



# Work and Pensions Committee

## Oral evidence: Pensions Dashboard, HC 1275

Wednesday 12 July 2023

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Members present: Sir Stephen Timms (Chair); Debbie Abrahams; Siobhan Baillie; Neil Coyle; David Linden; Nigel Mills; Selaine Saxby; Dr Ben Spencer; Sir Desmond Swayne.

Questions 1 - 97

### Witnesses

**I:** Sara Weller CBE, Chair, Money and Pensions Service (MaPS); and Chris Curry, Principal, Pensions Dashboard Programme.

**II:** Laura Trott MBE MP, Minister for Pensions; Tom Josephs, Director of Private Pensions and Arms-Length Bodies, Department for Work and Pensions; and Simon McKinnon, Former Chief Digital and Information Officer, Department for Work and Pensions.

### Examination of witnesses

Witnesses: Sara Weller CBE and Chris Curry.

Q1 **Chair:** Welcome, everybody, to this meeting of the Work and Pensions Committee, and a very warm welcome to the two members of our first panel. Can I ask you both to tell us very briefly who you are?

**Sara Weller:** Good morning, everybody. I am the Chair at the Money and Pensions Service. If it is okay today, I shall call it MaPS because I think we will get through things more quickly that way.

**Chris Curry:** Good morning, everybody. I am Principal of the Pensions Dashboard Programme at MaPS. In the same spirit, if I can call it PDP rather than the Pensions Dashboard Programme, we will get through a lot more.

Q2 **Chair:** Thank you both and welcome. Could I put the first question to you? It is about governance of the PDP. The reset said a new chair was going to be appointed for the programme. Has that happened? If so, who is the chair now?



## HOUSE OF COMMONS

**Sara Weller:** I will pick that up with you, but first to say just a couple of things as we go into this conversation. It is a very big programme and I will just lay out a couple of lines.

First, the Pensions Dashboard Programme will happen. We are as committed as you are to making sure that your constituents have the tools that they need to plan for their retirement. Pensions is a very complex area. We know that if we can give people information in a complete form and in an easy-to-access way that is clearly presented, it will give them great value and great ability to engage more in their pension arrangements, and that is very much part of the financial wellbeing strategy that MaPS co-ordinates for the UK.

MaPS does two things in this programme overall. One is that we are developing the central digital architecture—the plumbing for the process that enables customers to find their pensions and get that information flowing down through the plumbing in a consistent way and will work with the industry.

The second thing is that we are building our own dashboard, a MaPS dashboard, which will sit alongside Money Helper on our website, along with the other pensions guidance that we provide so that customers will have access. The MaPS dashboard will co-exist with any other dashboard that is created in the industry. They will be regulated by the FCA to control their quality.

We have done quite a lot already, and I am sure we will talk about what we have and have not done yet, but we still have quite a way to go to get that vision of the multiple dashboards available presented clearly for customers and that is what we are all about.

On the reset, and the governance question that led us into reset, it is a big complex programme. We have consistently had a number of workstreams within it, all of which carry risk because of the scale of the programme, the risk of which we are mitigating as we go through. At the end of last summer and into the autumn, we found that a number of those risks were crystallising around the same time. We were increasingly believing that we were not going to be able to deliver our timelines because of the interaction of those risks and we took in some external assurance, which confirmed our view that we were at risk of not delivering. This was a programme that was not just us delivering but was very much about the partners in industry that we were delivering with, and we needed to be able to give them clarity too.

Around the end of the year, we engaged with DWP and together we concluded by about February this year that the best thing for the programme to do was to take a step back, take stock of what we had delivered—the central digital architecture was mostly delivered already—and focus on what we still had to do and make sure the programme was set up for success. That was the way we headed into the reset. It was governed through the steering group of the programme itself, but also



through interactions with DWP. Chris Curry was around more than I was at the time.

**Chris Curry:** Yes. Thank you for that introduction. Not on the specific issues but, as Sara Weller said, it is a very complex programme. A number of recommendations were made as part of the written ministerial statement that came out in March. I think that was the first place that referred to an independent programme board chair being required for the programme. We have been working on the programme—the Department, the reset team and within MaPS—to reset the governance of the programme as well. I can tell you now that a new independent chair of the programme board has been appointed by the Money and Pensions Service. He is Simon McKinnon. Simon was previously the Chief Digital and Data Officer at the Department for Work and Pensions and is also the reset sponsor. He has been involved in resetting the programme, and is still working in that capacity, and will now be taking over as the independent chair of the programme board.

**Chair:** He is on our second panel.

**Chris Curry:** He will be speaking to you later, yes.

**Chair:** Very helpful.

Q3 **Nigel Mills:** I remember a few situations like this when I was on the Public Accounts Committee. One gets slightly worried. You were getting quite close to when this was supposed to be going live and then worked out that you were nowhere near. How did you manage to issue quite such a positive sounding update last October when you already knew things were going to wrack and ruin? Was it completely out of control then? It took you six months after that positive update, when we were getting pretty close to thinking we were going to be seeing this to finally come into the public domain, to say, “Actually, we are years away.” It seems somewhat counterintuitive.

**Chris Curry:** First, I do not agree with the view that the programme has gone to wrack and ruin. I think we have some challenges, definitely, and we are working through them. Perhaps it would help if I set out a little bit of the detail as to how we arrived in the position we arrived in and why we took the decision we took from around October.

We did give an update—our regular progress update report on the programme that we do every six months. There was one in October where we were talking about looking forward to the start of the connection process, which was due to start in April of this year—that was the next big milestone that we were looking to do—and getting the programme up and running in that space. A combination of factors brought us to the position we were in by the turn of the year. We were no longer confident that we would be able to deliver the programme in time for the connection to happen in a safe and secure way for the industry.



## HOUSE OF COMMONS

One issue was the resourcing challenge. I do not think it will be any surprise to anyone that there is a scarcity of specialist digital and technical skills and a very high demand for them, not just in the public sector but across the economy, partly as a result of Covid but partly because these skills are always in demand and so the programme has struggled: sometimes to recruit, and sometimes to retain, the skilled resources that we need right the way through the programme. The programme is constantly changing and we do not always have the same requirements. Requirements change and so the team needs to change as well. It has been a challenge for us.

However, the crux came down to the connection journey, which we had designed and were building for the initial participants and for, eventually, all the up to 3,000 pension providers and schemes to connect with the ecosystem. We were working to an ambitious delivery timetable and we make no apologies for that. We had always set out to make sure that we had the balance right between delivering in good time but also delivering the right outcome and the right service.

When we reached that point, however, after October, when we were starting to look in detail at the connection journey that we had put through—we were starting to do some initial testing; we were working with partners inside the public sector and outside in the private sector—to see how that journey was going to work, we were aware that it was not working as it should have done. Rather than push through and work with the journey, which we felt would take longer than we had available to make it work properly, to make sure that we could give the industry all the information it required to use the connection journey safely and to make sure that we could do it in a way that would deliver the right outcome—because ultimately the programme is delivering for consumers so to make sure that we were going to get the best outcome for pensions dashboards—we had to take a step back, look at where we were and what we were doing.

We came to the conclusion that clearly we were not in a position to safely deliver that connection journey in time for the legislation to kick in and for that initial connection deadline, the connection deadline opening in April and completing in August.

**Q4 Nigel Mills:** You can understand why we get a little confused. We find out in March that what was meant to be almost appearing live a few months later is now effectively years away. Are you saying that you knew last October that this was years away? Are you saying that it was always too ambitious and that it could never have been done—that, with hindsight, we should just have had a longer timetable all along?

**Chris Curry:** No, that is not what I am saying here. Back in October, we were fully committed and believed that we would still be delivering. We were still on the plan that we were scheduled to be on. We were still hitting the milestones that we were setting. At that stage, however, it had become more challenging to hit those milestones and that was, I



think, starting to influence what we were able to do beyond that point. We were having to do a number of different strands on the programme but with a single set of resources that was proving to be more challenging. However, it was after October, when we were looking in more detail at the connection process, that we fully understood what we needed to do and how much time and resource it would need to be able to make that connection journey into the process that we needed to be as good as it could be for the journey to continue.

We could only come to that conclusion towards the end of November and in early December when we reached that stage. What we did then was to see if there were any other ways to reshape or redeliver the programme to maintain the regulatory timelines and not cause the upheaval for industry that there has been. We had to go through that process to see if there was any way in which we could continue to deliver the programme. We worked very closely with the Department in that space, but early in the new year, we came to the conclusion that we would not be able to deliver the programme to the timeline that we had set out and so we started the process of looking at where the programme needed to go, working closely with the Department on what should happen next, which culminated in the reset process we are currently going through.

Throughout all of this, we have been very clear that we need to make sure that the programme does two things: first, it needs to work well with industry; and, secondly, it needs ultimately to deliver the right pensions dashboards for consumers. Both those things are uppermost in our minds in the decisions that we take.

**Sara Weller:** Could I add something to what Chris Curry has described? Coming into this fresh, one of the things that struck me is that the previous form of legislation, which had a series of steps through which we had to go and which were fixed for points in time, gave us very little flexibility. The way the new regulation has been laid focuses on the end date. As you say, the end date is later than the original end date, but by only about 12 months. We are not focusing any more on a fixed start date, which is what Chris has just been referring to, but are working with about 20 or so early adopters in the industry who we will try to take through the process as soon as possible to start getting emphasis.

We have more flexibility now as we go through to that deadline of 31 October 2026 to be able to bring people with us as we build. Previously, we had a set of fixed targets and it was the first of those that we were not confident that we could deliver. I would not say that the end bit has not moved, but it has not moved by many years. I appreciate that we all want to get into consumers' hands as quickly as we can, but we also need it to be right.

Q5 **Nigel Mills:** Did they—did you—just pick too complex an approach? It is horrifically complex to get live feeds from every pension scheme that existed transiently and then disappeared back into the ether. Was it just



too complex a thing?

**Sara Weller:** The complexity, effectively—if you look at it the other way—is the commitment to customers that everything that they need will be there. We could, of course, take a view, and we have discussed it within the programme, about whether we apply an 80/20, so get the big schemes in that give the majority of the benefit. However, the evidence and the research say that the benefit is that people have to be able to find all their pots, including the little ones, which might not be much in value but are quite diverse. People increasingly have more of those, and therefore getting the full set of live data from the full set of providers is ultimately what will make it successful. Was that too complicated? I think as we look back, the complexity was always a big ask, certainly relative to a lot of other things.

Q6 **Nigel Mills:** You could just have taken annual statement data and had it in a big database made nice and secure by whatever way we make things nice and secure, and while it would not have known the stock market fluctuation from yesterday, it would have given me all my pension data, the same as I have now. It would have been a lot quicker and easier a place to start, wouldn't it?

**Chris Curry:** I am not sure that it would. I think it is important to go back to the vision for pensions dashboards and what we are trying to deliver, which is to make sure that people have access to information from all their pensions online, securely and in one place. In some ways, we are taking that very approach about using the information from people's annual benefit statements, but even with that there are challenges. Not every scheme has to provide annual benefit statements. We think from the research we have done that it is very important that people see not just their defined contribution pension but also, potentially, their defined benefit pension, and also the state pension, and that they see all that information together. Initially, even just with that one premise there is an element of making sure that we do things that have not been done before for that to work properly.

The timeliness and the way in which people want to interact with pensions dashboards and the fact that they want to log on and be able to see that information, for it to be relevant, for it to be timely and meaningful for them, means that over time we need to develop this approach. It is an approach that has been used overseas but I add the caveat that systems overseas are generally nowhere near as complex as the UK's. We have always known that it would be a challenge but it is a challenge that we think it is worthwhile taking on because ultimately it will deliver what consumers will use and benefit from. To us, there did not seem to be much point in delivering something that would not be used and appreciated by the end consumer.

Q7 **Nigel Mills:** Was MaPS the wrong body to do this? I can see the logic. MaPS does financial advice for people and this is financial guidance and support. However, I am guessing that MaPS was not used to very



complication IT architecture? Should this have been something that the Government did and then passed on to MaPS to run?

**Sara Weller:** You are right, MaPS was a young organisation. It has only been around since 2019. This was in the very early days of MaPS and we did not have much precedent for doing something like this because MaPS did not have any history. The key thing, though, that MaPS has that makes it very sensible for it to be a MaPS-led programme is that we already have a lot of experience of delivering pensions guidance to people through Pension Wise and through our pensions guidance on Money Helper. Therefore, we understand the way people think about their pensions.

One of the key things here is not just putting data through the plumbing. Inarguably, the most important bit is how customers will interact with that data, use it, and find it useful, and I think we have a lot of experience in that space. We also have strong connections across the pensions industry and that is the other half of this equation. It has to work for consumers. It also has to work for the industry and the industry is having to do the heavy lifting in preparing its data. Of all the places that could do this—

Q8 **Nigel Mills:** A few dozen financial advisers are very good at advising people on pensions, but can be bloody useless at huge IT projects. That is it, isn't it?

**Sara Weller:** The programme was not set up with a couple of financial advisers. Clearly we have a significant team and worked closely with DWP. That will be critical, going forward, with the resources that Chris referred to. I think the set-up of the programme and the place it lived made a lot of sense and if I went back, I would not do anything different. I recognise that as we have gone through the process, the deep complexity of the data structures in the industry and the importance of getting the customer interface right, and that combined with the very specific stagings that we had in the legislation, led to a place that meant that we could not bring the risks together against the timetable that had been developed.

In the end, as Chris says, there is lots of pension guidance out there already and the critical thing for this programme is to close the gap that is not there, which is the sense of all my data in one place, and easy to access, is well explained so that I know what the onward journey is. That is the bit that I think will, in 10 years, be making a difference to people, not the six months or so it might have taken us to get into the programme to make sure we can deliver that goal.

Q9 **Sir Desmond Swayne:** Has the project been subject to a recent assessment by the Infrastructure and Projects Authority or by the Department and, if so, what did they say?



## HOUSE OF COMMONS

**Sara Weller:** That was some of the assurance that I mentioned at the beginning of the session. We were taking assurance inputs through the autumn. The answer to those questions is yes.

**Chris Curry:** Shall I go through that? I think it might help if I set out some of the timeline for when we have those assessments because we have been subject—

**Sir Desmond Swayne:** I am more interested in what the assessment said.

**Chris Curry:** As a programme that is part of the Government's major project portfolio, we are subject to scrutiny and assurance from a number of organisations—you mentioned the IPA, which is one of them—including the Government Digital Service. We also work very closely with the Department.

Our last full IPA assessment was back last summer—last July. That process is a quite in-depth, four-day assessment period of significant numbers of interviews with the programme. Last July, the programme was on course to receive an amber rating as part of that overall assurance. I am sure you know that there are three ratings—red, amber and green. However, just in the last day of the assessment process, we received the result of a mock assessment that we had done as part of the Government Digital Service's service standard assessment, which highlighted that we needed to do more work to be able to pass through that assessment. At that stage, because we had not had a result that suggested that we would clear through that assessment, the programme team automatically had to give the programme a red rating rather than an amber rating.

That triggered a requirement for an assurance of action plan, which is a subsequent process that I think is there to assure that the programme is in the correct place. The condition that was placed on the programme to be able to return to an amber rating through that assurance of action process was to pass the service standard assessment by the Government Digital Service. We subsequently took the actual assessment, having put a plan in place agreed with the governance of the programme and in full awareness of the Department, which had been told of the result of the IPA review, as it would need to be, but that is also part of our governance as we go forward—part of our programme board and part of our sub-committee for the board.

Working to that plan, we were still confident that we would be able to pass that assessment. We took that assessment in November last year and received the results on 22 November, which I think was two days after the regulations had passed through. Unfortunately, although we had significantly improved performance, we still had not passed that standard. That was what triggered our internal review of where we were and what we needed to do because we needed to pass through that assessment to move through to a live service, which was part of the





connection journey we were planning for the subsequent year. That is what led to our internal work, discussions with the Department and then eventually writing to the Department on 30 December to say that we felt that we would not be able to deliver the programme to the timeline that had been set out, in particular that first legislative window.

**Q10 Sir Desmond Swayne:** There are 30,000 schemes, thousands of providers and the rest, so collaboration will be absolutely essential. How is it going?

**Chris Curry:** We have always made a point of trying to work extremely collaboratively with the industry. As you say, there are large numbers of schemes, large numbers of memberships and billions of pounds-worth of assets involved in the programme that we need to be working very closely with. We have always been as open as we can. We have very good working-level relationships with the trade associations—the ABI, the PLSA and PASA in particular—but also with individual schemes. We have been working very closely, as Sara mentioned, with a small number of providers who are volunteering to help us with our testing and participation, were involved right up until December last year and will be involved again when we get going.

It is an area where I think we know that we can do more. I know some organisations, the PLSA in particular, are very keen to increase the amount of collaboration. We have seen the proposal they put forward and are very supportive of the principles, and this summer we are in the process of running a listening exercise with the industry to identify areas where they think collaboration would be important and the best way to manage that collaboration going forward. We have an opportunity under the new regulations. The only date in the new regulations is a single end date by which all the schemes under the scope of the regulations would need to have staged.

Alongside that and along with the Department and the regulator's guidance, we will be looking to set out a guidance timeline for when we expect the schemes to connect. We want to involve the schemes in determining what that looks like and the best way for it to happen. We will be engaging constructively over the coming months to make sure that we have that in place so that when it starts we are in the best position possible, with all those schemes having been involved in the design, to make sure that they will be able to participate as we would expect them to.

**Q11 Sir Desmond Swayne:** I think you are right to have identified testing as one of the key areas where collaboration will be involved. Have you involved the Infrastructure and Projects Authority in advice and planning for the system testing?

**Chris Curry:** That is one of the areas the IPA looks at when it comes in to look at the programme as whole. It takes an overall approach to looking at the plans we have in place, our resources and how we will



## HOUSE OF COMMONS

manage the programme going forward, including our relationships with the industry. That is part of those regular IPA assessments. I think we have been doing them almost annually since the programme started. The IPA has been considering our approach to testing as part of them.

I think you are right that user testing will be a very important part of what we do. It has been up until now. We have already been doing significant amounts of user testing on the central digital architecture and the end-to-end journeys to get to this point. We will be doing a lot more of that as we go forward, testing with consumers to make sure that they are able to use the dashboards, that the system works for them, that there is good understanding of what they are being shown, and that they get a service that they are content and happy with and know what to do going forward. We will also use the testing with the voluntary participants from the industry to make sure of the connection journey. As you say, we have 30,000 schemes that need to be connected to the ecosystem and we need to make sure that that can be done in a manageable and safe way. Testing will be critical.

**Q12 Debbie Abrahams:** Desmond Swayne has covered a little bit of what I was going to say. First, I recognise, especially for a new organisation, the difficulties of managing such a complex project. It is slightly frustrating. I have been on and off the Select Committee for the last 12 years or so and certainly there has been a long-standing issue about the transparency of data from the pensions industry and how people can make the right decisions about their pensions. It has been difficult, focusing on the industry, to ensure the transparency of information, particularly around fees and charges. My question is about the voluntary staging arrangements with the industry and your confidence that this will be followed through. Could you include in your responses whether you think the powers, for example of TPR, are sufficient and whether penalties will be required?

**Sara Weller:** The work that we have already been doing with the industry has created good strong networks. I think that there is broad support from the industry for the direction we are taking to reset and being very clear about how we will do that.

You are right: one of my own questions when we talked about the single end date was, "How do we manage the risk that all the providers just say, 'That is great. I will just do 30 October?'" Not only would the programme not be able to cope with that, but it would not get the information to the customers early enough. We have been working very carefully to identify people who are willing to come on early. There are some benefits for the industry for them to come on earlier rather than leave it until the end. Chris, you have been on weekly point with them. Do you want to fill in?

**Chris Curry:** Yes, you are right. There is a different challenge with this approach. The single end date gives us some advantages in flexibility for the programme and for the industry, allowing us to build certainty as we



## HOUSE OF COMMONS

go because we know we need to be able to give more certainty to the industry to understand what we are expecting from them and when. We cannot give them all of that right now, but we can give them the certainty of when it will be completed. However, the challenge is that one of the advantages of the detailed timeline in legislation was that people had to comply by that point unless they had requested an extension.

That will be replaced with guidance. Guidance does not have the same standing as the regulation, but there are a number of ways through which we can help to ensure that the guidance is followed and that we get the vast majority of schemes connected well in advance of the 31 October deadline. The first is the collaborative approach that we will take in determining how we set out the guidance, what the guidance looks like and the timeline. Within that, there are some advantages for industry as well as for consumers in abiding by that timeline and within the guidance. It will help not just with our testing and user testing, which I mentioned in a previous response, but also the testing for each of the individual providers to make sure that their systems are working, that their responses to further requests from individuals are working properly, that their data is flowing appropriately and that they can cope with the requests that are likely to come in. There are important reasons why we would expect the largest providers to want to do that.

In fact, the Association of British Insurers, for example, has said that it is expecting its members to comply with the guidance when it is published. Equally, the organisations that we speak to have all said that it is their intention to comply with that. They are concerned that others might not, but we have not come across any who have said they will not be doing that. It is clearly a concern and something that we need to work with them on.

You mentioned the other regulatory factor, and it will be a different environment for TPR and the FCA because there will not be enforcement as such because it is not a regulatory requirement to do that. However, the draft regulations as they go through at the moment state that providers have to "have regard" to the guidance. My question for trustees or for those involved in running schemes is if they are not going to be staging in line with the guidance, how are they going to demonstrate to the regulator that they have taken regard of the guidance and what are they going to say to do that.

If there are very clear reasons, some people may, as they would have done with the current regulations, stay off for a little bit longer. However, unless there is a very good reason for people not to be complying, our expectation and our working assumption with these organisations is that they will be in a better place if they are complying with the guidance.

**Q13 Debbie Abrahams:** We have talked a lot about risk and you mentioned a lot about risk. Do you have a risk register? On your rating of industry compliance, what is the current colour?



**Chris Curry:** I do not want to mislead the Committee so I will probably need to go back and check on that. My initial thought is that we would have that as amber because if it is unmitigated, there is a potential for it to be a red risk. However, with the mitigations that we are planning and that we will have in place, and the fact that we will be working very closely with the industry in building up the approach to the guidance and the approach to the timeline, we would expect that to be amber rated after mitigation. I can write afterwards with some confirmation for that.

Q14 **Debbie Abrahams:** That would be very useful. The final thing is that with the change and the reset approach, what sorts of mechanisms are you going to have in place to ensure that not only are we regularly informed of changes and circumstances and so on, but that Ministers are as well?

**Sara Weller:** It is fair to say that already we have weekly communications with the Minister on the progress. There is a tight relationship. Obviously this is a reset. Phase 3 of the reset is about setting up new governance. That is making sure that we are clear. We have an independent chair of the programme board coming and that will be a more transparent thing and much closer working with DWP to monitor the performance.

Certainly the Minister will have weekly input at the moment from Chris. Maybe we will not need that to be weekly as we go into reset. To do weekly for three years is quite a lot and maybe we will do monthly. At the moment this is very much a joint programme between us and DWP. We will tighten the governance to get more inclusion on both sides and continue to do the briefings for the Ministers regularly.

Q15 **Debbie Abrahams:** As the official body to scrutinise government policy, including this, and its delivery or not, where do we fit in that governance arrangement?

**Chris Curry:** We are committed, as we have been throughout the programme, to programme update reports six-monthly, which are placed in the House to help people to understand what is happening. We are always open to either briefing the Committee or appearing in front of the Committee when we do that.

We do regular briefings externally as well. Part of my role is making sure that the stakeholders involved—those within the industry, organisations or groups such as you, and the regulators—are kept abreast of what is happening. We are always open to suggestions. If there are ways that you would like us to keep in touch with you, we are very happy to take that away and work on that.

Q16 **Dr Spencer:** I have a couple of questions that build on the theme of testing and availability of the scheme. You have laid a bit on the user testing and the testing programme that is going forward. Once you have launched the dashboard, will testing and user feedback be used to



## HOUSE OF COMMONS

continue to change for improvement going forward, or is it that this is how it—it is a static beast? What is your post-launch strategy for its evolution?

**Sara Weller:** The answer to the overall question is that it is a very organic programme. Once it is launched it will have to live. We have thought quite hard about some of the processes that we need to put in.

**Chris Curry:** Testing is important in a number of different stages and it will continue once dashboards are launched. It is important to make the distinction again between when providers are starting to be connected to the ecosystem and the launch of dashboards, because they are two separate occasions. When providers start to connect, we will be testing and doing live testing with them to make sure that we can improve the delivery and the working of the ecosystem, as well as what is shown, what appears on dashboards and the understanding of consumers. That will build up and be ramped up throughout that initial phase.

We have always made very clear that what we are working on at the moment is the first iteration of pensions dashboards. The pensions dashboards will continue to evolve beyond that first launch and first release. We have a number of processes in place. Part of that is around the standards that govern how dashboards operate. There is a process put in place for those to be reviewed every six months—or every 12 months for minor changes but six months for major changes—so that we can make sure that there are changes effective there.

We will continue to do the testing to make sure that the system is still operating. We will take into account other changes that are going on, because obviously the pensions dashboards do not operate in a static system. The pensions landscape is continually evolving and we will want to be aware of what else is happening in the industry and what other opportunities there are within the industry. It was mentioned earlier about costs and charges. At the moment there will be a link on dashboards back to the home provider around costs and charges, but as the DC market potentially evolves and more standards become available for exactly how costs and charges are calculated and shown, they may be something that are then brought into dashboards. You can see that there will be an evolution of dashboards beyond that first initial launch.

- Q17 **Dr Spencer:** What is your strategy for demands of information that is available at launch as the threshold for launching? I can hypothesise that there will be a danger. Clearly not everyone will be on board at launch date. That is my understanding of what you are saying about your strategy. Is there a danger that there will be some people for whom none of their providers are signed up? They will sign up, look at it and find nothing is there, and then say, "Forget that then," and that is the one opportunity that they have to engage with dashboards gone. What is your appraisal of how saturated the dashboard has to be to ensure that that risk does not happen?



**Sara Weller:** The dashboard-available point is probably a key thing here.

**Chris Curry:** Yes, that is very important. The dashboard-available point—the point at which the Secretary of State for Work and Pensions feels that dashboards are suitable to be released to the general public—will be contained in the regulations. Six months' notice has to be given of them going live. Also the Department has set out very clearly that a number of different criteria will need to be met for that threshold to be achieved and for the Secretary of State to make that decision, in conjunction with ourselves, MaPS and PDP, but also with TPR, the FCA, the regulators and the rest of government in that space.

They are around things like coverage. We need to be in a position where people are not going to face the situation that you very well described of being disappointed with not finding things that they know they should find on part of that. Everyone should find at least something because the state pension will be an integral part of what we are doing. Under the plans that we have at the moment, under the previous set of staging timelines that were in the regulation—we are likely to be taking forward some of those into the guidance that goes forward—we were focusing on bringing the larger schemes in first to make sure that we got that high level of coverage. Within the first 18 months of that staging process we had something like 95% coverage for DB scheme memberships and DC scheme memberships. We want to get to a level where it is unlikely that people will not find any of their pensions. There might be a small proportion that are missing but there will be very good coverage overall.

It is also important that the ecosystem is working well, delivering the right information and operating safely and securely, and that the dashboards themselves are showing information in a way that people can understand, which is where the testing comes in and is really important. All of these criteria will be judged before the Secretary of State makes an announcement that the dashboard-available point has been reached and will be set at that point.

Our intention is to not do that in a black-box way but to have that monitored transparently. We will be doing reporting about how much coverage there is, how the system is working and what the findings of the user research are so that people will be aware of the progress that we are making towards those criteria and when we think we are therefore likely to be able to make dashboards available to the public.

Q18 **Dr Spencer:** Finally, I am not one to make the perfect the enemy of the good, but is there any way that it can be presented to people that there is probably missing data and there will be some people for whom missing data is more likely than not, so that people know that? If people are making decisions on the dashboard, it is a work in progress, so there could be pension pots that they have but that they have forgotten about or they are not aware of. Is there any way for the system to detect that and say that it thinks that there is some missing data but it will be



coming, or is that impossible, given the way that it operates?

**Sara Weller:** In a sense, that is exactly the judgment that is being taken when the Secretary of State decides on the dashboard-available point. We have talked quite a bit about what communication there will need to be. There will be lots of things that we will need to talk to customers about. Once we put the dashboards up, people will not just find them. Therefore, we need to position, with the industry, the appearance of dashboards and what they are for. In that context, and when we know that the dashboard-available point has been called, and we therefore know what coverage we are going to go live with, it might be 99%.

As you say, there might be the odd person who gets their state pension but they do not see their one other little thing. If that is the case, we will have a much better sense of that when we are launching. Part of the six-month benefit of calling the dashboard-available point six months before we launch is that we have time to make a clear decision with the industry about what we will say to people to make sure that they engage.

As Chris said earlier, there is a lot of research that suggests that we will need to be very thoughtful about releasing a product where there are people who will not find anything, because that will definitely diminish the long-term value.

Q19 **Dr Spencer:** Presumably there will be some anxiety for people who know that they have a pension pot but the provider has not connected to the dashboard. They sign into the dashboards and say, "Where has my pension gone?"

**Sara Weller:** It is not there. Absolutely right. Exactly. We will need to guard closely against that because the dashboard programme needs to have real consistent information, validity and trust from people. They will not trust it if there are bits of their portfolio missing. In a sense, the whole point of having the dashboard is because it brings all those odds and ends together.

**Chris Curry:** If I could build on that, you are absolutely right and that is part of the coverage criteria that we are looking at to minimise those situations. Equally important is what is shown on the dashboard. Dashboards are not just numbers; there are words as well that are equally important. That includes, as you said, the context on what they are seeing and what they potentially are not seeing. It might also be that even though their scheme is connected, they still might not find the information if the scheme does not have up-to-date contact details, for example. There will be processes that we will be doing to help to improve that data as we go through.

It is helping people to understand that there might be something missing, what they can do, what they are being shown, where to go for more help and guidance, how to contact their schemes, how to get in touch with the



## HOUSE OF COMMONS

Money Helper, for example, and the retirement hub in that space. All of that information, as well as warnings, will be important as part of that.

**Chair:** We are a bit up against the clock at the moment and there is a number of points.

Q20 **Siobhan Baillie:** Are you budgeting and planning for a souped-up customer service system for those first six months so that people can either have someone to talk to or feed concerns in? We have the Minister coming in a minute so, if not, we can ask.

**Chris Curry:** We will be working on things like the retirement hub and the Money Helper dashboard within the Money and Pensions Service to do that, but we are also working with industry to help them to understand what they think they are likely to need. A lot of people will go direct to their own provider, following up from the pensions dashboard, to get more information. We are working with them on that.

Q21 **David Linden:** Ms Baillie has dealt with the issue of good decision making and guidance, so I will give that a miss and move on immediately to scams. What measures are you putting in place to minimise the risk of scams?

**Chris Curry:** Scams and security are very important as part of the dashboard programme. We have been taking them into account right from the start. In fact, the design of the architecture is such that it minimises the risk of information being seen or taken by individuals who should not have that information. No data is stored outside of where it is currently stored; it only temporarily resides on pensions dashboards. It does not come through the central digital architecture, so it minimises the access points for the data, to ensure that we can keep them as secure as possible. As much as pensions dashboards will be a benefit to individuals to see all their pensions information in one place, it also can make them a bigger target because they have that information all in one place. We know that scams already exist when people have a single pension, so when they have more information together, they will be more attractive for people who are trying to get access to the cash.

Q22 **David Linden:** If something goes wrong, who is accountable? Is it the dashboard provider or the FCA?

**Chris Curry:** It depends very much on what has gone wrong. It will be a regulated environment. People providing dashboards must be a qualifying pensions dashboard service. It depends. The liability could reside with the provider if they provide incorrect information, or it might reside with the dashboard if they are showing that information incorrectly. Both of those are already covered by the regulatory procedures that we have in place by TPR or the FCA.

It is important that what the FCA will be doing, as part of the consultation they have done on the regulations in this space as well, is making clear what warnings must be put on to pensions dashboards, and what sort of





advertisement can and, more importantly, cannot be shown on pensions dashboards, to ensure that people's onward journeys are taken in the full knowledge of what they are doing. Also, when data are exported from pensions dashboards—the proposal at the moment is that people can take their information, because it belongs to them, and use it elsewhere—that export also must contain all the warnings that are given around scams, rather than just the figures themselves. People will have plenty of opportunity to be reminded with those checkpoints in place as to what they are doing.

**Q23 David Linden:** Lastly, if someone does fall victim to a scam, what circumstances will there be to access compensation?

**Chris Curry:** Very much in line with the compensation schemes that exist at the moment in that space that are run in several places. What we are looking to do as well though, as part of the dashboard programme, is to put in a centralised help system and complaints point. Rather than someone having to determine themselves where they think the fault is, they come to us, and we then almost triage it on their behalf and send them to the right part of the system and work with them in that space.

**Q24 Nigel Mills:** Chris, can you remind me what the solution was if I have a DC pension, a pot, a DB pension, an amount of pension income, and the same with the state pension? How will I be able to make all that meaningful to me? What was the final call on the way in which those get presented?

**Chris Curry:** There is a range of information that providers will need to provide. If they are a defined benefit scheme, it will be two different calculations on accrual to the point of time, or to the point of retirement, for the income that will be received in an income stream. For a DC scheme it will be both the current pot value within the previous 12 months, and that then converted into an income stream in line with the guidance that is set out in the AS TM1 regulations provided by the Financial Reporting Council in doing that.

At the very least, what people will see is that they will have an income stream from the state pension, an income stream from their defined benefit scheme at a particular point in time, and with suitable warnings and caveats around what that shows, and then an income stream from their defined contribution scheme. They will be able to look across that and see them on a broadly comparable basis.

**Q25 Nigel Mills:** The state pension will be on when this goes live. Is that going to work?

**Chris Curry:** It is, yes.

**Q26 Nigel Mills:** Sara, I think you are a non-executive director at Virgin Money, aren't you?



**Sara Weller:** Yes.

Q27 **Nigel Mills:** Is Virgin Money planning to have its own pension dashboard?

**Sara Weller:** It is not something that I can share in this environment, sadly.

Q28 **Nigel Mills:** You have sat on MaPS deciding all this stuff. Can you keep that separate?

**Sara Weller:** I can, yes. There are lots of overlaps—helpful overlaps—from sitting in a financial services organisation and sitting in MaPS because we share so many priorities in the market in serving people. I can keep them separate when I need to, but I can also read across, because sometimes that is useful.

Q29 **Nigel Mills:** Should there be transactional capability on private dashboards? Should they be able to transfer pensions, or reduce or increase their contributions, or should it be information only?

**Chris Curry:** The current policy position from the Department for Work and Pensions is clearly that there are no transactional capabilities within pensions dashboards. The rationale for that is that because of the complexity of the UK landscape and because of the potential risks involved in consolidation happening without individuals being completely aware of what they are doing—not knowing the terms and conditions of the scheme they might be transferring to; not knowing what kind of guarantees might exist in their existing scheme that they might be giving up on transfer—that still needs to be subject to the guidance, advice and regulation that it is currently. Doing that within a pensions dashboard environment would create additional challenges and risks for consumers.

In the current iteration of pensions dashboards there will be no transactional capabilities and that is why there is such an emphasis on the signposting and the guidance, and ensuring that people understand what they are doing in their onward journey, to ensure that where consolidation happens it is a conscious choice—something that people have thoroughly researched and understood—and that they are doing it in the full knowledge of what the outcomes are.

Q30 **Chair:** A couple of very brief final points. When can we expect to see the MaPS dashboard?

**Sara Weller:** We have already done quite a lot of work on the MaPS dashboard. We have put it on pause while we do research, so that we can ensure that the next phase is lined up with the timelines in reset, but the MaPS dashboard is a very important part of the testing process that we will go through. Our goal is to have the MaPS dashboard well developed quite early in the process, so that it can be the guinea pig, almost, for data coming through and being tested.

Q31 **Chair:** When can we expect it?



## HOUSE OF COMMONS

**Sara Weller:** We have not issued a date and that is not one of the dates that is in the programme.

**Chris Curry:** No, that will depend on the reset.

Q32 **Chair:** When you next get a red, amber or green rating, can you tell us what it is? Are you able to pass that information on?

**Sara Weller:** Do we release them or does the IPA release them?

**Chris Curry:** I will get back to you on that. I do not see any reason why not, but I will check the protocols with the IPA.

**Chair:** We would welcome that. Thank you both very much for a very interesting session.

**Sara Weller:** Thank you, Chair. It has been really helpful, and we will feed in all the questions, which have been very thoughtful, to the reset and beyond. I would like to say we are very committed to delivering the pensions dashboard. It will happen and we know it is valuable to your constituents, and everything under reset will be in our hands to deliver. Thank you for your support.

**Chair:** Thank you both very much indeed.

### Examination of witnesses

Witnesses: Laura Trott MBE MP, Tom Josephs and Simon McKinnon.

Q33 **Chair:** We now welcome the Minister for Pensions. Would you introduce your team?

**Laura Trott:** Yes, of course. This is Simon McKinnon, who is now the chair of the Independent Programme Board, and Tom Josephs who is a DG in the Department.

Q34 **Chair:** Welcome to you all. I will put the first question to you, Minister. There has been a flurry of announcements on pension policy over the last couple of days—

**Laura Trott:** A positive flurry.

**Chair:** I think there is a sense that some quite long-standing challenges are finally being addressed, which we welcome. I will ask about a point that this Committee has raised, which has not been mentioned in the announcements so far, and that is the suitability of the new funding code for open defined benefit schemes. We have talked about this. You made the point to us in March that you wanted to take account of our recommendations and those of the Lords Committee, and you said you would “then look at the scheme funding regulations and hopefully bring them out shortly after that”. Do you plan any changes to the regime for open DB schemes?



**Laura Trott:** We received your recommendations, for which I am very grateful. It was a very thoughtful report that we need to take the time to look at in detail. I have seen that you have had some comments relating to the funding code, which I need to consider alongside the code. I will do that and then come back in due course.

Q35 **Chair:** Can you indicate roughly when that might be?

**Laura Trott:** I hope to do it in the autumn. I think it is important that we get this out, along with the general code, as quickly as possible, but as ever, as I have spoken to you before about, it is important that we consider the findings of the Committee and that we take the time to do that properly.

Q36 **Nigel Mills:** What are the Government's plans for small pots to be combined or moved? I think Steve Webb had his "pot follows member" that died shortly after he ceased to be Minister for Pensions and then we have gone nowhere. We only really have the two options of "pot follows member" or some kind of consolidator. Have the Government now decided which one of those two to jump on and make happen?

**Laura Trott:** The response we put out yesterday said that for the stock of small pots we are going with a default consolidator on a carousel model, which will mean that we have four pots we are proposing of £1,000 to be put into a default consolidator and we are going through a consultation in exactly how that will work. That is the model that we will go for, the stock of small pots.

Q37 **Nigel Mills:** Will that be NEST or will it be my active pension that I am currently saving in?

**Laura Trott:** It will be a carousel, so it will be more than one. We decided to go for not one individual scheme but a number. We are consulting on how exactly that will work at the moment. We are asking for views from industry and from pension savers. That is very much for the stock rather than the flow. That will fix the issue of the existing stock of small pots. It will not stop the creation of new small pots and that is where I think we need to do some more work on what the right model is. We will do that over the summer with the hope of looking at what more we can do. When we introduce the automatic enrolment consultation, I want to see whether we can look at models for what we can do with the flow as part of that.

Q38 **Nigel Mills:** Are you looking at allowing individual employees to choose their auto-enrolment pension provider rather than the employer choosing?

**Laura Trott:** There are lots of things that we need to look at. Yes, I think that is one of the things, whether we should do stapling or a lifetime provider model, which is what people typically call that. I think we need to look at whether CDCs can play a role in this. It is very important that



the new and emerging models that we have within the pensions market are considered, but I also recognise that there is a role that the employer plays and we need to balance these two things out. We need to have a lot more conversations, we need to consult properly with industry and with savers, and then we need to come up with a model that we consult on in the autumn.

**Q39 David Linden:** Minister, what role do you see pensions dashboards playing in the future?

**Laura Trott:** They have a very important role. We know that we have a large number of deferred small pots and that a number of these will never be found. The pensions dashboard will play a vital role in reconnecting people with their lost pots, but in addition give people more of an idea what they are likely to have in retirement. People have an average of 11 small pots and they do not really know what that means for them in what their retirement income is likely to be. It gives them less agency in being able to plan for that and also to alter it in the amount they put in. Pensions dashboards will play an important role in bringing that all together and allow people to see this alongside their state pension, to get a full picture of what it will look like for their retirement.

**Q40 David Linden:** We have just heard some evidence from MaPS. Is there a danger that because of trying to get the dashboard up and running, they take their eye off the ball in supporting people in their fundamental role in retirement planning?

**Laura Trott:** Do you mean with the two roles of MaPS? No, I do not think so, because the teams are very separate. Also, we absolutely think it is vital that the pensions dashboard is set up for success. That is why we have taken the steps that we have up until now, that we will go into, to ensure that we put this vital service in place for pension savers. That in no way detracts from the wider work of MaPS.

**Q41 David Linden:** What do you think are the main factors that led to the reset of the pensions dashboard?

**Laura Trott:** I think it was three things more broadly. It was the issue that we had around the connection process, which I think needed more work with the industry. There was insufficient testing of the architecture and then we needed more time to ensure that it was robust. Simon, who oversaw the reset programme, could tell you a bit more about that.

**Simon McKinnon:** The fundamental work was going well, but given it had a fixed deadline of having to start connections by the schedule it had, it was clear that it was not going to meet those timescales. Fundamentally with what is being built, we have done a detailed assessment of all aspects of the current programme and the fundamentals are sound. The architecture will still work; there has just not been sufficient time for them to complete the build and to do the



## HOUSE OF COMMONS

detailed, technical testing, security testing and, most importantly, user testing that it requires.

Q42 **David Linden:** You mentioned earlier that you have made a flurry of announcements recently. Do you anticipate making any more before summer recess?

**Laura Trott:** I am going to give myself a small break before recess, although we will do some very good pilots of pension credit and housing benefit data that we talked about before. We plan to do those next week, but I think that is all that I can fit in before recess.

Q43 **David Linden:** Probably my second to last question, going back to Simon: do you feel that any further resources are required for the reset? Do we have enough resources?

**Simon McKinnon:** We need to fill the team. It has gaps in it at the moment. We are currently doing a detailed plan that will come up with a resource model by the end of the summer and that will determine what additional resources it needs. I think we are talking about less than a dozen people, some of whom we hope to get from DWP to come to support the technical aspects of the programme.

Q44 **David Linden:** This is a bit more of a topical question for the Minister. The Department has released its annual report and accounts. Coming back to that point of resources, DWP now estimates that 165,000 state pensioners have been underpaid £1.2 billion due to official errors. How has that happened?

**Laura Trott:** Any error is unacceptable, and I recognise the huge impact this has on people's lives, which is why it is incumbent on us to get it right. It is also a matter of huge upset to me that this has primarily affected women, which is not okay. We are doing all we can; we are working on this particular new round with HMRC. We will have a portal up and running very soon for people to check whether they might have been affected by this, and we will be starting the process of writing out later this year.

Q45 **Chair:** Regarding the reset, last October there was quite a positive statement made by the PDP that it put on its website. What we learned this morning was that by that point it already had a red rating from major projects infrastructure. When will that body take a fresh view at the rating that should be applied to the project?

**Simon McKinnon:** We will go back to them with our revised plan and seek counsel from them. We are meeting them later this week to discuss that. We will re-engage with them, but we must get a plan in place for them to have something to assess.

Q46 **Chair:** Would you expect them quite quickly to take a view about whether they think you are on a red, amber or green for the future?



## HOUSE OF COMMONS

**Simon McKinnon:** I do not think we will necessarily go through a full review by them, but we will take their advice on whether the approach we are taking seems viable. Then we will invite them in, or they will choose to come in later, to do a formal assessment. I doubt they will formally assess it until we are up and running again.

Q47 **Dr Spencer:** How complex would you say the digital architecture that you are putting together for this dashboard is compared to other initiatives by DWP?

**Simon McKinnon:** In one sense it is relatively simple in that there is a finite number of interactions you get between a pension provider and a dashboard and the central architecture. The complexity here is in the breadth of people who must connect, so 3,000 pension providers, each of whom you must find some means of connecting to. The complexity comes from the scale, not from the underlying technology.

Q48 **Dr Spencer:** Have you taken any guidance or had any support from similar initiatives on the nature from other Departments?

**Simon McKinnon:** I have given advice in my previous role as the DG for digital in DWP, but we have also taken advice and looked at things such as the experience of open banking as an example.

Q49 **Dr Spencer:** In light of the scale of the task and the challenges that you have laid out, what support are you providing to the PDP?

**Simon McKinnon:** What support is the DWP providing?

**Dr Spencer:** Yes, sorry.

**Simon McKinnon:** I have left the DWP now. We have reached an agreement with them to get more access to their technical skills and they will be providing some help in resourcing the programme going forward. The challenge that I think MaPS has had in the technology area is getting in the breadth of skills that they need within a constrained headcount and using DWP as a source of expertise will give them access to up to 4,000 professionals.

Q50 **Selaine Saxby:** Good morning. I am very interested in this. As I think I have mentioned before, Minister, I decided I would try to merge my small pots into my main pension and I embarked on this project 11 months ago. To date I have only managed to move two. I hope within this there will be advice as to what to do with your small pots and if they are going to merge that someone could talk to the pension providers about streamlining their processes. I am very happy to share the detail, if anyone would like, and if anyone could help, I would also be delighted.

Coming back to the PDP, what do the most recent independent assessments of the PDP's current status tell you?



**Simon McKinnon:** I think I mentioned it earlier. We have done detailed reviews of nine themes ranging from the security architecture, the operational management, the technology, the connection journey and so forth. In none of those have we found anything that is fundamentally not deliverable. In some of those we have found areas where we think there is opportunity to improve, and we are building a plan that will ensure that we tackle the issues that we have identified. It is not fundamentally broken; it is just unable to deliver on the timescale that it currently had.

Q51 **Selaine Saxby:** Is there anything you would like to add to that assessment from the Department's point of view, Minister?

**Laura Trott:** No. The reset board was put in place so that we had a clear understanding of what the issues were with the dashboards and what we needed to improve. I think that we now have that in a very clear way. I think that the work that Simon and his team have done, under supervision from Tom and the Department, has allowed us to have confidence in the new reprofiled delivery timetable. There is very close working within DWP, the programme board and MaPS to ensure that happens.

Q52 **Selaine Saxby:** Are you satisfied with the way that PDP and the industry are collaborating?

**Laura Trott:** Part of what we wanted to do with the reset was to ensure that there was greater collaboration with industry on the staging timelines. Part of the reason—I am sure we will get into this a bit later—why we went for guidance was because we wanted to ensure that industry were partners in this process, that we were working very closely with them as we went through, and that the staging deadlines were informed by better readiness.

That approach has been effective. We are ensuring that throughout this we work very closely with industry, because this is something that will hopefully be of benefit to them and will definitely be of benefit to their customers.

Q53 **Selaine Saxby:** In particular, there have been natural concerns about the dashboard ecosystem and how that is tested for end users. Is there anything specific that has been done to ensure that that user testing is working the whole way through the system?

**Laura Trott:** There is an enormous amount, which Simon can go through.

**Simon McKinnon:** At the moment we are testing the connectivity of the connections between the pension providers and the ecosystem. Indeed, the DWP has passed many of those tests already.

Q54 **Selaine Saxby:** Is the industry involved in that?





**Simon McKinnon:** We have 20 early providers who are also on that testing journey. They have not made as much progress as we have with DWP, but they are making reasonable progress. The real issue comes when we have data in the system and we have a dashboard through which people can observe them. That is when the real user testing must come in, because we want to ensure that the users can understand what data are being presented to them and what they are likely to get when they retire.

Q55 **Sir Desmond Swayne:** Why do you put the timetable into guidance rather than regulation?

**Laura Trott:** It was set out previously in legislation and we were then informed that MaPS and the PDP programme were unable to meet the timetable. We had to undergo a process—the reset process—to understand where the problems were and what that meant for the timeframe for the programme, with also the understanding that we had a deadline to meet. We had to get legislation out before the summer to ensure that schemes were not accidentally in breach of the existing regulations, because they would have to be connected by August. It was important that we had clarity over this and the team worked very intensively to set up a new timescale, and we have confidence in the October 2026 date.

We wanted to give ourselves more time to work with industry and for the reset programme to take place to set out the new staging deadlines, which give them more detail in how we build to October 2026. I think we are doing that very effectively. Putting it in guidance, rather than in legislation, gives us some more flexibility than was there previously. It is still important to note—I know you discussed this in the previous session—that schemes must have regard to this guidance and that TPR will enforce that.

I think that it provides a reasonable way forward that gives us flexibility, which ensures that we have a mechanism to ensure compliance and allows us the time to work through the staging deadlines.

Q56 **Sir Desmond Swayne:** Is it not indicative of any lack of confidence?

**Laura Trott:** No. Obviously we have had to reset the programme, and we have been very clear about the reasons for that. I absolutely have confidence in the reset team and what it has done, and the new dates that we are putting together with industry.

Q57 **Siobhan Baillie:** In the move from the 2022 regulations to the guidance, am I right in thinking that the penalties have also been removed for compliance with the timetable? I understood that there were penalties of £50,000 to a corporate body but £5,000 for individual pension trustees. Have they all gone now that we are working to a guidance timetable rather than the statutory timetable?



**Laura Trott:** TPR have said that schemes must have regard to this guidance. When we have the revised guidance set out, TPR will write to individual schemes to make clear to them what their date is and to make clear the steps that they must take to have regard to that guidance. If they do not do that, it is possible to enforce.

**Tom Josephs:** A couple of things to add. Those penalties that you mentioned are the standard ones that TPR can apply if schemes do not comply with the guidance that they set out. For the final connection deadline, October 2026, those penalties would still apply if schemes have not connected by then. In the interim, as the Minister said, if schemes cannot demonstrate that they have had regard to the guidance, TPR could use the same set of penalties.

The key here, going back to the previous question, is that this is an approach that is based on strong collaboration with industry. We know that industry is unanimously behind this project. Everyone sees the benefit of it for pension savers and many people in the industry have come out and signalled very clearly that they will be very happy to follow this new approach. Several industry bodies and schemes have made statements to that effect. The programme—Simon might want to say a bit more about this—will engage very actively, as will the regulator, with the industry to both produce this new staging timetable and guidance, and then ensure it is followed.

Q58 **Siobhan Baillie:** Sara Weller also pointed out, and I think we can all agree, that having all pots available is important for the success of this. There is now a new risk—Chris Curry explained this—of everybody working to the final date of October 2026. With the best will in the world, we know that everybody is onboard with this and this is a brilliant scheme, but there is natural disappointment about the delays because it is something that loads of people want—industry and the public. Minister, with that potential risk of everybody just working to the October 2026 date, is there a point where you have in your mind that you would perhaps move from having just the guidance to going back on to a statutory footing to give it some welly, or do you not think that is necessary?

**Laura Trott:** We do think that the connecting-in guidance will have welly, as you put it. We have made sure that TPR can enforce that, and that is important. Of course, I do not rule anything out if things were not happening the way we think they should, but I see no reason why that would happen.

Q59 **Siobhan Baillie:** My second question, perhaps to Simon, is on hard launch versus soft launch. The previous panel talked about this being quite an organic process, so even when this is launched we know that there will be snags, and we know that there will have to be input from the public and industry. What is your view on how this should be



## HOUSE OF COMMONS

launched? Is it a big bang on to Martin Lewis's programme—all excitement; everybody pushed through?

**Simon McKinnon:** I think it is a little early to confirm that, but I expect to do substantial user testing before we do a broader launch. We want to ensure that it lands well. Part of the challenge is the timing of it. You do not want to launch it until the users can see the pots—the pensions that are relevant to them. That does not mean that you might not have classes of pensioners for whom all their pots are loaded into the system who can launch earlier, but the detail of that plan is not in place yet.

Q60 **Siobhan Baillie:** We understand the decision will be with the Secretary of State, so how are you going to make that work?

**Laura Trott:** That is set out in legislation. The criteria around which the Secretary of State makes the decision about the dashboard available point will depend on his or her certainty around coverage, reliability, security and other factors. Then, from the point that the Secretary of State signals the dashboard available point, there are six months until it goes live. There is a clear process as set out in legislation with the criteria that the Secretary of State has to consider.

Q61 **Nigel Mills:** This has all been quite gentle, hasn't it? This is a bit of a disaster. We put the question to the previous panel that last autumn we received a positive update all on track to launch this year and we already knew that we were way off timetable.

**Laura Trott:** There was never any plan for it to launch this year. The connections were starting to happen this year, but when it was available for the—

Q62 **Nigel Mills:** The first beta testing of the live feed was meant to be this year?

**Laura Trott:** Some connection processes took place last year. Simon will outline those and then I will come back and answer your question.

**Simon McKinnon:** We have been testing the process for connecting people. That was being tested last year. The problem with the process was that it was complicated and could not be scaled to the volume of people who we wanted to attach, but that testing had started.

**Laura Trott:** It was always the case that the final staging deadline was October 2025. That has been pushed back to October 2026, which is regrettable, but we also never announced the dashboard-available point for the reasons that we have talked about here, because that is a decision for the Secretary of State. The dashboard-available point is when it will be available to consumers. That is not necessarily at the end of the staging deadline. It may be that the Secretary of State will take a decision earlier than that if they felt that there was sufficient coverage at that stage. We do not know necessarily that there has been a delay of



## HOUSE OF COMMONS

when users will be able to access this, because the dashboard-available point has never previously been announced.

Q63 **Nigel Mills:** Were you not beating your head on the desk when you got into the Department and were presented with the fact that this looks to be another IT project that is out of control?

**Laura Trott:** You would always prefer not to have to launch a reset programme, but I feel that the steps that we have taken to set up the dashboard programme to now be a success. I am confident in the team that we have over there. The work that Simon and his team have done in a very short space of time has been outstanding, and the thing that reassures me is that the architecture that is in place is sound. That has been one of the key findings of the reset programme.

Q64 **Nigel Mills:** Did MaPS mess this up? What did go wrong there? It does not seem that there were regular updates of, "Oh, this is much harder than we think and we are not going to get this done in time. Maybe we need to change the timetable," and that was already known, so this was just, "When do we announce that?" It looked like a situation of, "Oh, it has all gone horribly wrong. We cannot possibly hit it. Someone do something."

**Laura Trott:** Simon, do you want to outline what the reset found?

**Simon McKinnon:** I think what happened in practice was that they were keeping to their milestones, but they had to sacrifice progress on subsequent milestones to do so. That accumulated to the point where eventually they were unable to deliver on the timescales possible. I think I have said it more than once: the architecture is sound and the build that has taken place to date functionally will work, but the process of connecting users and the consequential material that pension providers will need to be able to connect simply could not be delivered on the timescales that we had.

**Laura Trott:** It would be a very different situation if we had had the reset programme and they had come back to me and said, "This is not going to work. We need to start again. We do not have the right solution in place." That is, happily, not what happened. I have had robust reassurances from the team that the architecture is sound, but we need to take further steps on a lot of the things that Simon has talked about. We now have governance in place and a team in place in MaPS who I think will make this work, so I have confidence in the programme and its ability to deliver.

Q65 **Nigel Mills:** It seems, Simon, you are now the team in place to deliver it.

**Simon McKinnon:** That is a measure of my confidence that this is deliverable. If you had gone in and done the reset, as I did when I was in DWP, and concluded that this was a basket case, why on earth would you take on the role of chairing the programme board going forward?



## HOUSE OF COMMONS

Q66 **Nigel Mills:** Can I move slightly on to a different tack: transactional capacity on dashboards? I think we are clear that that will not be possible. Is that something that we think we want to have in the plumbing for the future or are we ruling that out for ever?

**Laura Trott:** As you rightly say, it will not be on the first iteration of dashboards. Speaking personally, I have concerns about transactional ability. We would need to have some serious and robust safeguards around what individuals can do and how easy you would make that process. It is absolutely not in scope currently.

**Simon McKinnon:** There is no way in which that can be because of the availability of the technology, what the technology can do and the governance that will exist around dashboards. That cannot be introduced without policy being changed to allow it.

Q67 **Nigel Mills:** There is no plumbing being put in place in case we ever want it?

**Simon McKinnon:** No.

Q68 **Nigel Mills:** It is like that is not being built. Is there a risk that one of the private sector dashboards has a dashboard on half of the screen and the other half of the screen has, "Consolidate all your pensions to me now," and tries to get around that with a bit of clever design or presentation?

**Laura Trott:** That is why we made the front end of the dashboards FCA-regulated.

**Tom Josephs:** The dashboard operators will be regulated by the FCA. They are currently consulting on the framework for dashboard operators and many of the measures in their consultation are aimed at addressing those sorts of risks. There are proposals around minimising the risk of scams, there are proposals around restricting marketing, which I think goes to your point, and there are proposals around preventing the ability for transactions to take place. All those issues are being addressed by the FCA regulatory framework for this.

Q69 **Nigel Mills:** It is quite a challenge, because one of the reasons we have dashboards is so that I can go on it, on my train journey home, and think, "Oh, I do not have enough pensions being saved. I must do something about it, and I must start putting more aside."

**Laura Trott:** I hope that happens, yes. That is the ideal.

Q70 **Nigel Mills:** You do not want to make it impossible for me to work out how to start putting more into my pensions. I guess at some point it being quite easy to do something sensible like increasing my contribution is okay, but transferring all my pensions into whichever one has the sexiest Google ad is probably not the cleverest thing to allow me to do.



**Laura Trott:** This is a reasonable conversation to have but I think it is for the next step of dashboards. It is not what we are designing now, and I think that it is important that whatever we do we has consumer protection at the heart of it.

Q71 **Nigel Mills:** Who is liable if I somehow end up becoming victim to a scam through a dashboard? Say I get tricked into something, because an advert appears on the side of the screen or something—who is liable for that? Is it the dashboard provider?

**Laura Trott:** The existing regulation will still be there, pension schemes have the liability for any information that is provided by them, as they currently do and, as I said it is FCA-regulated.

**Tom Josephs:** There are two groups responsible. There are the pensions dashboard operators, who are responsible for the information you see on your screen, and then there are the pension schemes and the trustees of those pension schemes, who are responsible for the data that is transferred on to the dashboard and, as I said, the operators are regulated by the FCA. The pension schemes and the trustees and the data they hold is already regulated very strongly by GDPR overall, but then also by the Pension Regulator's various guidance and expectations on data.

If a problem were to emerge, essentially liability I think would depend on whether it was a problem with the data from the pension schemes or whether it was a problem with the dashboards and the operator. Part of the programme is to set up a complaint handling system for the dashboard, which will allow users, if they do have problems, to direct their issues to the right place.

Q72 **Chair:** Simon, can I put the question that I put earlier to Chris Curry? When the project gets its next red-amber-green rating would it be possible to inform the Committee of what that is at that point?

**Simon McKinnon:** Yes.

Q73 **Chair:** We would welcome that. From what you have said, that is not imminent but some time over the next 12 months?

**Simon McKinnon:** Certainly within 12 months, yes. Maybe less, but probably within 12 months.

Q74 **Chair:** We would welcome that. Thank you.

Minister, can I ask you a few points about some of the other announcements that have been made over the last couple of days? On consolidation of small pots, are you limiting the proposals to pots less than £1,000, or are you looking also at pots between £1,000 and £10,000?



## HOUSE OF COMMONS

**Laura Trott:** We are consulting on the £1,000 figure. That is the figure that we, as part of the work that we have done so far, have seen that strikes the right balance on size, but we are looking for views on that.

Q75 **Chair:** Is it possible you might end up looking at rather larger than £1,000?

**Laura Trott:** It is possible. I think from the work we have done so far this feels as though it strikes the right balance, but again we are, as ever with pensions, looking at views.

Q76 **Chair:** Do you envisage that there might be some later work? Perhaps if you settle on the £1,000 figure, there might be some later work about, for example, pots up to £10,000? Do you think that will be needed?

**Laura Trott:** I think it is important, as with everything that we do, that we keep it under review. It is probably sensible to start at the lower end to see how it is working and to get feedback from the schemes and the savers. The £1,000 to me feels like a reasonable compromise.

Q77 **Chair:** Some concern has been expressed that stapling people to a lifetime pensions provider, as I think is being proposed, could reduce the employer role in choosing an auto-enrolment scheme provider.

**Laura Trott:** This was my point to Nigel right at the beginning when he asked about this. What we have done is come forward with a solid proposal for the stock, so the default consolidator and a carousel model. That is the proposal for the stock. We have not said what we want to do about the flow at the moment. We will take more time to talk to people about that, for exactly the reason that you outline.

There is no perfect solution to this. If there was, we would have done it already. The default consolidator for the stock strikes the right balance. For the flow, we need to take more time. I am personally, as I said before, attracted to the stapling model. I am also interested in CDCs, but that is something that we need to look at for exactly the reasons that you highlight, Chair, in that it does then dilute somewhat the employer link. We would need to think about that and whether that is sensible.

Q78 **Chair:** On the CDC point, what are the next steps that you envisage for CDCs?

**Laura Trott:** We said a couple of things on CDCs yesterday. We have come back to the consultation we had on multiemployer CDCs to say that we are going forward with those and we will consult then on the regulations. That will be the next step for those. That is a natural evolution from the single employer CDC regulations that have already been passed. That will be important, because it will mean that it is not individual companies that necessarily have to do this, but it can be several of them coming together or master trusts. That is a huge step forward for the CDC market, which will be very important.



## HOUSE OF COMMONS

Also, one of the things that we put out yesterday was around decumulation and looking at pension schemes having to offer a suite of decumulation products. That will be important for individuals, because it will mean that where they go through with their pension scheme their pension scheme must offer them some decumulation options, which will mean that they will not have charges if they have to go elsewhere. At the moment when 50% of them, as we found from research, basically default themselves, they just go into whatever the easiest or the scheme offering is, but it is not necessarily in their best interests. That will try to help with that. I think a decumulation CDC could be an important part of that. That is one of the things that we are looking at.

Q79 **Chair:** The progress on CDCs would be very widely welcomed. When do you envisage the regulations coming forward?

**Laura Trott:** We will consult on the regulations in the autumn. As you know, with all things pensions, we are very careful to do a lot of consultation because these are serious, long-term reforms that we must take the time to get right. We will consult on the regulations in the autumn, which is pretty quick progress, and then we will ensure that we progress it as soon as parliamentary time allows.

Q80 **Chair:** One of the announcements you have made is of a move away from the charge cap vehicle for assessing pension schemes to a wider value-for-money approach. I know that you are consulting on that, but I have not had a chance to look at that document. Can you tell us what you have in mind there?

**Laura Trott:** The value for money scheme is a response to the consultation. We are not proposing changes to the charge cap, but we are saying that when we are looking at the assessment of defined contribution schemes we need to look not just at costs but also about returns and service quality. We have proposed a metric within that on how they will be judged and the information that schemes need to provide.

We have also said that the regulator will have the powers to take action on the back of this, so that where schemes are underperforming, they can be asked to improve, consolidate or exit the market. That is important because it gives the value-for-money scheme teeth, so not only will there be consistent information that is provided around the metrics that we talked about but also the ability for the regulator to intervene where that is not being met.

Q81 **Chair:** Will this be a metric that would be applied by The Pensions Regulator?

**Laura Trott:** Yes, and standardised across the industry.

Q82 **Chair:** Would it be published?





**Laura Trott:** Yes. Tom, do you want to talk about that?

**Tom Josephs:** All of this information would be published, all the various metrics for each scheme would be published, which would allow people to compare across schemes and would also allow the regulator to take action, if necessary.

**Laura Trott:** It is fair to say that this is not focused primarily on consumers at the moment. This is more for employers to look at because these are, by and large, workplace schemes. Members can look at these, but it is really for employers to take action with the current model that we have with the automatic enrolment market.

Q83 **Chair:** Will that help with older underperforming legacy schemes?

**Laura Trott:** This is defined contribution only, so this is not defined benefit. It will help all schemes and it will ensure that all schemes must meet minimum standards, otherwise they will be asked to, as I said, either improve, consolidate, or exit the market.

Q84 **Chair:** Do you need additional powers or does The Pensions Regulator need additional powers to do that?

**Laura Trott:** Yes, it does.

Q85 **Chair:** When will those come forward?

**Laura Trott:** That will require legislation, which we will do as parliamentary time allows.

Q86 **Chair:** Will that be primary legislation?

**Laura Trott:** Yes, I think that is.

**Chair:** So we will need to wait for a pensions Bill for that.

Q87 **Nigel Mills:** Are some DC schemes FCA-regulated because they are contract-based rather than trust-based? Do they have the power already or will they need to take the same power—they can be doing the same review of schemes, or will the TPR do all the schemes?

**Tom Josephs:** This document that we put out is joint with the FCA. We are working very closely with them on this and the idea is that this approach would apply across FCA and TPR-regulated schemes.

Q88 **Chair:** The statement to the House on pension fund investment into high-growth firms was made by the Economic Secretary and there is obviously quite appropriate Treasury interest in this matter. How will you ensure that the interests of pension savers are properly safeguarded as these changes are introduced?

**Laura Trott:** This has been very much a joint project throughout the entirety of its existence, and you would have seen that at Mansion House



## HOUSE OF COMMONS

one of the golden rules that the Chancellor announced was that this must be in the interests of pension savers. That is absolutely at the heart of everything that we do.

Q89 **Chair:** How do you envisage those interests being safeguarded?

**Laura Trott:** We have focused, with automatic enrolment up until now, mainly on coverage, and understandably so. We were in a situation where around 40% of people had a workplace pension. That was completely unacceptable. We are now up to 80% or 90%, which is very good news. The problem that we have now are some of the returns that individuals are getting on those savings are, compared to international comparisons, not high enough and they are too varied, depending on which scheme you are in, without people having enough knowledge of that. Value for money is about bringing up the underperforming schemes and ensuring that they improve, consolidate, or exit the market. Then what we are trying to do with this is to place an emphasis that as part of the fiduciary duty it is crucial that trustees seek high returns for savers, because that makes such a difference to the adequacy of the ultimate pension and whether people will get the retirement that they deserve. It is not acceptable that in this country pension savers are getting less value for the pounds that they put in than is happening elsewhere.

We, as the Government, are absolutely determined to address that and while individual investment decisions will always be a matter for trustees, it is vital that we drive up returns for pension savers. That is what this work is all about. It has pension savers at its very heart and as a benefit of this we will also put money into British businesses and the British economy, but what drives it is the desire to increase returns for savers.

Q90 **Nigel Mills:** Have we given up on infrastructure? We have spent years saying we want pension schemes to invest in infrastructure. That has now gone, and we have found a compact and some vehicles to do high-growth business.

**Laura Trott:** No, not at all. Pension schemes invest in infrastructure. We have seen that at the moment with housing and also green energy, and that is very much encouraged. The key thing that we are looking at here is focusing trustees on returns rather than just cost. That is the vital shift that I think we need to make in this market.

Q91 **Neil Coyle:** Does the Tideway model for the Thames super sewer—call it what you like—offer enough protection for those who may be concerned that Thames Water perhaps may not?

**Laura Trott:** I do not think it is right for me to comment on individual investments. If you look at other countries, for example Australia, you see far higher investment in infrastructure and private equity projects. That has led to higher returns for members and we have seen that across the board.



## HOUSE OF COMMONS

As I have said, and I will always emphasise, individual investment decisions are for trustees to make. It is for trustees to ensure that their member benefits are protected, if it is DB, and if it is DC that they are getting the highest that they can overall. That is for trustees to make the decision around.

**Q92 Neil Coyle:** You are saying it is a decision for trustees, but you also just said that if they were not making significant return for their investors, they would be encouraged to exit the market.

**Laura Trott:** Yes, so where there are long-term poor returns for savers, they are not delivering the best interests of their savers.

**Q93 Neil Coyle:** Only if they were not making a profit, so to speak?

**Laura Trott:** If they deliver zero returns for savers over a long period, I would definitely say that they are not delivering for their defined contribution savers.

**Q94 Neil Coyle:** Is it the Government's expectation that pension funds will invest in new nuclear in the UK?

**Laura Trott:** As I said, it is not for me to specify what these decisions will lead to. My job, as I see it, is to set up the framework whereby pension schemes are focused on returns and returns are across the board. Obviously, if you are investing solely in very risky things that then do not work out, that is not delivering high returns for your savers. I want the industry to be focused on returns—net return—rather than just on cost, because I think that will give people better value for the money that they are putting into their pension scheme. We know how precious every pound is.

**Q95 Neil Coyle:** You want them to make the decision, but you hope they will invest in infrastructure in the UK. How do we legislate for hope?

**Laura Trott:** No, we legislate for a robust regulatory regime that places the emphasis on getting returns for savers, making sure always that trustees are responsible for those decisions, that they are responsible for the outputs of their pension scheme, and that we put the framework in place to enable schemes to do that. Then, as the Economic Secretary said in the House yesterday, it is also the job of Government to help to facilitate investment opportunities that are available to schemes—that is more the Treasury side than mine—that will then prove useful investments that will give high returns for savers. It is ultimately the trustees' decision. The job of Government is to set the framework.

**Q96 Sir Desmond Swayne:** What will be the target for the return—the measure of returns that are acceptable?

**Tom Josephs:** I do not believe we have a specific target in the value-for-money framework. We essentially highlight the big gap that currently exists between the schemes that have generated the best returns and



## HOUSE OF COMMONS

other schemes that have generated far lower returns. It is about trying to close that gap, as the Minister said, in the interests of savers, as the savers who are in the lower performing schemes are the ones who are losing out.

Q97 **Sir Desmond Swayne:** Is there a market solution to this rather than a regulatory one?

**Laura Trott:** I think that is what we need to look at as part of the small pots issue. At the moment, this is a market that is primarily focused on cost and that is what employers tend to look at. We need to see whether there should be more of an element of competition. Part of what we are trying to do here is to shift employers' focus from cost to value when they think about getting into an automatic enrolment scheme. We are trying to introduce the market that way. There is also more we can look at when we are thinking about the solution to small pots with the flow.

**Chair:** Minister, thank you very much. You have had a busy few days and lots of work ahead, including over the summer, from what you have indicated. Thank you very much for joining us this morning and for the very helpful answers that you and your team have given us. That concludes our meeting this morning.