Administration analytics: how to make data work for our members

We showcased our data – and how to make it work for the people we serve – at Pensions Age's autumn conference.

Our team was out in force at the event in London on 19 September. This was our first conference appearance as Aptia, and it was great see some familiar faces, meet new people and discuss our ideas.

The conference agenda jumped across a wide range of pension issues. As a specialist UK pension administrator, we decided to concentrate on administration and the experience of members and policyholders (members).

Applying data to better serve members

Everyone's talking about data these days, but we wanted to do something a bit different by focusing on how we – at Aptia and as an industry – might apply what we know about member behaviour and demographics to improve how we interact with and meet their changing needs.

Looking after 5 million members means we generate lots of data that gives us insights into their behaviour. Stephen Blakesley, our Proposition Manager, and I highlighted a few of our analytics – and how this kind of data can be used to improve the service we deliver as an industry.

I'm the voice of the client in our UK leadership team at Aptia and Stephen spends his time thinking about how we can use technology to improve how we serve members. We chose a fireside chat format that gave us room to discuss the issues.

From the pension gender gap to the transfer value rollercoaster

Here are the main points we covered:

- The pension gender gap – and how for both defined benefit (DB) and defined contribution (DC) schemes the average benefit for women was half that for men. I would have expected the gap to be narrower for DC schemes and we agreed that schemes could do more to help members understand the benefits they might qualify for. This is topical given the government's decision to link winter fuel payments to receipt of pension credit or other benefits
- People's likely retirement age and how this interacted with scheme design. By mixing analytics and behavioural science, we suggested 59 might be a good age to begin engaging with people who haven't yet retired. We shared data that showed lots of members start taking their benefits before their scheme's normal retirement age.
- The position of dependants – mostly the bereaved spouses of members who have died in a pension scheme. Our data showed that 35% of dependants are aged over 80 when we are setting up their dependant's pension. We discussed ways to make the process easier for people who may be in a vulnerable situation
- Finally, we talked about the rollercoaster ride of the last 10 years for DB transfer values. Perhaps provocatively, we suggested that a DB pension can be viewed as a volatile asset for people with that aim in mind rather than taking an income from the scheme

Important feedback from trustees

From the conversations we had at our conference stand, I think we succeeded in getting people thinking. An independent trustee told me the session reminded him that pension schemes are there for the benefit of members – and how easy it is to overlook this crucial point when faced with packed meeting agendas.

I could only stay for about half an hour after our session because I had a client meeting to go to, but Stephen and the rest of the team met more people and got strong feedback. A member-appointed trustee even gave us a page of handwritten notes listing what resonated with him and other things we should think about.

How much do we know about our members?

The session left me with the question: how much do we really know about the pension schemes we run and the people within them?

Some of the analytics were surprising – for example, the size of the gender pensions gap. Other things, such as the average age of dependant members, may have been more predictable. But when was the last time we thought about these members, their particular needs – and what more we can do to help them?

If you know that more than one-third of the dependants you write to after a member dies are aged over 80, maybe you should get the form out and think about whether it's designed in the best way to help these people? These are themes for our whole industry to consider.

We'll continue to analyse our data and apply it to the real-world experiences of the people we look after. And we'll be talking more about these themes and the broader outlook for the future of pension administration. Look out for more details soon.

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