The Pensions Dashboard: Will It Be A Game-Changer?
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Hosted by: Publicis.Sapiens

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Pensions Dashboard – story so far and what next?
- The pensions dashboard was announced in 2016.
- The effort is being pushed by the Association of British Insurers (ABI) on behalf of the Treasury and the Department of Work and Pensions (DWP).
- Its scheduled delivery date is 2019, but this was scheduled long before the snap elections, and implementation will likely be delayed.
- The effort is being supported by 20 pension providers and 6 fintech firms.
- Crucially, an early prototype has been built and proven to work.
- Though conversation of the pension's dashboard portrays it as a "Silver Bullet" – defined as a simple and seemingly magical solution to a difficult problem – client engagement with pensions issues remains a barrier.

The policy foundations
- Four former pensions ministers have held responsibility over the pensions dashboard since its initiation in 2016, so there's been a consistent revolving-door problem.
- Nonetheless, progress has been made, and in the recent budget, supportive language has provided reassurance that the project remains a priority for the government.
- Since its launch in March 2016, the pensions dashboard project has been able to achieve a rare, cross-industry consensus. Among the parties brought together are 16 providers and consumer advocacy group Which? The project has also been endorsed by both government and the opposition.
- The key recommendations to have emerged include:
  - Pension schemes and providers should be compelled to allow consumers to access and share their data (as voluntary action doesn't yield sufficient progress).
  - An impartial "implementation entity" should be charged with the commissioning and infrastructure upkeep of the dashboard.
  - There ought to be a non-commercial dashboard available.
  - A strong regulatory regime to protect consumers (akin to what has taken place with open banking).
  - Consumers already have a right to data portability and this project should extend this right to the pension space.

Fintechs in the pension space

From a fintech point of view, the pensions dashboard is a three-stage effort:

- o Reunite people with lost pension pots.
- o Allow people to have all their financial information in one place.
- o Drive engagement.

- The first stage is by far the most complex, and is expected to take several years, especially for legacy providers. However, newer schemes are starting off with cleaner data, much of which is already digitised.
- While in 2017 the biggest ask from customers was an app, in 2018 it has been open banking integration, specifically into service platforms of other app providers.
- There is a real opportunity to address the UK's long-term savings crisis by bringing pensions into open banking. By using tools to analyse spending and find savings, open banking would enable these savings to be redirected into a pension pot.

The perspective of a legacy provider

- The UK pensions market is among the most fragmented in the world. Data shows that there are 4 million more pension pots than users – an outcome of people moving around in low-paying jobs. With defined contribution, this problem is only expected to grow.
- On the other hand, there's a real behavioural challenge: most consumers simply aren't interested in their pensions. By and large, people are hardwired to look to short term gains over long term potential.
- The public interest must be at the heart of efforts to change. There are significant difficulties with using open banking as a model, not least the uncertainty over the final amounts in defined contribution pensions.
- Consumers have a right to their data, but at the same time, the dashboard needs to be built without generating a mis-selling crisis.
- What kind of data should the dashboard display? Is it designed to be a consolidation vehicle or a register?

  Examples from other countries

  - In Australia, the pensions register is built via the Tax Office, to which pension providers must report inactive pots. The Tax Office is then charged with reuniting the individual with their pot and directing it to their new pot. Engagement, however, remains low
  - Even in Sweden and Denmark – digital societies that have overlaid the dashboard on digital processes and are considered to be the most successful in their dashboard efforts – only 50% of the public has registered to use the dashboard.
  - In light of the UK's paper-heavy, highly fragmented pensions landscape, the primary effort should go towards simply getting all the data gathered in a way that allows consumers to access information about which pension pots they have.

Upcoming Events

22 November: Appraising Fintechs: Performance Lessons and their Path to Sustainability
3 December: London Mortgages Forum
6 December: Changing Agency Models