Cross-Industry Project Group
Prototype Demonstration

28 March 2017
Executive Summary

• The pension dashboard prototype has been built and it works, showing that it is possible to build the “plumbing” to connect multiple pension schemes and providers to dashboards and for people to see all their pensions in one place.

• The prototype project also shows that a dashboard infrastructure can be delivered and that the industry can work with FinTech providers to make it happen.

• Coverage is key for a service that will be useful to consumers given people already have multiple jobs during their working lives and this trend is increasing.

• Much work is still needed to deliver in 2019 but there is great momentum which we would like to build on.
Background – Policy drivers and consumer needs

- **Budget 2016:**
  - “Government will ensure industry designs, funds and launches a pensions dashboard by 2019”
- **Auto-enrolment:** millions of new pension savers
- **Freedom and Choice:** consumer expectation of control
- **Remedy in FCA Financial Markets Review**
- **Remedy in FCA Retirement Income Market Study**

- 11 pension pots during an average career (DWP)
- Very time-consuming to obtain pensions overview
- £400 million in unclaimed pension savings (DWP)
- £400+ million dormant assets (Dormant Assets Commission)
- Increasing longevity but decline of DB pensions in private sector makes better awareness of retirement preparation key
- Consumer expectations rising given on-line experiences elsewhere

Policy drivers reflect consumer needs – several policy objectives benefit from Pensions Dashboards.
Pensions landscape:
The size of the challenge

Sources: ABI, TPR, HMT and FCA data 2016

Complex landscape of (conservative estimate) 64 million pots – but around 300 parties administer 80% of pots. All would need to share basic clean data at members’ request so they can find their pensions.
Pensions Dashboard Prototype Project

Purpose:

“The purpose of the pension dashboard is to enable consumers to gain a holistic view of all their pension pots. This will help ensure that consumers don’t lose touch with their pensions, can get a sense of their overall preparations for retirement, and empower them to make decisions”

Prototype Project objectives:

1. Agree and document the design of an [initial] infrastructure for data sharing
2. Build and demonstrate a basic working prototype using anonymised [data]
3. Learn lessons on challenges and potential solutions for future industry-wide dashboard infrastructure

Terms of Reference and Vision as adopted by Steering Group Sep 2016

Cross-industry project – the pensions dashboard prototype is the first but very important step in the journey to launch services in 2019
ABI acts as project manager to deliver HMT’s Pensions Dashboard Prototype for March 2017. Some 17 pension firms came together to contribute as Project Group members, including 6 non-ABI members.
Agile collaboration in three phases

**Discovery: Sep to Dec 2016**
- Coalition of 17 pension firms
- Resources secured for project
- Project scope agreed
- Data standards for prototype
- Architecture for prototype
- Identity standards for prototype
- User (Customer) stories for prototype
- 80 FinTechs invited to bid ‘pro bono’

**Development: Jan to Mar 2017**
- 6 FinTechs chosen from 21 bidders
- 17 pension firms agree test dataset
- Basic consumer research conducted
- DWP agree test dataset
- 3 pension firms develop new systems
- 6 FinTechs invest £1m in prototypes
- Two parallel prototypes developed
- ‘Plumbing’ shown to deliver results

**Demonstration: Mar to May 2017**
- Demonstration to Government
- Challenge Panels showcasing prototype and proposals for the future with stakeholders
- Tech Sprint bringing together FinTechs to explore innovative ideas for the future post-2019
- Lessons learned and next steps

Industry and FinTech have come together to deliver the prototype project proving the technology.
Consumers choose a dashboard. Solution needs Pension Finder Service(s), DWP, Identity Providers and firms connecting directly or using 3rd parties (ISPs). **No connection = no pensions found**
Simple four-step process for consumers

**Step 1: Identity Verification**
Consumers:
- Access trusted 3rd party offering identity assurance to Government standards
- Register with identity provider first and then login every time they access the service (like gov.uk verify).

**Step 2: Customer Consent**
Consumers
- Consent to the sharing of their identity information with the dashboard and to the T&Cs of the dashboard

**Step 3: Find (& Value) Pensions**
Dashboard / PFS
- Finds and values consumer’s State Pension and all pensions in firms connected to the pension finder service(s) directly or indirectly

**Step 4: Review Information**
Consumers
- Review the information and share it with advisers if desired
- Contact firms if any pensions missing

Consumers should find using a Pensions Dashboard as easy as using any other modern secure service – key steps are verification, consent, find/value and review.
An example customer – Noah

Noah is nearing retirement. He is struggling to track down his pensions although he knows he has several. It doesn’t help that he has changed address recently and has lost touch with some firms.
Whether we use Prototype A or Prototype B doesn’t matter to Noah. The project’s FinTech Development partners have built two end-to-end systems to common standards.
Step 1: Verification

You're moments away from seeing all your pension pots in one place.
Let's get you in...

Email Address you use as your Identity logon...

Email

1. Do you already have a GOV.UK Verify?

   [I have a GOV.UK Verify ID]
   [I don't have a verify ID]

GREAT! You already have everything you need.

Log in with GOV.UK Verify

Noah has registered to use gov.uk verify to do his tax return so he just has to verify his identity (login) with the trusted Identity Provider of his choice, in this case Experian.
If we had chosen to show the alternative prototype, Noah would have had a similar screen including different trusted Identity Providers such as SecureIdentity.
Step 2: Consent

Noah needs to consent to his personal details being shared by the Identity Provider(s) and the Pension Finder Services and pensions firms, and accept any Privacy Policy and T&Cs.
Step 3:
Find and value

One click from Noah sends out dozens of messages to the DWP, pension firms connected directly to pension finder services or via integration service providers. Pension firms use National Insurance number, surname and date of birth as search criteria in the prototypes.
8 pensions are listed (including 2 thought lost) and a handy summary – it will be up to regulators and the governance body to determine what can and cannot be displayed beyond the ‘raw’ information received from DWP and from pension firms.
DWP provides State Pension (per Check State Pension service). In the prototypes, information is based on test data rather than connections to live systems at DWP. Further work is required to finalise and build the necessary adapter to connect to live DWP systems.
Defined benefit and defined contribution pensions are found. Data standards are set at the minimum necessary to provide basic ‘find and value’ services. To be useful to consumers, all schemes (and especially DB schemes) must provide such data to standards.
The policies of any governance body and regulators are implemented in a registry which is managed by the Pension Finder Service(s). ‘Find and Value’ messages go only to registered firms. The prototype monitors the messages which go between all parties.
What is needed to make Dashboards a reality in 2019

- Coverage is key. Dashboards will only be used if they are comprehensive, or near-comprehensive. They therefore need to cover the State Pension, DC pensions and DB pensions (both in the private and the public sector).
- The regulatory framework for the dashboard infrastructure needs to strike a balance between innovation and consumer choice and consumer protections – dashboards must not be a vehicle for scammers or lead generators.
- A governance body and / or implementation entity is needed to establish data standards, data security, data sharing agreements as well as a commercial model.
- Wide consultation with stakeholders is desirable to ensure the dashboard infrastructure has public legitimacy.
- Procure development suppliers and build live services.

The Pensions Dashboard Prototype Project has shown industry can come together to solve the technical aspects of the challenge – the path to 2019 now requires further commitment.
Project Group and Development Partners

Delivery of the Pensions Dashboard Prototype March 2017
Thank you