Pensions dashboards: call for input on data standards

General Features   **Personal tax**

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The Low Incomes Tax Reform Group are watching the government's progress on developing pensions dashboards – a means by which individuals in future should be able to view all of their pension savings in one place.

The Pensions Dashboards Programme is working on how the UK can join some other countries in offering individuals the opportunity to see all of their pension savings in a single place. The government body, the Money and Pensions Service, will provide one such dashboard, but other organisations (such as pension providers) will be able to develop their own dashboard.

Initially, the plan is to enable people to view their pension savings in the hope that this will allow them to see how much income they might have in retirement and encourage them to plan better for it. Longer term, dashboards might become transactional – for example, allowing users to notify all their pension providers simultaneously of a change of address.

The principle behind pensions dashboards is similar to open banking, which allows people to view accounts held with one bank in an online banking platform of another. However, for pensions, the data requirements are more difficult to determine than for online banking. For instance, it would seem fairly straightforward for a banking app to display the current balance for an account held with another bank, and recent deposits or payments. But for pensions, what data is required? If the dashboard requests a valuation for a certain pension pot, what will be displayed – the value at the last annual statement date or the current value? What would be shown for defined benefit schemes, which do not have such a readily identifiable capital value as defined contribution (money purchase) schemes? If an estimated retirement income is to be shown, how will the dashboard user be able to get a clear picture if such estimates are calculated on different bases by each pension provider?

These are the kinds of issues that the Pensions Dashboard Programme is currently grappling with and they have recently consulted on proposed data standards (https://tinyurl.com/yytwh8oy). LITRG are responding, highlighting the following:

- The data displayed on dashboards must clearly show that the pension savings shown are gross and that tax must be taken into account in understanding future net income.
- When launched, dashboard data must be as complete as possible – showing users incomplete pensions data risks adding to confusion and increases the possibility of poor decisions being taken.
- It might be possible to launch dashboards for the self-employed, who are likely to have primarily personal pensions, using a narrower set of data. A joined-up government strategy might enable HMRC to communicate with the self-employed to promote the availability of pension dashboards, given that there are already regular touch points between the self-employed and the tax system.
- It is essential for dashboard data to include the state pension from the outset, as for many this will be the single largest source of pension income in retirement.

The full response will be available on the LITRG website: www.litrg.org.uk/latest-news/submissions.