GOWLING WLG

GETTING READY FOR DASHBOARDS – WHAT TRUSTEES NEED TO DO

FEBRUARY 2023 UPDATE

Time is running on fast for trustees to prepare for their upcoming staging deadlines for connection to pension dashboards. We expect that most schemes have identified their staging deadlines and are now working to get their data and systems ready for connection to the dashboard (but if you haven't, please refer to the table at the back of this note for a reminder).

Guidance and consultations on dashboards are being published at a fast rate and this note aims to update trustees on some of the key issues to be aware of as staging deadlines approach.

Being ready to comply, fully and on time, is vital. Firstly, for your members' experience. And secondly, because you will want to avoid penalties and TPR scrutiny.

Links to relevant materials are at the end of the note for further reading.

Summary
The key activities for all schemes in 2023 should be:

1. **Getting your data ready** – this is your number one priority. Work closely with your administrators to execute a comprehensive data cleanse and update

2. **Selecting your matching criteria** – work with your administrators to determine what data set you will use to respond to find requests

3. **Administration agreements** – talk to your administrators about what changes might be needed to your existing agreements to deal with dashboards and, more generally, have a governance plan in place to oversee the administrator's work

4. **Risk assessment** – take time to assess the key risks involved in the dashboard programme, including data protection and cyber risk, and how you will seek to manage them

5. **Remember AVCs** – we expect that consideration of AVCs could be disproportionately complex and time-consuming, but you need a plan to include them

Getting data ready

In 2023, schemes must push to get their data ready before their staging date. Data needs to be accurate, and in a format which is compliant with the digital architecture of the dashboard programme.

Both missing and incorrect data pose substantial risks to pension schemes. They may lead to a large proportion of incorrect, partial or false positive matches in the dashboard system, thereby reducing the usefulness of and trust in the system. Focused attention should be paid towards quality of data and particular areas of risk, which may include legacy or paper data, and data from multiple

administrators. It is important not to forget your **AVCs** in this too. Integration of AVC data may be a particularly tricky issue and it will be worth considering this early to make suitable plans.

Trustees are responsible for deciding what **matching criteria** to adopt. It is expected that they will work with administrators on this and guidance has been published by both TPR and PASA regarding matching data. Administrators may, in practice, recommend what matching criteria to set but trustees should be confident that the correct data is being identified, they understand the flow of data, and they have planned how to manage the associated risks.

As part of this, trustees should consider the risks of data being sent to the wrong individual. It's hoped this risk will be limited by the identify verification and Find Data process, but it's not clear how obvious it will be to an individual that they are in fact viewing someone else's data.

Good data management and data quality therefore needs to be at the top of schemes' priority lists for 2023 when getting ready for dashboards. At a time when pressure will be on administrators like never before, it is essential that you are closely overseeing the work of your administrator in this regard.

Managing data protection risks

Data protection risks come hand in hand with managing and dealing with personal data. Trustees need to balance their duty to carry out their requirements under the dashboard legislation[1] (such as setting matching criteria) along with satisfying UK GDPR requirements.

Trustees should think about the following ways of managing these risks:

- Consider completing or updating any existing **data protection impact assessment (DPIA)** and discuss with your administrator. Data matching, combining and comparing are all operations that require a DPIA under UK GDPR.[2]

- Put in place a **data sharing agreement** which accounts for the controller to controller relationship between MAPS, DWP, the trustees and other dashboard providers. The agreement will need to cover the requirement for data minimisation (ensuring that schemes only use what they need), timeframes and data sharing. It is not yet known whether MAPS and/or dashboard providers will produce a standard form data sharing agreement to help reduce complexity.

- Check and update **privacy notices** to cover the provision of data to MAPS (and eventual dashboard providers) and to reflect the legal basis for processing and sharing data to include pension dashboards.

---

[1] The Pensions Dashboards Regulations 2022

[2] Article 35(4) UK GDPR

Administration agreements

Administration agreements should be considered in light of additional services carried out as a result of the dashboard. Variations may cover:

- Preparation of data, systems and services for dashboard requests
- Connecting administrator systems to the chosen integrated service provider ("**ISP**")
- Engaging in dashboard requests
- Liability (e.g. who is liable if a member complains about incorrect data on the dashboard?)
- Security standards (to match NCSC standards e.g. encryption)
- Additional volume in contact centre calls if members have questions or if lots of partial matches are returned

Substantive amendments (or even new agreements) may be necessary where an administrator acts as an ISP.

Compliance and enforcement

TPR has powers to issue **penalties** of up to £50,000 for non-compliance. Helpfully, TPR has released a consultation on its compliance and enforcement policy setting out its key areas of focus.

TPR states they will focus strongly on connection compliance. This includes connection by a scheme's statutory deadline, connection of the scheme's whole membership and entitlements (e.g. AVCs) and continuing connection at all times.

TPR also expects schemes to operate adequate internal controls in line with its single code of practice. Schemes should have clear audit trails evidencing compliance, which includes keeping records of their matching policy and the steps taken to improve their data.

Trustees may take some comfort from TPR's *"risk-based and proportionate approach"* to enforcement. TPR states that they will consider a wide range of factors before deciding whether regulatory action is necessary (such as the nature and scale of the impact and number of members affected). This suggests that blanket fines for breaches won't be applied, and instead a more nuanced and balanced approach will be taken.

The policy acknowledges that schemes will be highly dependent on third parties in order to comply with their duties. TPR can issue compliance notices to third parties (e.g. administrators) where they consider they have caused the trustee, wholly or partly, to breach the legislation. We therefore recommend trustees are pro-active in engaging with compliance, and speak to their administrators to resolve and mitigate risks to the extent possible. Importantly, trustees should have the audit trail to evidence this.

Next steps

We recommend trustees carry out the following actions:

- If not already done, work with administrators to produce a detailed project plan and establish how the board will oversee the administrator's work

- Carry out a data review and cleansing project to prepare the scheme's data in the form required for dashboards
- Carry out a data protection, cyber-security and data-risk assessment and consider whether a DPIA will be required
- Seek comfort from your administrator about how it will meet the various standards required by the dashboard programme
- Consider any variations required to the administration contract

Materials for further reading…

- TPR initial guidance on dashboards, including on matching - TPR Initial Guidance on Dashboards

- PASA guidance on data matching conventions - Data Matching Convention Guidance

- PASA guidance for master trusts - Master Trust Pensions Dashboards Guidance

- TPR consultation on compliance and enforcement policy - Dashboards compliance and enforcement policy: consultation document

- PASA Pensions Dashboard Working Group page - PASA webpage for dashboards

- PLSA Dashboards guides - PLSA dashboards documents

- Pensions Dashboard Programme - PDP homepage

Staging Deadlines

PART 1

Large schemes

Cohort	Scheme type	Number of relevant members at reference date	Staging deadline
1(a)	DC master trust schemes	20,000 or more	31 August 2023
1(b)	money purchase schemes used for automatic enrolment DC master trust schemes	10,000 or more 10,000 – 19,999	30 September 2023
1(c)	money purchase schemes used for automatic enrolment DC master trust schemes	5,000 – 9,999	31 October 2023
1(d)	non-money purchase schemes, other than public service pension schemes hybrid schemes any remaining money purchase schemes	20,000 or more	30 November 2023
1(e)	money purchase schemes used for automatic enrolment DC master trust schemes	2,500 – 4,999	31 January 2024
1(f)	money purchase schemes used for automatic enrolment DC master trust schemes	1,000 – 2,499	29 February 2024
1(g)	non-money purchase schemes, other than public service pension schemes hybrid schemes any remaining money purchase schemes	10,000 – 19,999	31 March 2024

Cohort	Scheme type	Number of relevant members at reference date	Staging deadline
1(h)	collective money purchase schemes	all sizes	30 April 2024
1(i)	non-money purchase schemes, other than public service pension schemes hybrid schemes any remaining money purchase schemes	5,000 – 9,999	30 June 2024
1(j)	non-money purchase schemes, other than public service pension schemes hybrid schemes any remaining money purchase schemes	2,500 – 4,999	31 July 2024
1(k)	non-money purchase schemes, other than public service pension schemes hybrid schemes any remaining money purchase schemes	1,500 – 2,499	31 August 2024
1(l)	non-money purchase schemes, other than public service pension schemes any remaining hybrid schemes any remaining money purchase schemes public service pension schemes	1,000 – 1,499 all sizes	30 September 2024

PART 2

Medium schemes

Cohort	Type of pension scheme	Number of relevant members at reference date	Staging deadline
2(a)	relevant occupational pension schemes	850 – 999	31 October 2024
2(b)	relevant occupational pension schemes	750 – 849	30 November 2024
2(c)	relevant occupational pension schemes	600 – 749	31 January 2025
2(d)	relevant occupational pension schemes	500 – 599	28 February 2025
2(e)	relevant occupational pension schemes	400 – 499	31 March 2025
2(f)	relevant occupational pension schemes	320 – 399	30 April 2025
2(g)	relevant occupational pension schemes	250 – 319	31 May 2025
2(h)	relevant occupational pension schemes	195 – 249	31 July 2025
2(i)	relevant occupational pension schemes	155 – 194	31 August 2025
2(j)	relevant occupational pension schemes	125 – 154	30 September 2025
2(k)	relevant occupational pension schemes	100 – 124	31 October 2025