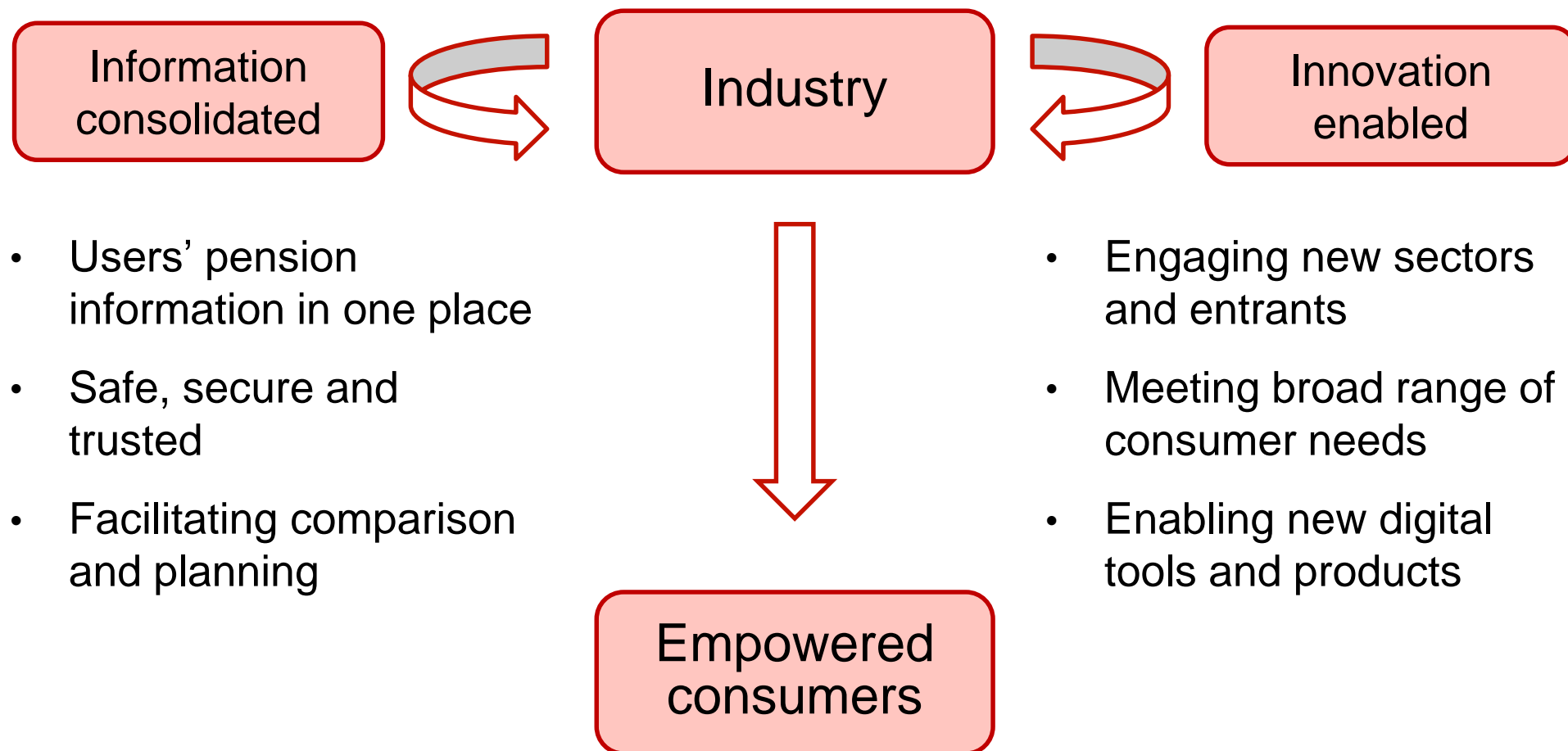HM Treasury

Governance of the Pensions Dashboard

The Government Perspective

Agenda

1. The Vision - HMT

2. Issues, approach and questions – Project Group

3. Group discussions – All

4. Wrap-up and close - HMT

The Vision

Information consolidated	Industry	Innovation enabled

- Users' pension information in one place

- Safe, secure and trusted

- Facilitating comparison and planning

Empowered consumers

- Engaging new sectors and entrants

- Meeting broad range of consumer needs

- Enabling new digital tools and products

Effective Governance

Open	Flexible	Trustworthy

Open

- No monopoly of wisdom

- Encourages innovation

- Allows new entrants

Flexible

- Accommodate diverse providers

- Accommodates diverse products

- Adapts to policy and technological change

Trustworthy

- Places consumer needs first

- Consumers have faith in products

- Supports secure and reliable data sharing

The stages

Now	Voluntary collaboration	Building a prototype infrastructure
Spring 2017	Sharing prototype for feedback	Exploring consumer-facing products
To 2019	Industry-wide rollout	Governance and regulation

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

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Nearing the end of the second of three phases

Discovery Phase – September 2016 until November 2016
- Initial scoping, outline solution and approach to build phase
- FinTech and others invited to seek to partner in Development phase

Development Phase – December 2016 to March 2017
- Partners confirmed for Development phase
- Phase where the prototype will be developed in a series of 'sprints'
- These will include rounds of user testing and challenge

Demonstration – March 2017 onwards
- Project participants and HM Treasury to demonstrate the prototype and create wider discussion and understanding of the dashboard's potential in a series of events with wider industry

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Pensions Dashboard Ecosystem –
Find Me, My Pensions & Their Value
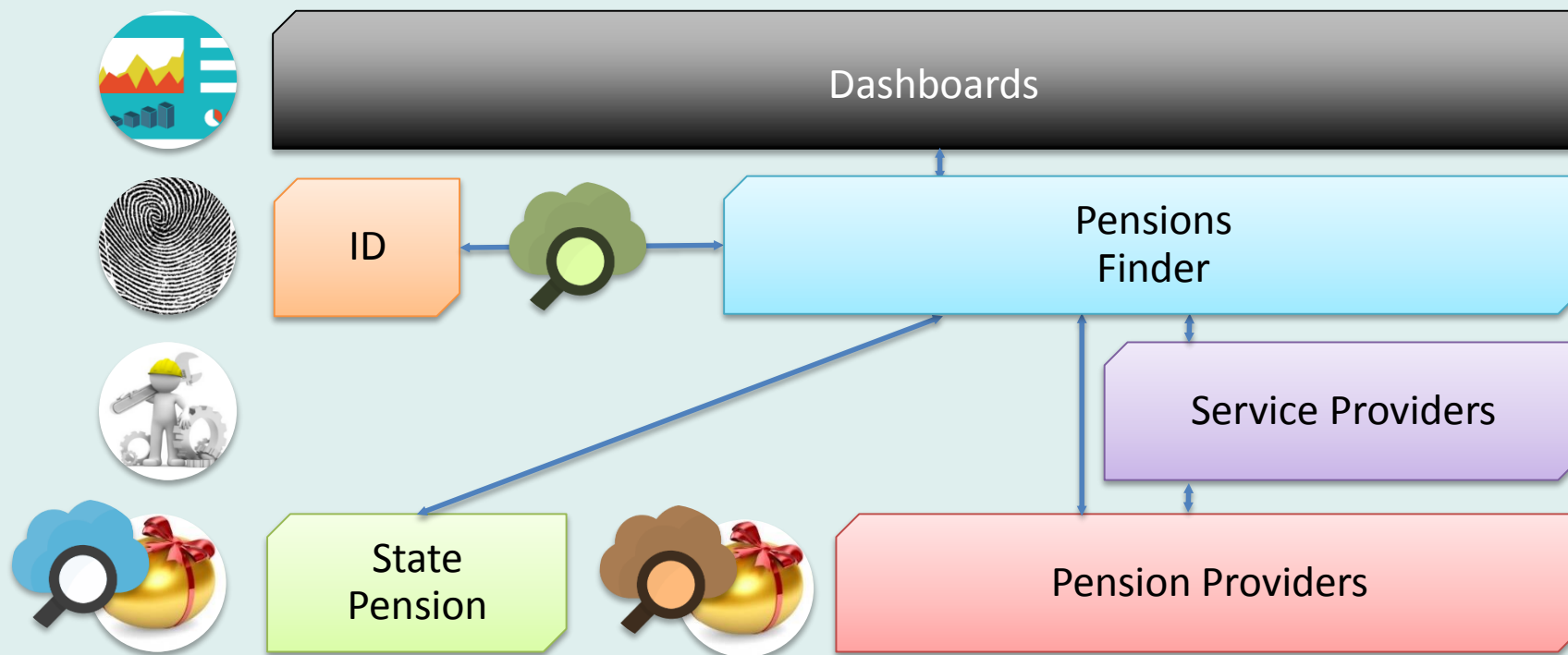
Pensions Dashboard Governance

The governance workstream includes contributors from insurers, Master Trusts, SIPP providers, and administrators.

Purpose:

"The purpose of governance is to support the overall purpose of the dashboard, by enabling usage and coverage, securing the network, engendering trust among network participants and users and setting the direction of travel."

Prototype Project deliverables include:

"*identify the **governance issues** associated with delivery of the back-end dashboard infrastructure, and propose potential industry-wide solutions*".

Terms of Reference and Vision as adopted by Steering Group Sep 2016; Steering Group Jan 2017

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Assumptions

The governance workstream has made certain assumptions about the context in which the governance structure will operate.

Assumption	Why?
It will be a legal requirement for providers and schemes to submit member/consumer data to the dashboard network.	The purpose is to enable people to see all of their pensions together – gaps in coverage will undermine it. The governance body would shift focus and its funding model would be restricted to voluntary participants.
Any dashboard user interface can have access to the network, but they must meet certain standards.	Openness is a stated principle of the project to foster innovation; restricting access would also limit sources of funding.
The governance entity/ies may need access to start-up capital as it may need to procure some dashboard components, at least initially.	There may not be a market for some dashboard components initially, particularly the Pension Finder Service.
The governance entity/ies will ensure that a dashboard is free at the point of use.	The intention is to enable people to access their data – at least one dashboard should be entirely free to use.
The governance entity/ies will need access to an ongoing revenue stream.	Otherwise the financial sustainability of the entity/ies would be uncertain.

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Suggested functions of governance

Shape and monitor the overall dashboard landscape

- Ensure there is at least one of each of the dashboard infrastructure components, and if required, procure one or more of the components.
- Ensure participants, including users, are consulted and involved in governance.
- Collect and publish data on participation, usage and service availability.
- Set direction for scope changes and define the change management process.

Operate effectively as a body or bodies

- Appoint and support a Board, manage and publish an annual report and accounts.
- Set a budget and collect funding.

Define the infrastructure and ensure it works

- Define and oversee the technical architecture.
- Decide further changes to the scope, including what data fields are added and when (for example, charges, pensions in payment).
- Define and oversee the data standards.
- Resolve disputes between parties in the ecosystem, including between users and participants.

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Suggested functions of governance (contd)

Define the infrastructure and ensure it works

- Set standards to ensure compliance with data protection law.
- Set standards for other participants in the model, including digital ID providers.
- Set conditions in which the flow of data is stopped from or to a particular party, or altogether, and restarted.

Set and manage standards for data users

- Set conditions for dashboard user interfaces, authorise and monitor them, and have the ability to remove them.
- Maintain and publish a register of dashboard user interfaces so that a pension finder service can check their legitimacy.
- Set and monitor service level agreements, such as speed of response.

Set and manage standards for data providers

- Set conditions for data providers, authorise and monitor them, and have the ability to remove them.
- Operate a process to onboard new pension providers, new products or new types of pension.
- Maintain and publish a register of data providers.
- Set and monitor service level agreements, such as speed of response.

Suggested criteria for governance models

Pyramid (top to bottom):
- Agile
- Impartial, balanced
- Inclusive of participants
- Serves consumer needs
- Authority to approve and remove participants
- Low enough cost to fulfil its functions
- Financially sustainable
- Accountability
- Legitimacy – officially recognised
- Clearly defined purpose and scope

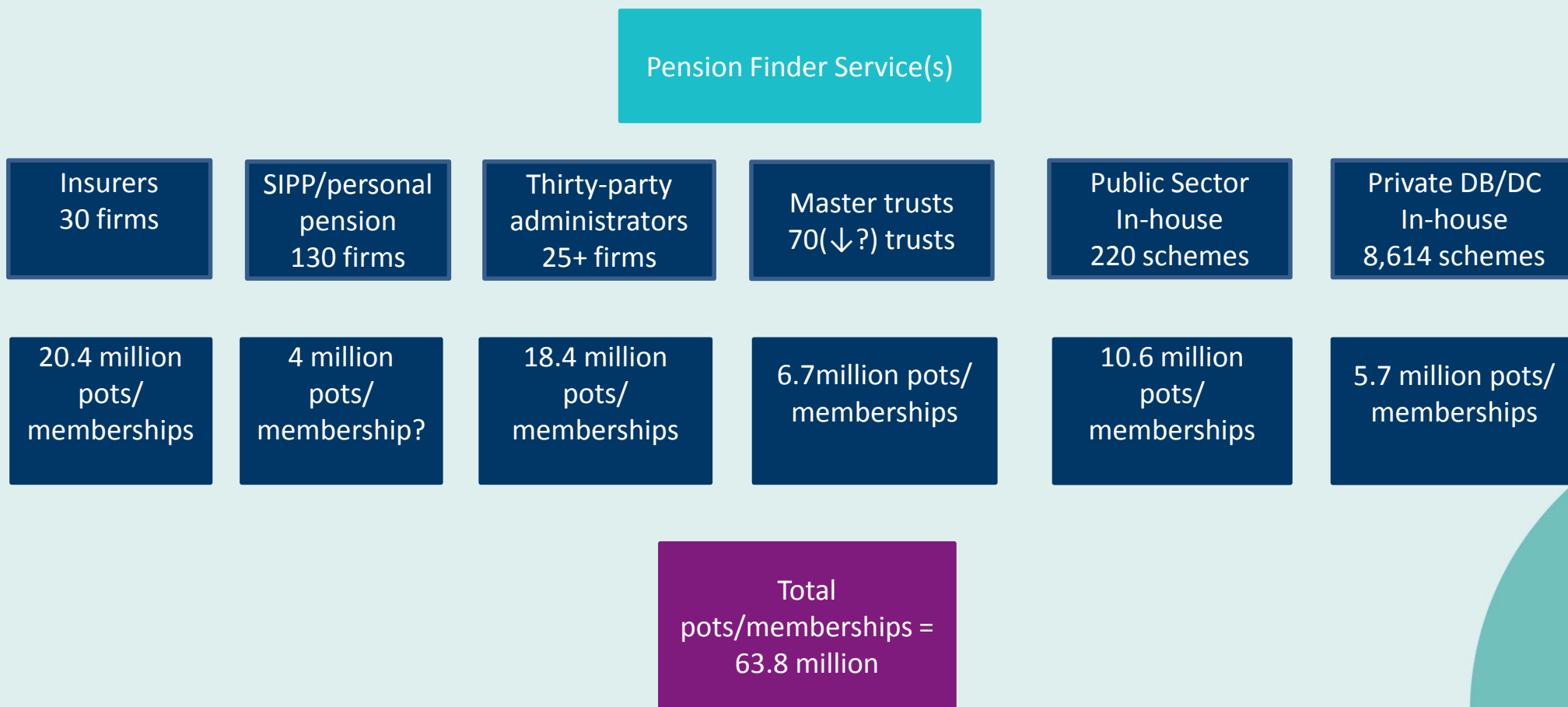**ABI** **Association of British Insurers**

Examples of governance models

- ***Open source software communities*** **-** Apache Foundation (web server software), Python Software Foundation (programming language)

- ***Insurance pools*** **-** Flood Re (industry led flood reinsurer) Pool Re (pooled terrorism reinsurance)

- ***Payment systems*** **-** BACS (bank payment system)

- ***Regulated IT platforms*** **-** MedCo (legal and medical sector data sharing platform), Funding Xchange (SME loan applicant referral platform for banks)

- ***Standards bodies*** **-** British Standards Institute (technical standard-setting body)

- ***Designated Professional Body*** **-** ICAEW (institute for accreditation of chartered accountants)

- ***Public-private IT infrastructure*** **-** SuperStream Gateway Governance (Australian pensions dashboard infrastructure)

Suggested Cost Allocation Principles

- Dashboards are free at point of access to customers
- All parties bearing appropriate costs (no free riders)
- Dashboard providers (and not data providers) should pay for digital identity
- Dashboard providers pay to access the data varying by usage
- Data providers pay to cleanse their own data
- Liabilities from breaching regulation or data agreements rest with those in breach
- Costs on data providers are proportionate to the ability of parties to pay (e.g. burden of costs on smaller scheme reduced by removing obligation for real-time connection)
- Cost for data providers is proportionate to the expected commercial benefit

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Dashboard connections

Pension Finder Service(s)

Insurers 30 firms	SIPP/personal pension 130 firms	Thirty-party administrators 25+ firms	Master trusts 70(↓?) trusts	Public Sector In-house 220 schemes	Private DB/DC In-house 8,614 schemes
20.4 million pots/ memberships	4 million pots/ membership?	18.4 million pots/ memberships	6.7million pots/ memberships	10.6 million pots/ memberships	5.7 million pots/ memberships

Total pots/memberships = 63.8 million

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Discussion – principles of governance

1. Should governance strike a balance between a commercial or public model? What is this balance?

2. What responsibilities should fall on dashboard governance? Is there a role for regulators?

3. Where should risk/accountability sit for dashboard governance?

4. What rules or standards should there be governing operators of front-end dashboards? Who should or should not be allowed to have one?

Discussion – details of governance

1. What roles do you see startup capital and ongoing revenue playing for supporting the governance functions?

2. How do you see the governance model working in a commercial environment?

3. What market considerations should a governance body take into account – e.g. with respect to monopoly operation of dashboard components

4. How do you see governance functioning to ensure that each of the components is in place – e.g. the pension finder service(s)?