashboard was launched earlier this week (3 December), outlining the future for a potential Pensions Dashboard in 2019. With the full report, 'Working together for the consumer', standing at 57 pages long Aries Insight has broken down the key points and takeaways 'in a nutshell'.

So, what do people actually want from a pensions dashboard...

The report confirms previous research and general industry opinion, that potential users of the dashboard have a strong preference for the following:

- A single dashboard with a single point of access (respondents cited data security, trust and simplicity in an area already seen as too complicated as key reasons)
- A government-sponsored dashboard (respondents again cited reasons of data security and trust as well as fear of commercial bias)
- The service to be an information service and not be used to sell products
- Pension information to be complete from first use

...And what will we actually get?

Unfortunately, what the potential users will end up with as a result of the government's response yesterday is a little different:

- There is to be a single non-commercial dashboard, facilitated by the Single Financial Guidance Body; but tellingly, the report uses the word dashboards (plural) throughout and in the wake of this single dashboard will appear a variety of commercial dashboards which the report acknowledges will risk confusing users
- Being 'commercial', these will of course be sales-driven. This is an inevitable consequence of the Government's decision that all the Government is going to pay for is the enabling legislation and the cost of making State Pension data available.
- Everything else has to be industry-funded, somehow; so providers have clearly used this leverage to obtain clearance for multiple dashboards. The report justifies this by supposing that "improved consumer choice through innovation and potentially increased competition" – but many are already concerned over sales-driven, rather than consumer-focused, platforms.

Other key points, whilst seemingly done with the best intentions and reaching towards the goals outlined by potential users, are not as promising as first glance implies:

- Although inclusion of the State Pension is admitted to being critically important, there is no commitment to how or when; merely a statement that "subject to the delivery timetable, a link for Check Your State Pension can be made available for an interim period" (para 27)
- '[F]or practical reasons, Public Sector Pension Schemes, Defined Benefit (DB) and DB/DC Hybrid schemes should be given longer lead-in times" (para 176) - so pension information will certainly not be complete from first use. No explanation of "practical reasons" is offered
- How to value Defined Benefits? One way, Cash Equivalent Transfer Values, is dismissed because of unattributed suggestions that doing so "might unduly encourage" transfers out (para 188); no alternative is considered
- Funding is very uncertain; there is a vague reference to the possible use of industry levies (para 236)
- Whilst the assumption has been made that Master Trusts will be able to provide scheme data by 2019/2020, and that all schemes will be able to provide all data by 2023, there is no guarantee that this is possible in practice

About Aries Insight

Aries Insight deliver solutions and expert information systems to handle the complex regulatory environment for pensions in the UK. Combining a deep knowledge of pensions with well-honed systems engineering and a keen sensitivity to the needs of the pensions professional, the Aries Pensions System is the foundation of the pensions technical support service now used by around 130 organisations throughout the industry: consultants, administrators, life offices, pension funds and specialist providers.

Other Aries Insight solutions include SIPP and SMPI illustration programs and more information can be found at www.ariesinsight.co.uk

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