



Pensions dashboards near the end of the beginning

It has taken almost a decade to build the pensions dashboard. But the first deadlines for connection are now just months away

During his 2016 Budget announcement, then-Chancellor of the Exchequer, George Osborne, announced plans for pensions dashboards, which would be available to the general public by the close of 2019.

Dashboards have endured a difficult birth. Nine years of stop-start development – including a complete pause and reset in 2023 – have frustrated the industry. “It’s been very slow progress,” says Moneyhub chief commercial officer, Dan Scholey.

But progress has been achieved. The first deadline for connecting to the dashboards arrives on 30 April, by when master trusts with at least 20,000 members must have connected. Eventually, by 31 October 2026, all schemes within scope of the regulation will have to be connected to the dashboards. Schemes with at least 100 relevant members at the scheme year end between 1 April 2023 and 31 March 2024 must connect to pensions dashboards.

The Pensions Regulator (TPR) has warned the pensions industry of stark

consequences for failing to meet their obligations over dashboards, threatening enforcement action as well as setting out the human cost of failure.

“If we reach the stage of having to use our powers against the trustees or scheme manager of a scheme, it means savers are already at risk of not getting the full picture of their retirement savings,” wrote TPR executive director of strategy, policy and analysis, Nina Blackett, in a September 2024 blog post.

While the testing process has not been without its challenges, the industry is broadly optimistic about the pensions dashboards. “It feels a lot like a snowball... we now have a bit of momentum behind it,” says Scholey. “Testing’s going well.”

Well-received by industry

The pensions industry has all hands to the pump as the first connection deadlines approach.

The Pensions Dashboard Programme (PDP), which is spearheading the initiative, updated its draft reporting standards in November 2024 after

Summary

- The first deadline for connecting to pensions dashboards falls on 30 April.
- Trustees and administrators need to work together on member data.
- The Pensions Regulator has warned the industry over failing to meet dashboard requirements.

consulting with industry. Among changes to previous draft standards, issued in November 2022, are a new initial requirement that pension providers and schemes only be required to keep records from April 2025. A separate obligation to send data to the Money and Pensions Service pensions dashboards will come into force at a later date, while operational monitoring has been removed and reporting requirements for dashboards will be finalised at a later date.

The PDP does not anticipate significant changes to its reporting standards before seeking approval from the government and aims to publish its final standards in the first quarter of this year.

The Financial Conduct Authority (FCA), meanwhile, published its final rules and framework for pensions dashboard service firms in November 2024, splitting its rules into two categories: ‘High standards’ for all FCA-regulated financial services firms, and the rules that apply to firms specifically operating a pensions dashboard service.

“There’s a vast amount of work underway as schemes get ready to start connecting from April,” says Simplify Consulting wealth consultant, Nina Cherry. The PDP has shared an integration test pack for providers to use, and at least two volunteer participant organisations have completed integration testing to the dashboards ecosystem, she observes.

“An initial preview of the MoneyHelper Pensions Dashboard (MHPD) was well-received by industry insiders,” Cherry continues. Preparation

for citizen user testing of MHPD is comprehensive, however as it will use real member data, it is heavily dependent on some schemes being connected.”

This testing, which is due to start in the coming months, will be split into two phases, Cherry notes, with the first phase being smaller scale and conducted in-person with moderators watching on. The second phase will be larger scale, and carried out remotely.

Pensio founder, Martin Freeman, wants more transparency from the PDP on how testing is going. “We don’t get a lot of information about how the infrastructure is progressing,” he says.

A PDP spokesperson said: “The PDP has a strong collaborative approach between industry, regulators and government. Alongside our twice-yearly progress reports, we are continuously updating and engaging with pensions organisations through working groups run by the programme and industry, as well as numerous speaking engagements and information on our website.”

Trustees and administrators need to work together

Trustees should be familiarising themselves with the expected flow of information from regulators, says Broadstone pension dashboard delivery manager, Jon Pocock.

“The first thing that their administrators should be asked for is a view on the members’ data held and whether it is appropriately accurate for matching and production of estimated retirement income (ERI) in line with scheme rules,” he continues.

“If the member data is proven to be inaccurate or have demonstrable gaps, the administrator and trustees should be developing an improvement plan to demonstrate how weaknesses are going to be overcome.

“Furthermore, it

is known that many schemes currently only calculate a member’s estimated retirement income on request, particularly for deferred members. Trustees should be asking their administrators how they are going to ensure that ERI is calculated and their plans for ensuring that they are completed appropriately for the connection date.”

Providers ‘bear the brunt’ of TPR rules

The dashboards’ development has proven challenging in some aspects.

“Certain metrics have proven particularly complex and open to interpretation, with many providers still working through how to calculate things like ERI,” says Cherry.

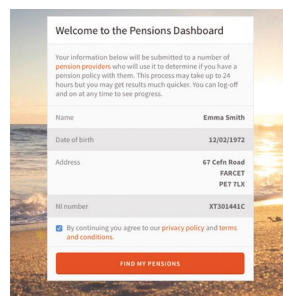
“Data cleanse requirements have been put forward by TPR, and whilst these are ultimately the trustee’s responsibility, it is the providers who are bearing the brunt of actioning these.”

For the schemes connecting in June 2025, Aon partner, Paul McGlone, predicts that the public will not likely have access until late 2026.

Testing could identify a number of issues, including how members are using the service, issues with technology or with data quality, he observes, suggesting that the date at which members can access the dashboards could in theory be pushed back in the event of any problems. “That’s the safety valve that the whole industry has got”.

McGlone warns that “it is effectively impossible to comply with the regulations as they stand,” observing that

the regulations require that the figure attributed to a deferred member is no more than 12 months previously – meaning, McGlone says, that every statement has to be produced on the same day



or earlier than in the prior year. “That doesn’t work,” he says.

“There’s no good reason why the regulations needed to be so tight,” he continues. “We’re writing to clients

saying, ‘we cannot guarantee you’ll comply because these things are so prescriptive.’”

Consumer demand is there

In 2021, research commissioned by the Association of British Insurers found that half of the public struggles to find its pensions information, a proportion that rose to nearly 60 per cent of younger people. In contrast, countries such as the Netherlands and Denmark have long operated pensions dashboards.

“The demand from consumers is absolutely there,” says Scholey. “The feedback from consumers is hugely positive, both from the opportunity it provides, but also in terms of how the data’s represented and understanding it. They’ve not seen anything like that before and they’re very excited.”

“The overriding word is ‘control,’” he continues. “Control over their destiny, control over their future.” Scholey emphasises the need for “post-view services” to help savers make use of their pension information, chiefly for the mass market of consumers who don’t have access to financial advice.

“They don’t want to spend ages learning it all, they just want to know what the next best action is.”

McGlone advises schemes to exercise patience upon the launch of the dashboards.

“We will learn more in the first six months of these things being live than we’ve learned in the past six years of getting ready,” he says. “Don’t try to over engineer and get it all perfect, because it won’t be.”

Written by Alex Janiaud, a freelance journalist

