Pensions dashboards: connection is just the start of the journey

Connection to pensions dashboards is looming. But the real work for pension schemes will start when members make that first click.

Pensions dashboards will keep us all occupied indefinitely as dashboards adapt to members' changing needs, technological advances and other factors. That was the message from the dashboards session at our inaugural conference in November.

We caught up with two of our panelists – Chris Curry, Principal at the Pensions Dashboards Programme (PDP), and independent pensions expert and pensions dashboards champion Richard Smith – to flesh out some of the things we talked about at the conference.

Going live – and the Martin Lewis effect

The government and the PDP haven't yet published a timetable for when dashboards will be publicly available. The date could be the connection deadline of 31 October 2026, sometime after that date or before if enough schemes are ready.

At the moment, dashboards are a subject for discussion within the pensions industry, but this is the calm before the storm. We must be ready for a surge in public interest as dashboards go live, revealing people's pension savings.

Reflecting the government's commitment to dashboards, we can expect a major publicity campaign encouraging people to view their pensions. The "tell Sid" ads for British Gas privatisation and the Financial Conduct Authority's enlistment of an animatronic Arnold Schwarzenegger to promote payment protection insurance claims show how this kind of campaign can take off.

Chris Curry says: "We'll be working to help the rest of the industry understand what that demand is likely to look like and to make sure that they're set up to meet that demand. Pensions dashboards won't be successful if people look at their information and think: 'That's really interesting. I need to know more' – and then they can't get through to their provider or it takes a long time for anything to come back."

There will also be lots of coverage in the national press and on TV – and comment from Martin Lewis. Other financial gurus are available, but Lewis's reach is huge – and he will be all over pensions dashboards.

As Chris says: "Martin Lewis will get involved and we're trying to work out how we're going to deal with the likely massive spike. As soon as Martin says to people: "This is out there, this is brilliant, go and find out about your pensions", we expect there'll be a big influx of people."

Dashboards will make us busier for ever

After the early surge, we should expect to be busier for ever if pensions dashboards work properly. As an industry we've talked endlessly about lack of member engagement with their retirement saving. Well, if all their information is in one place, we should be prepared for members to take more interest and ask for more information.

Richard Smith says: “There will be an uptick in administration activity and we don’t’ know by how much. For example, as a scheme member, I may say: ‘OK, that's my estimated retirement income at 65. But please can I have a definitive early retirement quote now at age 59.’

“I could phone Aptia today and say: ‘Please send me a retirement quote for my DB pension at 59.’ But I don't because it feels like a hassle. Once I can see the dashboard on my phone, I should be able to click a button that takes me through to Aptia and I can maybe request that information. Dashboards will reduce the friction for administration asks.” T

his means that trustees and insurers must make sure members and policyholders can find the information they expect once dashboards have raised the bar. As an industry, we lag behind when it comes to digitisation, ease of access and understanding consumers. Dashboards will force us to catch up.

Chris says: “The main thing is for schemes to make sure they're meeting their customers’ needs. Some of that could be through better automation and artificial intelligence. It could be through offering different channels for people to find information. It could be through customer service centres. Each provider is going to have to work out what is the best for their customers.”

We want members to view – and then do

At the moment, we’re naturally thinking about how to get the information on to dashboards so that people can see all their pension savings. Achieving this will be a major step – but it’s only the first stage.

Why do we want people to have a full view of their pension savings? We want them to take action – and for many people that means paying in more. Remember, half of pension savers aren’t putting enough away for the retirement they might want, and one in five face poverty when they stop work, according to the Pensions and Lifetime Savings Association.

Richard says: “The main thing we need to do is help workers, members, customers, consumers click through to nudge up their contributions and maximise their employee matching. That needs to happen now.

“If, for example, a master trust provider deploys its commercial dashboard on their employer clients’ intranets, the individual member could maybe click through to payroll to increase their contributions. If they see their estimated retirement income and a dashboard post-view service tells them what might happen if they contribute a percentage point more, that is going to be a low-friction journey.”

This, Richard says, could be doable from day one with commercial dashboards, but it needs the employer and the dashboard operator to work together to make it happen

Higher standards – data, communications and value

Pensions dashboard connection dates are a hard deadline for pension schemes to get their data in order. As an industry, our progress has been slow but this is crunch time. Without good data, we won’t be ready to connect and provide the information and services that dashboards offer – and this will lead to poor member experience.

And, as we say all the time at Aptia, good data deteriorates unless it is monitored and maintained. That is a big, never-ending task for the industry.

Chris says: “There's a lot of emphasis on making sure that people get their data ready. But it's not just something you do once. After you're connected to the dashboard, that data needs to stay at that high level of quality, because you're always going to have people requesting that information. While everyone's focused on getting it

up to that level, there's going to be a lot of work required to keep it there."

Dashboards are also forcing us to improve how we communicate with our members – again bringing us up to date with other consumer businesses and parts of the financial services industry.

Richard points out that commercial dashboards must comply with the FCA's Consumer Duty rules, which are more stretching than the standards that govern most pension schemes. "

A lot of people in the trust-based pensions world don't yet fully understand the new Consumer Duty obligations from the FCA," he says. "One of those obligations is that the service you offer must be understandable by consumers, particularly those with vulnerabilities.

"Before you can even apply to the FCA to be a regulated commercial pensions dashboard, you have to build your dashboard and do a load of testing with recruited consumer volunteers, particularly those with vulnerabilities, to look at the design.

"We don't generally put pensions communications in front of people and test them now, do we? We send them out statements that few members read, and they often go in the bin. But you're not even allowed to be a commercial dashboard until you've proved consumers understand and are engaged by it. This is taking pensions communications to a much higher level than they've been in my whole career."

Dashboards could also make pensions more transparent, showing how much members are charged and the scheme's ratings according to the FCA's Value for Money regime. Chris Curry says this information could be particularly relevant for members as pension schemes consolidate.

He says: "Pensions dashboards are very good at shining a light on other issues that already exist in the pensions world. The main one is the quality of data, but also in things like value for money and costs and charges. If we get to industry standards in calculating and presenting that kind of information, then you could see why having that on a dashboard would be useful to a member."

Beyond dashboards – open pensions and open finance

Pensions dashboards have been running for decades in other countries and we have been talking about them for many years in the UK. In the meantime, technology has advanced – and the race is on to let consumers and businesses see all their financial information in one place through open finance.

As Chris says: "Dashboards are the first part of open pensions, and open pensions is part of open finance. Pensions dashboards are making the data good enough for it to then be part of the open finance debate."

Richard says people should be able to see lots of other information on commercial dashboards enabled by open finance. It will be important for people to see other sources of retirement income, he says. And it should be possible to use open banking to build in people's spending and housing costs to help them budget.

"A lot of people today in retirement aren't just living off pensions. They're living off investment income, savings, ISAs and property wealth. So, what we find is people are saying: "That's my total estimated retirement income from this thing that we call pensions. Please can I connect my other assets through open finance connectivity that exists today to see the totality of stuff that I can live off in retirement?"

Dashboards will keep changing

International experience shows us that dashboards keep evolving as members' needs develop and technology provides new opportunities. Chris stresses that developments, such as letting people transfer their pensions via the dashboard, need the public to trust dashboards and feel secure about their information being online.

Chris says: "One lesson from all the overseas examples is that the dashboards change over time. We can already see how things might change, so the versions we've got at the moment don't include any calculations or transactions. There are dashboards internationally that can do either of those things. So those are the things that might be looked at in the future."

Richard has toured five European countries to see how their dashboards work. And even long-established programmes keep updating.

He says: "Michael Rasch, who runs the Danish pensions dashboard, told me they were launching version 7 this autumn. I said: 'Michael, you've been doing this for 25 years' and you're on version 7?' And he said: 'Yes, but it gets better and better.' As an example, he sent an alert to his wife so that she could temporarily enable him to see her pensions securely alongside his. So, you can see a household's pensions in one place.

"I asked Anders Lundström in Stockholm what Swedes were asking for next. And he said people want to see ESG (environmental, social and governance) information. When they see their three pensions listed, they want to see how much damage those three pensions are doing to the planet. So, you see, you launch a basic version and then it gets better for ever."

Permanent, evolving and central

We've discussed just some of the work that dashboards are likely to create for our industry once they connect and go live. Whether dashboards exist on their own or as part of open finance, they won't stand still as new generations of pension savers approach retirement. Generation Z will have different priorities and needs from the baby boomers retiring now.

Pensions dashboards will be a permanent, evolving and central feature of the UK pensions world – and we'll have to keep adapting to meet the opportunities and challenges they create.

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