Department for Work and Pensions

Pensions Dashboards: Working together for the consumer

Consultation response

Contents

Introduction

Barclays is a transatlantic consumer and wholesale bank with global reach, offering products and services across personal, corporate and investment banking, credit cards and wealth management. We are headquartered in London and New York, operate in over 40 countries and employ 85,000 people globally. Barclays has been part of the fabric of the UK for over 327 years, and our success as a business has always been inextricably linked to the progress of the people and the businesses we serve. Barclays has 24 million customers, and provides a wide range of financial services. In addition to everyday banking products, mortgages and credit cards, we also offer multiple savings products and an investment platform, with over 300,000 using our Smart Investor tool. It is from this unique vantage point that we seek to support this inquiry as well as the creation of the dashboards.

It has been well documented that many in the UK are not saving enough in general or for their retirement. Barclays, is therefore, supportive of ideas and initiatives that encourage individuals to save and help to raise awareness of the importance of lifelong incomes and investments. In order to help consumers with making suitable plans for the future, it is vital they know about any existing investments or pensions arrangements they may have. The pensions dashboards will be a crucial ingredient in providing consumers with this type of information. This is why Barclays is supportive of the development of pensions dashboards and advocate the clear need to bring consumers closer to their pension pots.

Barclays is responsible for a number of staff pensions – made up of Defined Benefit and Defined Contribution schemes, set up as both Trust and Policy based arrangements. When the dashboards take effect, Barclays would be required to provide data to them for our staff members – something we are happy to complete. Nonetheless, there are architecture, expenditure and regulation implications that need to be addressed in order to get the dashboards up and running as soon as possible. For example, we have reservations around the current feasibility of the proposed architecture of the dashboards as well as the initial delivery deadline of 2019.

We welcome this opportunity to engage with the Department for Work and Pensions on this consultation, and have provided thoughts and insights on a number of themes we believe are relevant throughout our response. We would be happy to discuss them in further detail.

Wider benefits of a dashboard

I. What are the potential costs and benefits of dashboards for:

a) individuals or members?;
b) your business (or different elements within it)?

Overall, Barclays is positive about the impact pensions dashboards can have on individuals, pension schemes and their members and businesses, with multiple benefits being experienced by all.

For individuals we believe that the biggest benefit will come with the ability to see the details, including the value, of all of their pension pots in one place – something that is not yet available otherwise. With individuals and members gaining a holistic understanding of how their pension pots work, possibly including clear anticipated retirement incomes, it should allow individuals to be better prepared for later life and can help with making more informed investment decisions for the years ahead. The dashboards should result in individual's building better and higher incomes.

This will also result in a positive impact for businesses, who should be in a stronger position to help people make suitable long-term plans, due to having all the available information about existing pension arrangements to hand – pensions dashboards will be crucial for providing this type of data. A single source of information should also reduce the time and costs involved in obtaining this information.

The accessibility, ease and convenience the dashboards will be able to provide, should allow individuals to become more engaged in their pension and retirement planning and can hopefully dispel the myths around what is considered to be a complicated area. The launch of the dashboards can be seen as a real opportunity to conduct a much needed educational piece around pensions and anticipated retirement incomes. However, advice and guidance will need to be considered so that all users are able to engage with the dashboards, including those with limited understanding of their pension pots, those with physical conditions and those who lack digital confidence.

The ability to identify a lost pension pot will also be hugely beneficial to consumers, however, a lost pension pot implies some knowledge of its existence in the first place - we believe that many individuals are not even aware that they have any pension pots. Finding lost pots will enable individuals to have a thorough and accurate understanding of their anticipated retirement income, most probably for the first time.

For Barclays to be an active participant in the pensions dashboard will we be required to supply pension data for our staff pension schemes via the Pension Finder Service (PFS). This data will cover active, deferred and in-retirement data. In order to do this, Barclays will bear the costs of supplying data to the PFS.

Architecture, data and security

II. Do you agree with:

a) our key findings on our proposed architectural elements; and

Barclays has some reservations regarding the feasibility of the proposed architecture, in terms of scalability, security, and time to build. These are related to two key themes: 1) the identity verification of the individual and customer matching, and 2) the integration and data sharing between the pension providers and the Pension Finder Service.

Identity & verification

ID&V standard: Correctly confirming the identity of the individual user is of primary importance to reducing the risk of fraud that a service such as the pensions dashboards could introduce if implemented improperly. In the UK, digital identity verification is nascent, and there is not a ubiquitously used digital identity service that could be drawn upon for this service. Whilst Barclays recognises that in principle the proposed architecture for identity verification are correct, our concern remains regarding delivery. Currently in the UK, the GOV.UK Verify service adheres to the Good Practice Guide 45 (GPG45), but it is not used in the private sector outside of controlled pilots. In order to get the scheme working for the private sector, a number of items require resolving including the liability model, the commercial model, the level of assurance required for this industry use case, and then finally any required build or design to ensure that it works for this use case. Hence, we do not envisage this being completed within 2019.

We would therefore recommend that DWP works with the industry and regulators to agree upon a defined standard of identity verification for this service, and how this can be controlled and governed. We note that industry's engagement with the Open Banking Implementation Entity (OBIE) may provide a useful model to draw upon. With clearly defined standards multiple service / solution providers could verify the identity of citizens wishing to use this service, so long as they adhere to those standards. These identity service providers may use different techniques to verify people's identity, with the aim of ensuring that many different individuals with different types of evidence would be able to prove their identity and therefore use the service.

Customer Record Matching: Additionally, as alluded to in the consultation paper, the National Insurance Number (NINO) alone cannot be used to match to a customer record by the pension providers, as it is self-asserted and therefore may experience a level of user error when entering that data field. Without a NINO validation service being in place, it would need to be a requirement that pension providers match both the NINO and a number of verified identity attributes - e.g. name and surname - to their user record, before returning the pension data for that user. Alternatively, this matching of customer to NINO could occur at the identity service level, so that the minimum amount of data is transferred between third parties (e.g. just NINO).

The integration and data sharing from the pension providers and the Pension Finder Service

The significant number of pension providers, currently estimated at around 40,000, that would need to be connected to this service to provide data, would necessarily make this a complicated architecture. The PFS would need to send requests to all of these providers, so that they can determine if the user is one of their members. If the pension provider finds a match, they would then need to present the required data back to the user through the dashboard service in a standardised way. Barclays anticipates that it will be challenging to get all parties to align to one standard and build and integrate their APIs with the service in the short timeframe proposed. To draw a parallel, Open Banking took several years to implement, and this required the collaboration of only nine banks. The scale of this challenge therefore should not be underestimated, both from an initial set up perspective, but also regarding the complexity of the architecture proposed, with calls going out from the PFS to every pension provider (40,000) every time a customer wants to check their pension dashboard.

We understand the concerns around having a central repository of lots of user and pension data. However, one approach could be for the PFS to maintain a central record of the pension providers and their corresponding list of the NINO of their members (no additional personal information is required to be stored centrally). Depending on maturity of the service, this could be updated by batch process in the early days of the solution, and move to a more automated service over time. This would reduce the scale and frequency of API calls being made, as it would allow the PFS to firstly check the user's NINO against their central registry, and then only send requests to the pension providers that have a successful match.

The pension provider can then pass the larger payload of individual pension data via an additional call, through the central core, without the need for storing it and sending it directly to the pension dashboard providers. This architecture would require far less interoperability between pension dashboards and pension providers, and would be secure and have a greater level of resilience and lower cost for all involved. It could also help to enable a phased delivery approach, whereby in the early days the smaller providers may be able to offer alternative mechanisms to pass the additional pension data back to the customer once a match has been identified - e.g. call centre, letter etc.

This supports Barclays' view that the pensions dashboards should start with a basic approach that helps customers identify a list of where they have pension pots. Then over time, it can evolve to a more fully integrated and automated system where they can access additional data about their pensions.

A further item for consideration is the need to ensure that the pensions providers have reached the appropriate level of security regarding their exposed service endpoints - e.g. common penetration testing, to maintain the security of the infrastructure.

We would also note that a significant amount of work has already been carried out within the UK market for sharing sensitive banking data via APIs as part of the Open Banking initiative. The usage of standards like Financial API Standard (FAPI) that use Oauth2 and OIDC as industry standards for authentication and authorisation that are rapidly becoming an industry standard could help with the architecture framework to deliver the security, identity and data sharing standards that the dashboards could take advantage of. We recommend that the data sharing approach (utilising APIs) is built to the same standard as utilised with Open Banking. However, data sharing through batch processing should be sufficient to meet the dashboard's objectives.

b) our proposed architectural design principles? If not, please explain why.

We would firmly agree that the principles of customer centricity, simplicity of communication and user control are key principles to underpin the design of a new service of this kind.

Comments on Data Access and Consent, page 32 - paragraph 142:

142. 'There should be no aggregation of the user's information (the storing of data) in any of the components in the dashboard's ecosystem other than by the pension scheme, or an Integrated Service Provider operating on behalf of the provider. *This supports our overarching delivery principles to keep data secure and put the individual in control of their data.'*

Whilst primary data storage will occur with the pension providers, data will necessarily persist in other elements of the system, specifically the dashboards/user interface. Whilst this data will not be warehoused in these elements, it will still be aggregated – i.e. brought together from multiple sources – and a considered data security strategy will be required to protect it.

Comments on Identity, pages 37-38 - paragraphs 147, 148:

147. To enable a sufficient level of trust in the service, the Department expects a standard level of identity assurance for all users (individuals and delegates) that satisfies the National Cyber Security Centre's Good Practice Guide 45 on 'Identity Proofing and Verification of an Individual'. *This should be used to orchestrate finding activities, manage consents for delegation and enable authorisations to access pensions.*

148. In addition we envisage the appropriate regulators would be involved as necessary to ensure that the interests of consumer protection are served. The delivery group will need to work with the FCA on appropriate assurance of the identity and professional status of delegates before any delegate can access customer data.

The Department references the GPG45 on 'Identity Proofing and Verification of an Individual' as a basis for a standard level of identity assurance. Whilst we believe this is one option for developing an identity assurance standard, alternatives or modifications may be needed to provide a standard of assurance that is commensurate with the inherent risks but also allows a good customer experience. We regard customer conversion rates as a key metric indicating that a verification process is intuitive and easy to navigate.

Additional comments

With regard to the build and maintenance of the system, the following clarification would also be helpful:

- The protocols for data encryption;
- The protocols around penetration testing;
- The basis on which the secure hand shake occurs between pension providers and the pension system at all points;
- The standard for user identity verification;
- Third party assurance / supply chain risk assessment;
- Security requirement and design principles;
- Approach to threat modelling;
- Approach to static code analysis.

Providing a complete picture

III. Is a legislative framework that compels pension providers to participate the best way to deliver dashboards within a reasonable timeframe?

Barclays believes that pensions dashboards hold the potential to deliver real benefits to consumers as they consider how to best support themselves in their futures. In order to realise this potential in the quickest manner, drawing on our experience from the development and implementation of Open Banking, we believe that a legislative framework that compels pension providers to participate is required.

It is likely that the larger pension schemes and providers will be more technologically advanced and therefore should be required to submit their data more quickly, with smaller pension schemes/providers, having a relatively longer lead time to implement. This would ensure that coverage of most of the market is delivered as soon as possible.

We note that Open Banking, which started with the nine largest banks, was developed and delivered within an 18-month time frame (with considerably more technical development and complexity). As such, we think that a similar 18-month period for the larger pension schemes/providers would be appropriate.

To conclude, we believe that a legislative framework compelling pension providers to participate in delivering dashboards is the most effective way to achieve full and timely coverage. This will ensure that all pension schemes supply data at the right time and in a complete format. Voluntary participation may lead to incomplete data inputs and delays – a required standard of data with clear timescales and deadlines should help to ensure the timely completion of the dashboards.

Legislation should also begin with ensuring that all schemes provide confirmation of existing pension pots with 'basic' member information - e.g. name, address, date of birth and scheme contact details. Although some schemes will be able to provide further information, such as pot values and future projections of income, straight away, it is vital that the 'basic' details are made available for all schemes as soon as possible. Those that can't supply the further information initially, would have more time to reach this standard.

IV. Do you agree that all Small Self-Administered Schemes (SSAS) and Executive Pension Plans (EPP) should be exempt from compulsion, although they should be allowed to participate on a voluntary basis?

For the dashboards to have the most success and to be beneficial to the consumer, no schemes should be exempt – it is essential that a full record of an individuals' pension pots is available through the dashboard.

We understand that some schemes may not have the capability or technology to supply all the data required by the dashboards, for example, some scheme records may not be in a format that is suitable for supplying real-time data to a Pension Finder Service. As a result payment records and investment projections may be out of date in comparison to other schemes.

It could also be the case that some schemes do not hold records that are accurate enough for display on the dashboards – for instance, some schemes have incomplete member details. To overcome these hurdles, a phased approach could be adopted, for example:

- Initially, pensions schemes will have to confirm if a pension pot for an individual exists with them, this would require only 'basic' information such as member name, date of birth, address and scheme contact details.

- Over a 3-4-year period, pension schemes will be required to add to this information. This would gradually build up the information to include pension values and future projections of income.

The size of a pension scheme - e.g. a micro-scheme - should not be a reason for exemption from the dashboards. For example, Personal Pensions are all 'one-person' schemes and there is no suggestion that these should be exempted. Some SSAS's and EPP's may find it difficult to provide a complete record of member data in the short term, for example, due to technology limitations. But rather than exemption, a longer timeframe for providing the data needed would be a better approach. The only way to help consumers with understanding their pension savings needs is to provide access, via the dashboards, to a full and accurate picture of their current pensions savings.

V. Are there other categories of pension scheme that should be made exempt, and if so, why?

No schemes should be exempt; it is essential that a full record of individuals' pension pot is available through the dashboards; including the State Pension.

We feel consumers are less informed about their pension savings than most other savings products/vehicles. We believe there are many reasons for this:

- Pensions are not simple. They are subject to a number of rules and regulations which have changed many times over the years making it hard for most people to fully understand them – this in turn results in people disengaging.

- Generally, pensions cannot be accessed before the age of 55 which means people may tend to defer their engagement with them until later on. In some cases, there will be consumers who happen to forget about them altogether.

- Workplace pension contributions are deducted from payroll before the money is paid into employees' bank account. This can be seen as an advantage to the consumer because the money is saved before it can be spent, however, it does means consumers do not connect with their pension pots and do not acknowledge their long term saving capabilities.

These reasons can potentially lead to the 'Lost Pension Pot Problem'. However, the pensions dashboards can solve this problem but only if all pension schemes are involved, with no exemptions. Barclays also agrees that the State Pension must be included. For many people this will represent a significant proportion of their pension entitlement and for some it will be their only entitlement.

Implementing dashboards

VI. Our expectation is that schemes such as Master Trusts will be able to supply data from 2019/20. Is this achievable?

We believe it may be possible for Master Trusts to supply data from 2019/20, however, it is dependent on the design of the underlying systems and technology used to administer scheme records. Many Master Trusts were set up to deal with auto-enrolment and are likely to use the latest technology which should facilitate the early supply of data in 1-2-years' time.

A further significant consideration is the Identity Verification challenge that we have outlined in question two; this is likely to have an impact on the timescales required to make it possible for consumers to be able to access this information securely.

Are other scheme types in a position to supply data in this timeframe?

Many Personal Pensions and Self Invested Personal Pensions (SIPPs) use 'wrap platform technology' to administer their scheme records and could also be able to supply data in 2019/20.

'Wrap platform technology' allows for customer investments (e.g. ISAs and SIPPS) through various providers (e.g. Fidelity, Barclays Smart Investor, Standard Life) to be held on systems that can supply up to date information on a real-time basis. This would include member details, contributions made and investment performance. With this level of detail already being supplied to customers and their advisors and with the technology already established, making this information available through pension finder services should be straight forward.

VII. Do you agree that 3-4 years from the introduction of the first public facing dashboards is a reasonable timeframe for the majority of eligible schemes to be supplying their data to dashboards?

We agree that 3-4 years should be the target timescale for full coverage on pensions dashboards.

As evidenced by the research, referenced in Chapter 3 of the consultation paper, there is concern that if full coverage of the first public facing dashboards is delayed beyond this timeframe, user's expectations of the dashboards could be negatively impacted.

VIII. Are there certain types of information that should not be allowed to feature on dashboards in order to safeguard consumers? If so, why?

Although we advocate for as much information as possible being made available to the consumer via the dashboards, we do believe some controls need to be put into place. For instance, we believe that the accrued benefits of Defined Benefit Pension Schemes should be shown on the dashboards, however, the transfer value equivalents should not feature without some controls. For example, there is more than one way of calculating a transfer value, which could result in inconsistencies. Also, Defined Benefit transfer values can be relatively high and it is worth considering whether transfer value information should only be made available alongside some appropriate level of guidance and governance in order to safeguard scheme members from making unsuitable decisions about their scheme benefits.

VIII – continued. Are there any other similar risks surrounding information or functionality that should be taken account of by government?

We have found that many people face difficulties when transferring one pension pot to another. These difficulties tend to be two fold – the first being the decision making behind whether or not to transfer a pension pot, the second is dealing with the process of actually transferring the funds from one pot to another. Compulsory guidance or advice from a recognised body such as the SFGB or, from an IFA, for more complex situations like Defined Benefit transfers, deals with the first difficulty. Also, developing a simple function on the dashboard which enables members to easily move their pension pots in a few steps should be carefully considered.

According to the Financial Conduct Authority (FCA)[1], pensions scams commonly involve scammers convincing people to transfer money into a fraudulent pension scheme. The pensions dashboards could help safeguard customers from such scams via the assurance that all participating pension schemes are those that are regulated by the FCA, which could help prevent customers from making payments to fraudulent schemes.

Barclays recognises that sometimes it is in the interest of our customers to allow a trusted third party to access their accounts to help them manage their money, but also that these arrangements can be exploited by scammers. We therefore ask our customers to set up third party account access directly with Barclays, which can be done without registering with an authority, through our branch-based verification process. Government should consider how it might facilitate third party access to the pensions dashboards so that this can be enabled safely for consumers who need help to manage their pension.

As previously mentioned, correctly confirming the identity of the individual user is of primary importance to reduce the risk of fraud that a service like this could introduce if implemented improperly. Careful consideration needs to be taken to ensure that the identity of the user is verified correctly, and that the right combination of attributes are shared with the pension provider in order for them to confirm if they have a user match.

IX. Do you agree with a phased approach to building the dashboard service including, for example, that the project starts with a non-commercial dashboard and the service (information, functionality and multiple dashboards) is expanded over time?

The consultation paper suggests that industry will start to supply data to a dashboard, on a voluntary basis, from 2019 as the existing framework allows for this. We believe that the complexity of the proposed architecture and scale of the solution makes a 2019 delivery challenging. However, we encourage government and industry to do what they can to meet this initial deadline, including considering our aforementioned alternative architecture. We also encourage government to legislate as soon as possible to compel schemes to provide their data. We understand the considerable pressure on the current parliamentary timetable, however, clear action/commitment from government is needed in order to build confidence in the dashboards by consumers and industry.

[1] Financial Conduct Authority, '*How to avoid pension scams*', https://www.fca.org.uk/scamsmart/how-avoid-pension-scams

Our priority would be that the non-commercial dashboards should be delivered first starting with 'basic' information, such as member name, address, date of birth and scheme contact details; with the amount of detail provided being extended over a period of time. We understand that some schemes are currently unable to supply the expected level of information required for the dashboards to work at maximum capacity – i.e. some schemes are unable to supply real-time updates. This is why focusing on 'basic' information first is key.

However, if there is opportunity to develop 'commercial' dashboards at this initial stage, without impacting the delivery timescales of the 'non-commercial' dashboard, then this should be considered.

X. Do you agree that there should be only one Pension Finder Service?

If not, how would you describe an alternative approach, what would be the benefits and risks of this model and how would any risks be mitigated?

Yes – a single Pension Finder Service would be the best option as this will enable a streamlined service. The Pension Finder Service also appears to deliver a secure, independent and centrally regulated service that is required for the proposed pension dashboard ecosystem.

We do believe, however, that the identity service element could be provided by multiple providers, so long as they meet industry defined standards. If there is already an existing ID verification service in place, which meets the required standards and could deliver the same results, it may be the preferred option by commercial dashboard users due to familiarity and reliability. Nonetheless, at present there are limitations in digital identity provisions in the UK, as addressed in question two.

Protecting the consumer

XI. Our assumption is that information and functionality will be covered by existing regulation. Do you agree and if not, what are the additional activities that are not covered?

Although a majority of the regulation required will already be in place, there are areas in which new regulations may be needed or extended. For example, new minimum standards could be introduced around data security and the financial strength of the commercial dashboards. These standards should apply from day one, otherwise 'retrospective' amendments similar to Master Trusts authorisation may become necessary. It is vital that we avoid a similar situation to the Master Trust Accreditation Process which is currently underway.

One area of activity that might require additional regulation surrounds benefit projections. It is important that there is consistency between dashboards to avoid consumers becoming confused and as a result making incorrect decisions.

Accessing dashboard services

XII. Do people with protected characteristics, or any customers in vulnerable circumstances, have particular needs for accessing and using dashboard services that should be catered for?

The banking sector is seeing a dramatic shift in customer behaviour towards more digital or online banking. However, there is a growing risk that certain groups with no or limited digital engagement may not be able to access or benefit from these services. For Barclays this underlines the need to improve digital skills and accessibility for all.

Developing digital confidence through person-led intervention

We believe improvement in digital skills can be best achieved through person-led interventions. This why we have introduced our Barclays Digital Eagles who work to help communities, both customers and non-customers, to become more confident with computers, technology and the internet – no matter where they are on their digital journeys. We suggest that government supports dashboard users in a similar manner to help them engage with and to transition onto using dashboards.

Examples of person-led interventions by Barclays Digital Eagles include our 'Tea and Teach' sessions, which provide practical and helpful advice on technology and guidance on how to stay safe online. Sessions are free and are held within branches, libraries or local community centres across the UK. In the last year alone, over 60,000 people have participated in a 'Tea and Teach' session.

Barriers to accessing the dashboards

Specific interventions also need to be designed with vulnerable customers in mind, especially for those who may face physical challenges to accessing digital services, such as vision loss or a lack of mobility. While there are already examples of good practice, such as speaking services and telephone capabilities, government and industry will need to consider additional initiatives to ensure that the dashboards are barrier-free. One initiative that Barclays has introduced is Large PINSentry, a fully accessible talking PINSentry security token to assist customers who may have sight or dexterity difficulties when logging in online.

Strong customer authentication methods can also create barriers to access. For example, Barclays UK has c.5k customers who have opted out of Chip and PIN due to disability, such as dexterity, cognitive or sight difficulties, meaning they are unable to follow the two-step authentication customer journey for 'high risk' actions. To prevent these customers from being at greater risk Barclays has built a range of alternate authentications option such as One Time Passwords sent via text.

Supporting those with low levels of literacy

Some dashboard users with low level literacy skills or learning difficulties may require guidance or instruction on how to engage with the dashboard. We recognised the importance of this for our customers and have worked with the British Institute of Learning Difficulties to produce an Easy Read guide to banking transactions and processes. It uses clear language and illustrations to explain how customers can carry out their everyday banking, and is available at no cost in-print or online.

Explaining complex terms and processes

We also recognise that some consumers, engaging with their pension pot for the first time, may find pension terminology, transfer processes and investment options complex. Barclays considers that decreasing complexity is key to ensuring that consumers properly understand the products and services they are using. For example, in recent years, the financial services industry has worked with the Financial Conduct Authority (FCA) in undertaking considerable change to provide clarity around savings accounts. With the aim of helping customers to make informed choices, our website now provides detailed summary boxes and one click access to online interest rates. Providing clear and transparent explanations of terms and processes within the dashboards, should safeguard scheme members from making uninformed decisions about their pension pots.

Building the technology

The way in which the technology behind the dashboard is built is also crucial. For example, all dashboards must be required to be readable on computers and mobile platforms with screen reader technology.

Single Financial Guidance Body

Now with a live statutory mandate, the Single Financial Guidance Body (SFGB) is developing a new national strategy for money guidance services that will include a vision for the delivery of pensions support. This presents the opportunity to ensure that the execution of the pensions dashboards is embedded in this strategy including the allocation of sufficient resource to raise awareness and build customer capacity in the use of the dashboards.

Governance

XIII. The Department has proposed a governance structure which it believes will facilitate industry to develop and deliver a dashboard. Do you agree with this approach? If not, what, if anything, is missing or what workable alternative would you propose which meets the principles set out in this report?

Overall Barclays agrees that the proposed governance structure for the delivery of dashboards is a good model for achieving broad involvement of all partners involved.

However, we do have reservations about the appointment of the Chair for the delivery group in Spring 2019. We believe the appointment could be made earlier so to prevent any delays or obstacles in decision making arising in order to get the pensions dashboards process underway as soon as possible.

Costs and funding

XIV. What is the fairest way of ensuring that those organisations who stand to gain most from dashboard services pay and what is the best mechanism for achieving this?

Barclays believes that existing pension providers should bear the majority of costs for funding the non-commercial dashboard's infrastructure, the establishment of any new governance/regulatory frameworks, and any ongoing running costs associated with it. However, pensions providers should then be able to decide how to allocate these costs, for example, to sponsoring employers. This approach would mirror that taken for Open Banking, where infrastructure and regulatory developments costs were placed on the financial services sector. We strongly believe that consumers should not be charged anything for simply accessing their pension data from the non-commercial dashboards.

We would also suggest that costs to setup the dashboard can be limited by re-using the standards around security created by the likes of Open Banking (API Standard, FAPI, etc.) By not starting again and re-inventing the wheel the project can get to market faster and with lower costs.

Alternatively, commercial dashboards should bear their own development and on-going costs. However, it would be up to each commercial dashboard to decide what additional service/s it may want to provide – e.g. 1) educational information about saving, investing and pensions generally, 2) guidance or even advice about what a consumer should do next in terms of future pension planning. The dashboard may decide to charge a fee to the consumer for using one of these additional services.

Once infrastructure and regulatory development has taken place, ongoing costs could be met through a charge per API request basis to those operating dashboards.

General

XV. Do you have any other comments on the proposed delivery model and consumer offer?

It is clear that there will be many beneficiaries of the pensions dashboard initiative. We believe that the most significant beneficiaries will be consumers who currently do not engage sufficiently with their long term financial planning needs. This is because pensions dashboards will allow them, for the first time, to engage with complete and accurate data in a streamlined and manageable capacity.

From experience, we have learnt that person-led interventions are most successful when it comes to making those less digitally 'savvy' feel more comfortable and confident online. The Barclays Digital Eagles have supported over 60,000 people in the last year with their online and technology based skills, through 'Tea and Teach' sessions. We fully encourage government to run a similar initiative to ensure uptake and confidence in the dashboards.

The consultation paper suggests that industry will start to supply data to a dashboard, on a voluntary basis, from 2019 as the existing framework allows for this. We believe that the complexity of the proposed architecture and scale of the solution makes a 2019 delivery challenging. However, we encourage government and industry to do what they can to meet this initial deadline, including considering our aforementioned alternative architecture.

We also encourage government to legislate as soon as possible to compel schemes to provide their 'basic' information – e.g. name, address, date of birth and scheme contact details. We understand the considerable pressure on the current parliamentary timetable, however, clear action/commitment from government is needed in order to build confidence in the dashboards by consumers and industry.