Pensions dashboards connection: what The Pensions Regulator wants

With pensions dashboards connection starting soon, the regulator has reiterated its expectations of trustees and the potential consequences of delay.

The biggest master trust pension schemes must be ready to connect to the pensions dashboards ecosystem by the end of April. That date marks the first in a series of deadlines requiring schemes with 100 members or more to connect by 31 October 2026 at the latest.?

There are concerns that some larger pension schemes haven't yet committed to a project to get ready for dashboards connection. This came up when we spoke to The Pensions Regulator (TPR) recently.

In response, the regulator sent us Q&A about dashboards connection for passing on to trustees. We're publishing the key points in this article. The Q&A confirms that pensions dashboards should be at the top of the agenda for all pension schemes.

TPR covered three main areas, which we will take in turn. Running through TPR's answers was the message that pension schemes should contact their administrator as soon as possible and work closely together to meet their obligations.

1. Responsibility for dashboards compliance lies with trustees

TPR's key points:

- Pensions dashboards are a legal requirement and your scheme's trustee or manager is responsible for connection, providing data to members and staying connected
- Third parties such as administrators will do a lot of the work, but trustees are responsible for making sure requirements are carried out
- Trustees must make sure their scheme's data quality is good enough to run pensions dashboards
- You must take the dashboards connection guidance into account when making decisions about connecting and have clear records of how you took decisions

TPR says:

"Trustees retain the legal responsibility for complying with regulations and will need to work with their advisers and providers to make sure the requirements are being performed.

"You should keep clear audit trails of how you took steps to prepare to comply with dashboards duties and a record of steps taken to resolve any issues that arose.

"We expect data to be measured at least once a year, and for trustees to make sure that administrators have processes and controls in place to make sure that data is of a good standard. Trustees need to ensure that values provided through the dashboards are accurate, and trustees [should] work with administrators to improve data if required.

"It is vital that you develop a practical connection plan, and agree this plan with all the supporting parties, such as administrators and integrated service providers (ISPs).?Adequate governance and controls should also be in place to ensure the connection work is progressing as planned."

2. You risk enforcement action if you don’t meet dashboards obligations

TPR’s key points:

- Trustees and scheme managers are legally required to take account of the connection guidance published by the Department for Work and Pensions
- Pension schemes should be ready to connect by their deadline and not the single connection date of 31 October 2026
- Trustees, managers and pension scheme providers must demonstrate, if requested, how they have had regard to the connection guidance
- TPR will consider penalties against schemes and providers if they don’t meet their dashboard duties

TPR says:

“It is a legal requirement for trustees or managers of occupational pension schemes and providers of personal and stakeholder pensions to have regard to the guidance on connection, which includes the timetable. This means that trustees, managers, and providers need to take the guidance into account when making decisions around connection.

“Following the dates within the staged timetable will mitigate against undue strain on all parties involved in facilitating connection, including the Pensions Dashboards Programme (PDP), administrators and ISPs. Not following the staged timetable could expose your schemes to greater risk of not being able to comply with your dashboard duties.

“We will be pragmatic in our approach and would take actions on a case-by-case basis. One of the key considerations that we will focus on is the behaviours or breaches that pose the greatest risk to a savers' ability to receive a complete and accurate picture of their pensions.”

3. Buyout or buy-in ambitions shouldn’t affect your dashboards plan

TPR’s key points:

With limited capacity for derisking projects, pension schemes can’t assume they will be bought out by 31 October 2026

If you are targeting buyout, you should tell the PDP and TPR as soon as possible

If you are working on a buy-in, you will still be responsible for connecting to pensions dashboards

TPR says:

“Unless a scheme is already working with a buyout provider, it’s risky to assume that the transaction will be completed in time.

“Where trustees genuinely were due to buy out before the deadline but don’t manage to complete the process by 31 October 2026, the trustee should report this breach to us via existing breach of law process. We would take a pragmatic approach and consider these on a case-by-case basis, considering factors which include length of the breach and harm to savers. ? ?

“Schemes are not excluded from the requirement to connect to dashboards unless all the members in the schemes are pensioners, or the number of relevant members falls to zero.

“In buy-in, the duties remain with the trustees, and therefore you should ensure that your scheme is connected and comply with the regulations and should work with your buy-in provider to understand and ensure that this is progressing.”

TPR wants schemes to act now – or face the consequences

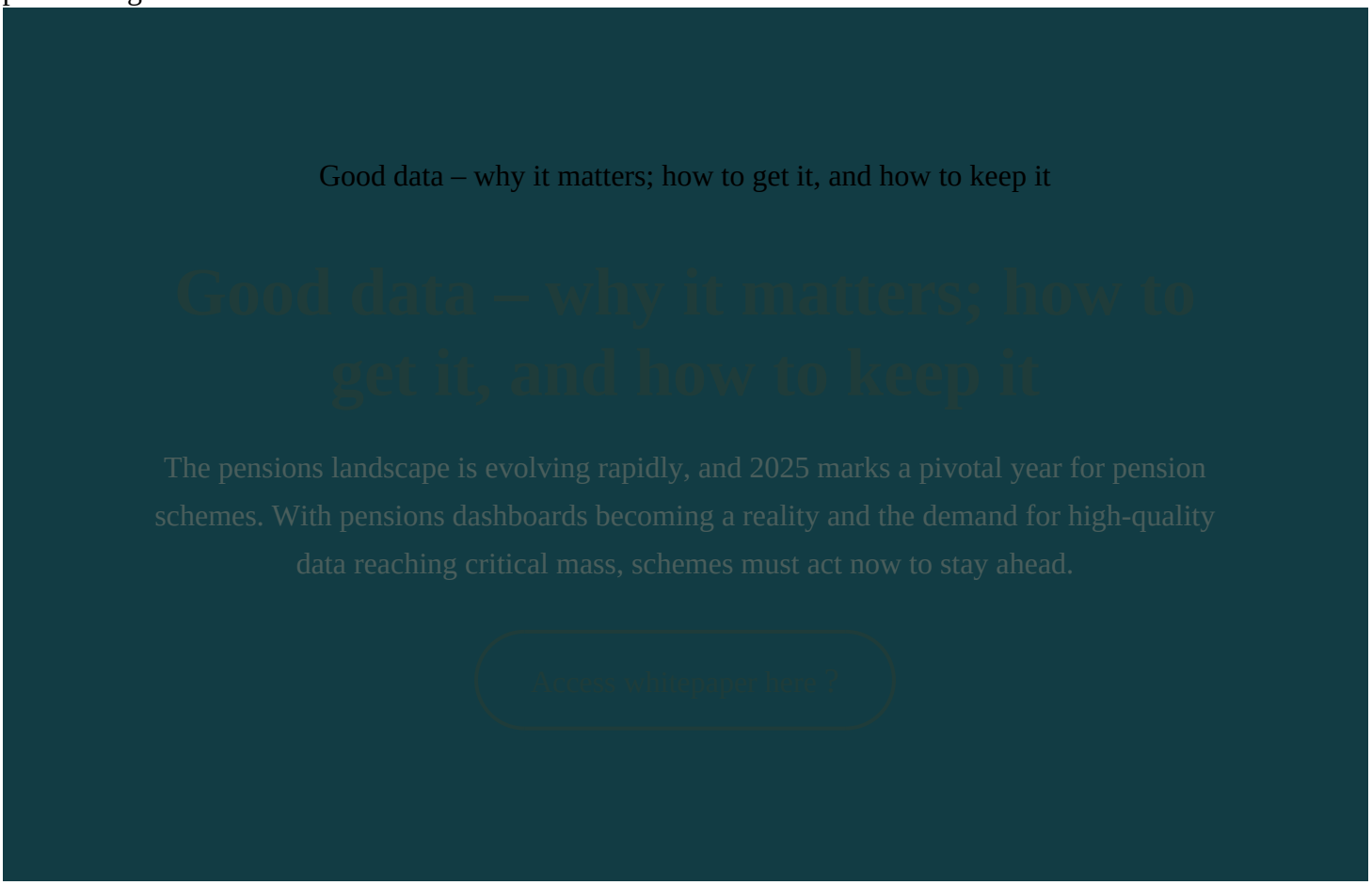
The message from TPR is clear. If you haven’t started to prepare for connection to pensions dashboards you need to start now. And if you’re not ready, you could face serious consequences.

The schemes getting ready to connect in April or soon after have typically been preparing for as long as two years. And as TPR notes, there is a shortage of capacity in the market to carry out the work you need.

Pensions dashboards have the full backing of the UK government to get people engaged with their pensions and saving for retirement. We can expect ministers and the wider public to take an increased interest in progress as connection begins.

Dashboards will put pension schemes in the spotlight, so contact your administrator now to get ready. None of us can say the regulator didn’t warn us.

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