



# Work and Pensions Committee

House of Commons, London, SW1A 0AA  
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Julia Lopez MP

Minister of State for Media, Data and Digital Infrastructure

18 May 2022

Dear Julia

## **Data protection legislation and communication with scheme members by pension schemes**

The Work and Pensions Committee is currently conducting an inquiry on [Saving for Later Life](#). One of the issues we are looking at is the advice and guidance people need while they are saving.

We have heard that engagement with pension scheme members is important in helping them make sound financial decisions. For example, the [Financial Conduct Authority](#) told us that “at the right points in the pensions consumer journey, guidance and (for some) advice can help consumers make informed decisions that are crucial to good outcome.”

However, we have also heard evidence that pension schemes are restricted in their ability to communicate helpful information to their members. One reason is the challenges they face in trying to balance the requirements of the [Privacy and Electronic Communications Regulations 2003 \(PECR\)](#) with guidance from the Pensions Regulator on good communications with scheme members.<sup>1</sup>

The Universities Superannuation Scheme (USS) is one of the schemes that has contacted the Committee to say that this has materially impacted on their ability to communicate helpful information to scheme members and to maximise the benefits of investment in the scheme website, member portal and online functionality. We have heard that the policy of auto-enrolment on the one hand makes getting marketing consent from members at the point of joining more difficult and on the other makes communication particularly important. The USS trustees support a proposal made in your September 2021 consultation, [Data: a new direction](#), to extend the ‘soft opt in’ currently only available to commercial organisations to non-commercial organisations, but also for it to specifically cover information gathered via auto-enrolment.

In its written evidence to the Committee’s [Saving for Later Life inquiry](#), Aviva, cites the regulations as an obstacle to boosting uptake of advice and guidance, saying that “we can build very effective propositions and tools to help customers, but if we can’t tell customers about them, they won’t use them.” Other pension providers raised the issue of data protection legislation more generally, in oral evidence on 27 April.<sup>2</sup>

We would be grateful if you could assure the Committee that this important issue is being considered as the Department formulates its response to the consultation.

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<sup>1</sup> [DC Code of Practice](#), para 134

<sup>2</sup> [Oral evidence to the Work and Pensions Select Committee, 27 April 2022, Q122](#)

Kind regards

A handwritten signature in black ink that reads "Stephen Timms". The signature is written in a cursive style with a horizontal line above the name.

**Rt Hon Stephen Timms MP**

Chair, Work and Pensions Committee