

## Written evidence from Infosculpt Ltd (PFC0087)

Infosculpt Limited Software house for the financial services industry

I am a business analyst who has worked for 30+ years in the pensions industry. The focus has largely been providing modelling and illustration software to insurance companies, investment and pension providers. The products covered all investment vehicles from 1980's to the present day.

### Major highlights

1. Creator of own charge Pencalc, a pensions tool becoming the IFA tool in the 90's,
2. Creator of the technological foundation of AssureWeb
3. Involved in the presentation of guaranteed products to the market through MetLife.

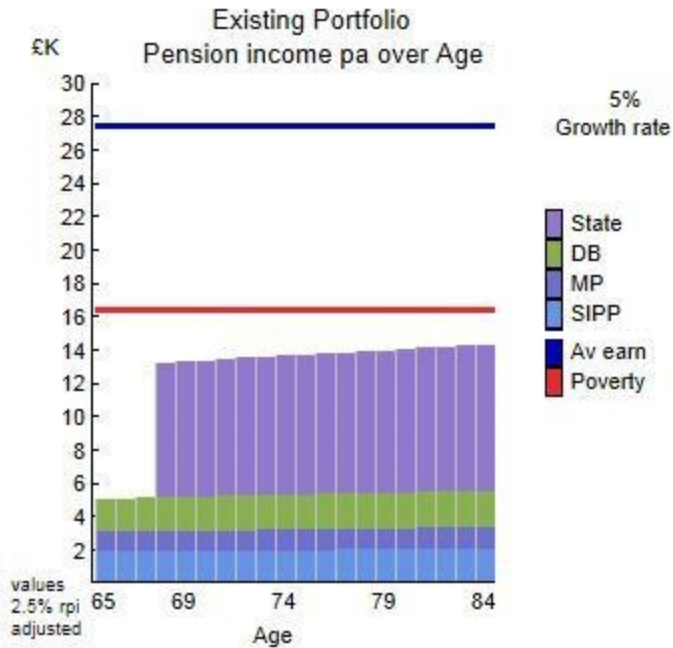
During this period I have been searching for the solution to the real charge modelling problem and its potential use across the whole industry. I have now achieved a working prototype of the design to make this a reality.

### **Committee question 3 of Pension Freedoms enquiry 20 Sept 2017**

**To what extent will pensions dashboards enable consumers to make more informed decisions about their retirement savings? What are the remaining obstacles to their creation and success and how should those obstacles be overcome?**

The pension dashboard will bring pensions alive, make them normal conversation and mean people know what they are projected to receive and the timeframes.

What could it actually look like?

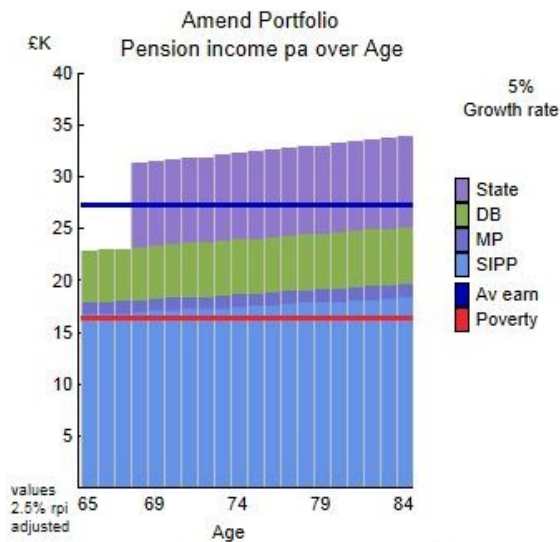


The graph shows the pension income totals received spread across all schemes in retirement.

Only schemes in payment are included in the graph.  
The poverty line is set at £16,600 60% of the average earning of £27,600

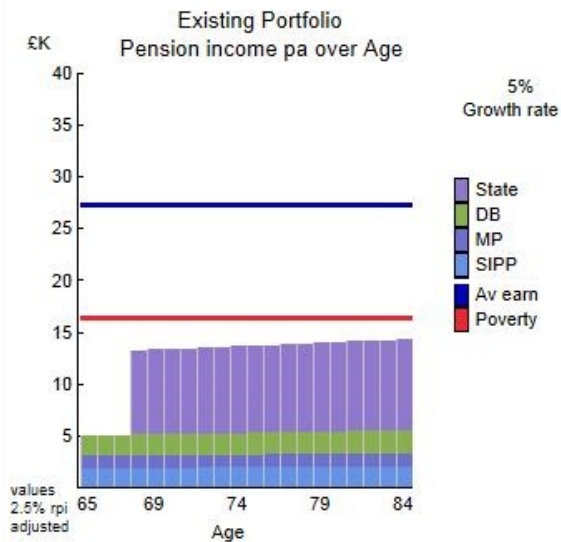
This shows the obvious shortfall in true pension provision.

**The graphs below illustrate the necessary investment to correct the pension shortfall**



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To view a video of how these graphs appear in the system go to site below

[www.ultraquote.co.uk](http://www.ultraquote.co.uk)

### Obstacles remaining.

1. Centralising each scheme's charge structure to enable compliant projection calculations

There are an estimated 40,000 existing schemes of 10 items (approx) per scheme

2. Collating pension holder member's portfolios, expected contributions, and options taken in existing schemes

Ameliorating circumstances: There are only 10 data items approx. per member per scheme so this obstacle is over estimated. ( Projections should only require stock market valuations of funds within 6 months of the projections date)

3. Agreeing the form of representation of the data in an accessible way, and linking it to advice, and IFA input, with limits, and restrictions in place.

### How will this be achieved?

1. The FCA and Pension Regulator need to set the rules for projections to be from current age to age 85, with annual figures, both in fund and income levels which the pension holder can ask the scheme to provide within 1 week of a request.
2. Create a pension dashboard company that offers a service to pension scheme administrators to meet this requirement.

To provide this service the administrators will pay an estimated £1,000 setup fee per scheme + a rated scale based on number of members involved in each scheme.

We have created technology which allows consultants to setup a scheme within 2hrs of receiving the charge structure.

The current industry technology is typically represented by 7 people working for 3 months per product at a cost £100K+

What we are asking for is merely 10 data items per scheme, 10 data items per member.

### **What is stopping this from happening today?**

A large number of people, groups and organisations need to get involved.

They need to

1. Understand the pension dashboard
2. Know their obligations in providing data to it
3. Get agreement from their organisation to proceed

### **Education –**

A large amount of cynicism exists about what is possible and what can be achieved.

With education the way ahead will be made clear, the implications can then be worked through and the opportunities understood.

The pension dashboard software will change the industry at all levels.

*November 2017*