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Pensions Dashboard team
Department for Work and Pensions
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Sent by email to pensionsdashboard@dwp.gsi.gov.uk.

28th January 2019

Dear Mr Stacey,

I am writing to respond to the DWP consultation paper, *Pension Dashboards: Working Together for the Consumer*, on behalf of ShareAction, a registered charity established to promote transparency and responsible investment practices by pension funds and other institutional investors. We are a member organisation and count amongst our members well-known NGOs and charitable foundations, as well as over 26,000 individual supporters. I would like to thank you for meeting us last month to discuss our views in detail – this short submission represents a summary of the key points discussed at that meeting.

We strongly support the introduction of a pensions dashboard. As an organisation, ShareAction works to boost engagement between pension schemes and members. We recently set up our R&D Lab to better understand how to motivate savers to take action around their pensions. Our research has found that confusion arising from the current set-up is a significant barrier to engagement. We welcomed the introduction of automatic enrolment and the 10 million people newly saving or saving more is indicative of the policy's success. Despite that, automatic enrolment never sought to address the underlying issue of poor engagement with pension schemes. The introduction of a pensions dashboard could be the first step on the journey to vastly improved engagement between schemes and members.

According to the Pensions Dashboard Project over £400m is held within pension pots that have been lost by the public.¹ The PDP explains that this is because the average person will have 11 jobs in their lifetime. Yet research shows that on average millennials will have more jobs than any other generation, and 43% plan to leave their current jobs within two years.² For these savers in particular, as well as others who may work multiple jobs, it is incredibly difficult to generate a comprehensive overview of their pension savings to enable them to plan for retirement. Having this information collated gives ownership and control to the saver. Where this information is jargon free, easy to understand and easy to access we anticipate a significant boost in pension engagement.

The Government notes that 'multiple dashboards will improve choice for consumers, allowing them to use the dashboard that most suits their needs. However, these should sit alongside a non-commercial dashboard hosted by the Single Financial Guidance Body,

¹ Pensions Dashboard Project, <https://pensionsdashboardproject.uk/saver/about-the-pensions-dashboard/>,

² Deloitte press release: *Deloitte finds millennials' confidence in business takes a sharp turn*, 2018
<https://www2.deloitte.com/global/en/pages/about-deloitte/press-releases/deloitte-finds-millennials-confidence-business-takes-sharp-turn.html>

offering an impartial service to those who prefer, it or who may not be targeted by the market.' We have two clear views on this:

First, we accept that a consequence of more platforms is more choice for consumers and we are keen that this fosters competition between providers which genuinely engages savers. TO ensure this happens the Government should put in place the appropriate incentives to ensure the same pension information is available across all platforms. This would ensure that competition is determined by genuine innovation in engagement rather than unequal access to information. Equally it will be important that savers can access all platforms as opposed to just the ones developed by their pensions provider(s).

Second, while we welcome the non-commercial dashboard to be hosted by the SFGB, this should be directed by the Minister for Pensions and Financial Inclusion to ensure its own platform targets those whom the market may not. There is a real risk that the providers offering commercial dashboards will focus on consumers aged 55+ who have a legitimate interest in post-retirement products, but which would result in some sections of society being excluded from having the appropriate information about their pension pots. The Government should consider any failure by this policy to take account of the needs of younger generations, or those not quite on the cusp of retirement, to be a missed opportunity.

Linked to this point is the potential for Government legislation to be put in place to 'compel pension schemes to provide their data for dashboards'. While we agree a voluntary phase for providing such data is desirable in the first instance, we welcome a recognition that intervention may be necessary and a willingness on behalf of Government to act should this be the case. We would like for the Government to be more explicit on when such legislation would be introduced. While we appreciate the severe constraints on Parliamentary time, the Government should at a minimum indicate its expectations of when, and in what circumstances, it would seek to intervene. Such transparency would have the added effect of focusing the minds of providers to ensure efficient data exchange in a timely manner. We are aware of some doubts as to when individual's state pension information will be integrated into the dashboard. Given that this will constitute a substantial portion of many people's pots the Government should consider this to be an essential part of the service and make the appropriate arrangements post-haste.

We welcome the Government's intention that this should be an online service. It notes that through a 'multiple dashboard approach, there is an opportunity for industry to maximise engagement with everyone' and we are pleased to see such ambition. As the industry-led delivery group considers 'accessibility' it should explore the possibility of this information being incorporated into an app for mobile phones. By 2023 there will be 35 million user of mobile banking apps – or 72% of the UK adult population.³ CACI predicts that 2019 is the year in which mobile banking overtakes internet banking in terms of users. This behaviour is particularly prevalent amongst millennials for whom over one-fifth say they open any app more than 50 times per day compared to 2% of baby boomers. The way we interact with our personal and financial information is changing. If the Government is serious about boosting engagement between pension schemes and members it should ensure the service stays

³ CACI, *The Future of Digital Banking: How changing behaviours will impact the channels your customers use*, 2018 https://www.caci.co.uk/sites/default/files/resources/caci_future_of_digital_banking_2018_a.pdf

ahead of this curve and is prepared to meet the shifting demands of the intended users of this information.

Finally, we understand the main function of the dashboard is to show the value of pots. However, we hope this represents the start of a broader journey around pensions more generally. Over time the dashboard should directly feature more information about pensions, for example basic pensions, financial literacy, where the fund is invested, stewardship reports and other information. Research conducted for Good Money Week 2018 showed that 76% of the UK public don't know how much of their pension is invested ethically, while 25% would challenge their employer if they found out their pension scheme was invested in a company that acted against their personal values.⁴ The problem is that it is too difficult to access this information that people genuinely care about – the dashboard has the potential to be the solution.

I hope our views are clear, but please let me know if we can provide any clarifications. We would be interested in meeting to discuss the R&D Lab and its recent findings on how to boost engagement between schemes and members. If this is of interest please let me know at fergus.moffatt@shareaction.org.

Yours sincerely,

Fergus Moffatt
Head, UK Policy

⁴ UKSIF evidence to the Work and Pensions Select Committee inquiry into pensions freedom and choice, 2017 available at <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/pension-freedom-and-choice/written/71896.pdf>