

Consultation response

Record-keeping: measuring member data

This paper describes our approach to the responses to the recent consultation on member record-keeping in pension schemes.

In February 2010 we published a consultation on the take-up of our original guidance on member record-keeping issued in January 2009.

Please note that Appendix A in this document has been amended since its original publication in June 2010.

The Pensions
Regulator

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Introduction

This paper describes our approach to the responses to the recent consultation on member record-keeping in pension schemes.

In February 2010 we published a consultation on the take-up of our original guidance on member record-keeping issued in January 2009.

It outlined:

- our research into the progress of take-up across the industry
- the results of tests carried out in 2009 on member data within schemes
- our objectives for the future
- proposals for a strengthened approach including the setting of targets, use of our powers to investigate standards within schemes, sampling schemes for data audit, and potential enforcement action.

We also repeated the key points of the original guidance.

The consultation period ended on 27 April 2010 and we received nearly 50 responses from a broad cross-section of interested parties including third party and in-house administrators, insurers, trustees, and several major industry bodies. We are delighted with the high response rate, indicating that this topic continues to attract a high level of interest. A list of respondents is attached in Appendix B and we are grateful to all respondents for their input. In addition, we held a series of workshops on governance and administration around the UK in which record-keeping was a significant part.

We are pleased to report that the majority of respondents supported the principles of our approach, recognising that the standard of record-keeping is an issue that needs to be addressed across the industry. Most responses were very comprehensive and included suggestions for 'good practice' which clearly apply in different situations. We would encourage their introduction to help improve overall governance, and believe this demonstrates a healthy professionalism in addressing the issues. We have not been able to incorporate every suggestion into an industry standard approach, but are pleased to see these developments.

Having considered the responses carefully we have expanded on the rationale in certain areas to aid clarity and highlight that we will remain a proportionate risk based regulator. Given the scale of the issue and the support for our overall approach, the essential focus on clarity, targets and improvement plans remains

A summary of the responses received can be found in Appendix A.

The final guidance is published on our website and should be considered alongside a framework for internal controls (see also our guidance on internal controls).

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What the consultation said

The consultation document, published in February 2010 described:

- progress made in the take-up of our 'good practice' guidance;
- proposals for the regulation of standards for member data.

Our research on progress indicated that

- we had successfully raised awareness, with providers and administrators taking positive steps to make reports available on the standards of member record-keeping;
- sample surveys of schemes showed the majority had the means to measure standards but a much more limited set had actually carried out tests. Where tests had been carried out a significant proportion had issues to address;
- some behaviours were starting to change, but to a fairly limited extent.

We described in some detail the legal obligations and the reasons why we believe it makes good commercial and business sense to maintain good records, supported by several real-life examples from case studies.

We concluded that more needed to be done and outlined proposals for strengthening our regulatory approach.

Our proposals included:

- education
 - delivered through the recent governance and administration campaign to encourage much more widespread understanding of the risks and take-up of our guidance; these included 'bite-sized' learning modules on our website and governance and administration workshops;
 - we also referred to the legal obligations underpinning record-keeping, together with real-life case studies showing why it makes good business sense;
- enablement – reiteration of the good practice guidance as a standard means of measuring data where no consistent standard had previously existed and the introduction of targets;

- enforcement – strengthening our regulatory approach by:
 - sampling a number of schemes, and requiring them to return the results of their data tests to The Pensions Regulator (the regulator) for scrutiny;
 - reviewing our risk parameters on data where reports come to the regulator for other reasons and are indicative of underlying problems in record-keeping; eg funding or whistleblower reports.

Enforcement action could follow in either case where there was evidence of it breaching a legal obligation set out in primary or secondary legislation which the regulator has the legal power to enforce.

The setting of targets for different categories of data is proposed and we discuss these further below.

We also expressed the view that data issues encountered by advisers should be communicated to clients. We are exploring with the auditing community whether the approach outlined can be supported by the statutory audit process. For example, auditors communicating the existence of poor member data, together with other risks identified, to their clients as part of the audit process. We will hold trustees accountable for poor member data; they in turn will want to consider what role their auditors should play in meeting this accountability.

The proposed measures are intended to achieve a step-change in attitudes to member record-keeping and to ensure a focus is placed on potential risks to schemes and members. The regulator intends to take action where unacceptable weaknesses are identified which create risks for members, and which breach legislation.

We asked a series of questions in the consultation – see Appendix A for a summary of the responses. The full consultation document is published on our website.

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Our approach on the questions posed in the consultation

Details of the questions and responses are listed in the tables in Appendix A. Summarised below is the regulator's view on each topic.

3.1 Take-up of the guidance

There was strong support for the regulator becoming more involved in promoting good member data, and a very large measure of agreement that some progress has been made but that more needs to be done. Several respondents commented that their experience was similar, and an encouraging feature is the number of companies promoting new products or tools for assessing data.

Some felt that the initiative had been hampered by the economic climate, that it is still early days and that more time is needed. However, nobody disagrees with the principles and the need for this focus.

We conclude from these responses that the regulator should continue to press forward and needs to strengthen its approach to achieve a step change in this area.

3.2 Targets

Common data – there was almost universal agreement that the regulator should set standards for common data.

Views were expressed on the levels and how data which is more difficult to maintain to a high level (eg deferred addresses) could be recognised in the targets. We recognise that there are factors which may make it difficult for schemes to keep some data up-to-date depending on circumstances; eg addresses for deferred members. Appendix A lists some examples and there may be others which apply to individual schemes depending on the particular design and circumstances.

Conditional data – there was also almost universal support for our proposal to adopting a scheme specific approach to measuring conditional data.

There was little support for a standard industry-wide target to be set by the regulator at this point. Some felt that information could be published which would set some benchmarks to assist schemes in judging their performance, or that targets could be developed over time for certain types of data or scheme; eg investment data for defined contribution (DC) schemes.

Several emphasised the importance of making an assessment of the test results to include risk factors (eg on a RAG basis) to improve understanding of the results. These would then inform the plans for any improvement or rectification work.

The targets

We have considered the points of difficulty mentioned above and recognise that there will be many and varied reasons why schemes might have difficulties, particularly with legacy data.

In recommending the setting of targets, we are saying what schemes should strive for, and what standards the regulator would like them to achieve in their test results.

For new data there should be robust controls in place to collect correct data. We believe that there should be good communication so that all parties know their responsibilities in the processes. Trustees are responsible for ensuring the correct data is maintained on their behalf and administrators need to work closely with them and others to ensure this happens. In contract-based schemes providers need to ensure the controls are in place to both collect and maintain data – this also needs close working with employers and good communication with members. In trust-based schemes trustees are legally responsible for ensuring member records are present and accurate. In contract-based schemes it is the manager of the scheme who is legally responsible.

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For legacy data (which we have defined for the purposes of this guidance only as data created before June 2010) we have made allowances in the target to recognise the difficulties schemes might encounter:

- the targets are there to help us all move from the high level principles (upon which everybody has agreed) to the operational practicalities, as part of a wider internal controls framework;
- not all schemes will encounter multiple problems;
- there is a 5% tolerance to make allowance for the difficulties of legacy data; ie the target is 95% for legacy common data;
- a significant number of the schemes we surveyed were already above 90% even before we published targets;
- the target is in respect of essential data – the identification of the member’s identity and whereabouts and his/her relationship to the scheme. Common data is not ‘nice to have,’ it is essential, and it is legitimate to expect high standards in this area. Failure to keep the common data will usually mean that the member cannot be identified and hence will lose their benefits entirely.
- We are recommending scheme specific targets, set by trustees, administrators or providers for conditional data in order to recognise the multiple variants of scheme design, system considerations, age and complexity etc - we expect these targets to be high;
- the targets are to be achieved over a period of time – by the end of 2012
- schemes should use all reasonable endeavours to resolve outstanding data issues and need to have plans in place to improve the state of data held if it is not at the highest standard.

The regulator has been in a continual dialogue with the industry over standards of record-keeping since 2008, we have published guidance, had two consultations, developed education materials, and run workshops for professionals and trustees. In addition there have been many independent articles published in the professional magazines.

We therefore conclude that the targets should remain as set out in the February consultation.

New data	100%	Scheme specific
Legacy data	95%	Scheme specific

The targets will be triggers which we will use to help in our risk assessment when considering whether to investigate the matter further, or take some other regulatory action. We will not always take action against schemes which fail to meet the required targets. But the extent to which a scheme is not meeting the required target will be an important factor which we take into account. Where results are very poor, this will often be indicative of a failure to maintain adequate internal controls, and will be treated as such.

The regulator will only escalate to enforcement action against a scheme where there is reliable evidence of it breaching a legal obligation set out in primary or secondary legislation which the regulator has the legal power to enforce. This includes, but is not limited to, the requirement to maintain adequate internal controls, and the requirements of the various scheme administration, disclosure and winding up regulations.

The regulator will take into account the difficulties encountered by individual schemes of which we have been made aware before it takes regulatory action.

Where a scheme is in breach of its legal obligations and is not meeting the required targets for common data, the regulator will expect to see evidence that:

- (i) the condition of scheme records has been measured;
- (ii) there is a concrete plan to meet the target by the end of 2012;
- (iii) the plan needs to demonstrate that reasonable endeavours to resolve inaccurate or missing data are being taken– see paragraph 3.4.

Schemes should be aware of the state of their data – the tests are designed to be an indicator of this. They should be considered alongside other risk control measures. Improvement plans should sit within a wider internal controls framework.

3.3 Timescales

We set out a view that schemes should plan to complete any rectification work and therefore achieve the targets by the end of 2012.

Responses to this fell broadly into those who thought this was a reasonable period of time and those that thought more time was needed for legacy issues. Some felt schemes should be allowed to set their own timescales.

We continue to hold the view that the end of 2012 is a reasonable period of time within which to expect schemes will have tested their data and completed plans for rectification of problems.

3.4 Reasonable endeavours

Most respondents believe that there will be circumstances for many schemes which prevent them from achieving the targets. The most difficult of these were in legacy data – see Appendix A.

We accept that these may cause difficulty. However, we believe that schemes should carry out the making of concrete and realisable plans for rectification by 2012 and these plans should include all reasonable endeavours to meet the targets. Where the targets are not met, we would consider any explanatory evidence put to us on a case-by-case basis before taking any enforcement action.

We consider that many of the points made in Appendix A are already covered by the allowances we have made in setting the targets – see paragraph 3.2.

3.5 Other matters raised in the responses

a) Unrealistic targets or timescales will drive unwanted behaviour

This is a risk which we recognised in the 2008 consultation with specific examples and we emphasised the point that the record-keeping measures should not be seen in isolation. They support other control processes. If we encounter situations which are clearly not in the interest of scheme members then we will consider what powers we have to take action in the relevant circumstances. We also work closely with other regulators, such as the FSA.

b) Accuracy is important as well as presence

The tests are designed to be an indicator of potential issues, and should operate alongside other risk controls which exist to ensure accuracy. Many of the tools used to carry out the data tests include checks for consistency and reasonableness. Trustees and administrators should be aware that the tests in themselves do not guarantee accuracy and they should be confident in other measures to ensure accuracy.

c) Internal controls/risk/regular reviews

The regulator's internal controls guidance recommends good practice in record-keeping. We recommend that those who run schemes have a formal, documented risk register. Where trustees form sub-committees to consider particular aspects of scheme governance it is good practice to form a sub-committee on administration. The guidance is published on our website.

d) Publish a statement in trustees' annual reports on plans/comply or explain

We consider this to be best practice and would welcome it but do not intend to promote this as a requirement.

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e) **Auditors reporting on data issues in their annual scheme audit**

We will continue dialogue with the auditing profession on this and other related points. At the current time, the general view of the auditors is that much of the data testing as set out in our guidance goes beyond the scope of the Statutory audit. However, weaknesses identified in the quality of member data would be communicated to clients as part of the management reporting process. We will hold trustees accountable for poor member data; they in turn will want to consider what role their auditors should play in meeting this accountability.

f) **Triggers not targets**

The targets exist as a means of having a standard measurement method which applies across the industry. They are primarily for schemes to use as part of their internal controls framework, but the regulator will use them as triggers for considering potential regulatory action where no measurement has taken place or, if there is no clear and realisable plan to address data issues.

g) **Benchmarks**

We will publish further updates on our experience of surveys and a sample of schemes for data audit in 2011.

h) **A stakeholder forum**

We have held a number of these and the professional input has helped shape both the original guidance and our most recent proposals. We welcome dialogue with the industry, and will create a forum through which administration professionals can continue to support The regulator work in this area. We will hold a meeting when we have more information to review.

i) **Better education – trustees and members**

We have recently updated our TKU scope and enhanced the **Trustee toolkit** which continues to be popular. We have also published ‘bite-sized’ learning modules on our website, including on record-keeping, and held a number of very successful workshops for trustees. Education remains an important part of our role and will become more so in the run-up to auto-enrolment.

j) **Contracting-out processes**

Many respondents mentioned the intricacies of contracting-out processes as being a difficulty – particularly reconciling member data with HM Revenue and Customs ‘HMRC’ records. We are working with HMRC (NISPI), the Department of Work and Pensions (DWP) and the Pension Protection Fund ‘PPF’ to address these problems and to look for more workable solutions.

k) **New vs legacy data problems**

As a matter of common sense, all data held by a scheme should be necessary. It is therefore important that it should be capable of being measured.

We have used a distinction (new vs. legacy) in our regulatory approach purely for the purpose of explaining how we view the way in which problems could be addressed.

In considering whether there are any mitigating circumstances for not holding complete and accurate data, we would have more tolerance for inherited problems in legacy data than for problems in newly created data, and this is why our targets for legacy data are lower.

We do not ask schemes to hold the data items differently according to age created, nor report them separately although we acknowledge that schemes may wish to.

By legacy data, we mean data that is created before June 2010. By new data we mean data that is created after June 2010.

l) **The regulator cost model**

A few respondents challenged the cost model detailed in an appendix to the guidance, mostly on the basis of the cost of the work involved in improvement or rectification plans. We reiterate that we do not consider the cost of work to correct inaccuracies or gaps in data as a regulatory cost. It is a necessary cost of managing a scheme and of meeting obligations to act in the best interests of members. Whilst there will be many individual circumstances, schemes may well find that this is an investment leading to more efficient operations or risk-reduction, rather than a cost.

The way forward – how we will investigate and enforce

We will investigate schemes by:

- sampling a number of schemes and requiring them to deliver certain data to the regulator for scrutiny, using our statutory investigative powers;
- reviewing our rules for dealing with cases where reports come to the regulator for other reasons, but where there are indications that there may be an underlying problem with record-keeping; eg funding or whistleblower reports.

Following such investigations, where we find evidence of breaches of pensions legislation relating to record-keeping which the regulator is empowered to address, enforcement action could follow.

We will follow a risk-based approach in deciding whether or not to enforce legal requirements related to record-keeping, focusing on areas of higher risk to members and/or the PPF. A scheme's data test results, and the extent to which they are failing to meet targets, will be one factor we take into account. Where test results are very poor and indicate a possible failure to maintain adequate internal controls within the scheme, these cases will be prime candidates for investigation.

We will be less inclined to escalate to enforcement action where schemes are dealing with problems caused by legacy data, have formulated plans to correct their identified data problems, and where there is evidence that they are making all reasonable endeavours to actually correct them.

Summary

The feedback received has been constructive, and working with the industry has enhanced and clarified our approach over the last two years.

Research has shown that further work is necessary to improve standards of record-keeping across the industry. We have concluded that the regulator's approach needs to be strengthened and we have done that by

- introducing specific targets for standards of common data
- requiring schemes to set their own (high) targets for conditional data
- setting a deadline of December 2012 for the resolution of outstanding data issues
- sampling a number of schemes to review their test results and plans
- enhancing the education material available on our website, including re-issuing our guidance.

We will continue to monitor progress in the industry and will report again in 2011 to ensure the early indications of potential improvements we have seen are being taken up more widely within the industry.

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Appendix A: Summary of responses

The table below shows a summary of the responses received for each of the questions posed in our consultation document.

Response to questions raised in consultation	
Question raised	Summary of responses
<p>Q1 – do you agree that the (above) conclusions are reasonable? ie:</p> <ul style="list-style-type: none"> • we have successfully raised awareness of the importance of record-keeping in some areas; • some providers and TPAs have taken positive steps to make reports available; • the majority of schemes we surveyed had the means to carry out the tests but a much more limited set had actually carried out the tests; and • some behaviours are starting to change, but to a fairly limited extent. 	<p>There was almost universal agreement with the regulator's conclusions.</p> <p>Additional comments here included:-</p> <ul style="list-style-type: none"> • Some respondents confirmed that their experience was similar; these included both administrators and The Pensions Advisory Service (TPAS); • A number mentioned new data tools they had developed or were marketing to clients, and some are providing limited reporting at no charge; • Some companies have set up internal programmes to review data; • Reasons given for the limited progress were mainly to do with the economic climate, cost or resource constraints, competing business priorities including IT changes needed for other statutory / regulatory changes; • Some felt that interest is growing and that limited progress is being seen because it is still early days; • The attitudes of clients vary which may explain the lack of demand so far; eg the perception of trustees that this is a problem for the administrator; size of scheme may also have a bearing • A strong focus on common data items may be leading to lack of attention to the important conditional data upon which most calculations are based. <p>We therefore conclude that our analysis of the state of the market is correct.</p>

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Response to questions raised in consultation

Q2 – do you agree that more work needs to be done to improve record-keeping standards?

Universal agreement with both the principles and that further work is necessary. More diversity on the proposed solutions.

Particular points made here:

- improvements should be seen as a long-term aim due to:
 - the serious legacy problems that exist; and
 - other priorities in the current economic climate;
- points at which data transfer are potential risks; eg data from paper files, defined benefit (DB) de-risking, change of provider etc
- poor data threatens confidence/credibility and can impact all stakeholders (members, trustees, providers, employers etc); schemes rely on all these parties for some data;
- incentives should be encouraged; eg via the PPF levy, and to consolidate scheme rules;
- recognise the materiality/risk/effort to obtain;
- regulatory action should be proportionate and reasonable;
- good practice should include
 - data measurement being a permanent feature of good governance
 - results should be published
 - starting sooner rather than later - ie not focusing on the end date of 2012
- risks will increase with increased labour mobility/ more multiple pension records
- 100% accuracy may not be reasonable/ achievable for perfectly good reasons.

We therefore conclude that our interest in record-keeping is both necessary and welcomed.

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Response to questions raised in consultation

Q3 – do you agree that it is appropriate for the regulator to set specific targets for the standard of common data, and that the targets quoted above are reasonable?

A very high degree of agreement that it is appropriate for the regulator to set specific targets for common data, but some concerns on the levels set. Comments included:

- Almost universal agreement with the principle that targets are appropriate
- A significant number questioned whether the 100% and 95% targets are achievable due to variety of reasons eg:
 - members' responsibility to supply information
 - legacy data is seen as a major issue for many schemes
 - new data degrades over time – member responsibilities/job mobility etc
 - data items may be important for some classes of members but not others (eg where pensions have been in payment for some time)
 - targets are reasonable except for addresses/postcodes
 - 'gone-aways' should be excluded
- In contrast, some felt that all common data should have a target of 100%
- More clarity in the definition of new and legacy data was suggested;
- Targets should not be strictly enforced; the regulator should have regard to individual scheme circumstances, eg:
 - recognise the balance of risk vs. effort/cost of retrieving data
 - more important to have a plan in place and for trustees to be aware of the risks
 - more urgent for DC than DB
 - there should not be automatic sanctions
- Targets and timescales for corrective action should be reasonable so as not to discourage trustees from taking action
- Targets should be phased in
- Systems changes need to be prioritised alongside other change coming in by 2012
- Some suggestions for having separate targets for certain types of schemes/classes of data.

We therefore conclude that the targets should remain the same as set out in the February consultation.

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Response to questions raised in consultation

Q4 – do you agree that a scheme specific approach is appropriate to measuring the quality of conditional member data?

Should targets be set by the regulator for conditional data, and if so what would be appropriate for different scheme types?

Almost universal agreement that a scheme specific approach is best, with most favouring schemes setting their own benchmarks. Little support for the regulator setting targets – other than the references below.

Additional comments:

- Important for trustees to measure, understand, assess risk and make plans
- RAG rating should be used, by type of data and/or scheme
- More clarity would be needed if the regulator were to set targets
- Benchmarks would be useful; ie recommended levels or published results for comparison
- Targets could be set for new data (ie 100%) but not for legacy
- The target should be 100% for the calculation or valuation of benefits (according to the member's status)
- DC schemes should achieve 100% accuracy on contributions and investment records
- Standard targets would be unhelpful
- Timescales should be set for improvement -
 - range quoted from 6 months for DC to 5 years for DB legacy
 - Plans under way by 2012 but longer needed for rectification
- Regulatory action should be proportionate

As per our response to Q3, we conclude that targets should remain, however we will take a scheme specific and proportionate approach when reviewing schemes that have not met these targets.

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Response to questions raised in consultation

Q5 – do you agree that, in the period up to the end of 2012, these targets will help achieve the higher standards that are essential to protecting members' benefits and efficient running of schemes? What milestones might be appropriate here?

Responses to this question fall into 4 broad categories each with a significant degree of support:

- 2012 is an arbitrary date – and not particularly relevant to legacy issues and DB schemes
- 2012 is a good timescale – but pragmatism is needed to accommodate schemes with difficult circumstances; more relevant for DC
- Schemes should set their own deadlines for completion and interim milestones according to their circumstances/risk assessment etc
- 2012 is a reasonable timescale (unqualified)

There was little appetite for formalising milestones – many respondents preferring a scheme specific approach. There was also little commonality amongst the small group that did make suggestions, although they were all supported by an appropriate rationale.

Other comments included:

- There should be a rolling programme to review and assess data as part of an internal controls framework; reporting on this was also mentioned - eg in the trustees' annual reports or enshrined in a 'statement of admin principles' agreed between trustees, providers and employers;
- Where 2012 was seen as too challenging there was a variety of dates suggested up to 2015;
- The separation of legacy and new data could imply that legacy data is less important – both should be addressed in improvement plans;
- Planning to carry out work linked to the 'scheme events' was also suggested;
- Schemes at risk of entering the PPF should also prioritise this work to complete within one year;
- There will be conflicting priorities and any regulatory action should be proportionate;
- Some form of accreditation would encourage better practice
- Employers should take more responsibility for helping trustees – especially with insured products.

We continue to hold the view that the end of 2012 is a reasonable period of time within which to expect schemes will have tested their data and completed plans for rectification.

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Response to questions raised in consultation

Q6 – what reasons for not being able to resolve data problems should the regulator consider legitimate when considering whether ‘all reasonable endeavours’ had been made?

Very mixed responses to this question resulting in a substantial list of suggestions covering a broad variety of the problem areas which schemes experience. Some felt this was for the regulator to decide on the merits of individual cases and that a generic list would not help.

Favourite reasons suggested were:

- Employers no longer being in existence (insolvency /takeovers etc) often combined with one or more of the following issues;
- Change of administrator (or system)/ data not handed on;
- Cost issues –
 - expense disproportionate to the risk/benefit, or data is considered unimportant in the context of the scheme
 - expense may be detrimental to other members, or to the funding of the scheme
 - no funding to pay for the work – from the employer or scheme
- Contracting-out issues, including both NISPI delays and discrepancies over memberships
- Delays caused by 3rd parties – including members, NISPI, employers, former administrator, AVC providers;
- Lost trace members/‘gone-aways’/ moved abroad etc
- Age of scheme/pre 1990s data/records still held on paper or micro-fiche etc
- Schemes with no trustees
- Data never having been collected
- Records destroyed in a ‘disaster’ – fire, flood etc

Despite the length of this list, most respondents appeared to consider that there should be few exemptions in practice.

As such, we conclude that the regulator should adopt a proportionate and risk-based approach when appraising whether ‘all reasonable endeavours’ have been made to resolve data problems.

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Response to questions raised in consultation

Other general comments made which are not covered by the specific consultation questions.

Comments on the regulator's approach:

- Unrealistic targets or timescale may produce unwanted behaviours or unnecessary activity; are we moving too quickly from 'educate/enable' to 'enforce'?
- A 'comply or explain' approach – would this work better?
- Important to emphasise accuracy as well as presence (the 'score');
- More clarity on the enforcement criteria; also linked to whether the score are targets or triggers;
- Providers rely on other parties for data – NICO, members, employers etc – allowance should be made where information is not forthcoming in a timely manner;
- Addressing contracting-out processes would be of great benefit, particularly for legacy data
- A small number questioned the regulator's cost example.

Suggestions to facilitate the improvement of standards of record-keeping:

- More education for scheme trustees;
- The regulator should expect steady improvements, rather than individual scores, and consider endeavours on a case-by-case basis recognising value and risk;
- The potential cost of rectification has been raised by several respondents;
- A forum for stakeholders would help address issues, complexities and maintain momentum, especially when there are competing priorities for system changes;
- Schemes should include a progress report in their scheme annual report, and auditors should comment.

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Response to questions raised in consultation

Other general comments continued

Comments on the practical workings of the guidance:-

- Several mentioned the difficulties associated with old paper/microfiche files, including the transfer of files on change of administrator, and data security/missing from systems;
- Some respondents suggested supplementing the test results with other statistics or information to give better understanding of the reports;
- Some respondents highlighted individual exceptions in which the tests could not be completed – children or elderly pensioners with no NI numbers, life cover only members, no liability members etc.

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Appendix B: List of respondents

Below is a list of the organisations and individuals who submitted responses to our consultation.

Respondents

Association of British Insurers
AEGON
Aquila Heywood
Aon Consulting
Association of Consulting Actuaries
Association of Pension Lawyers
Aviva
Aviva Staff Pension Trustees Ltd
AXA Sun Life
Baker Tilly UK Audit LLP
Barker Corporate Pension Services Ltd
Barnett Waddingham LLP
BBS Consultants & Actuaries
Bluefin
Buck Consultants
Capita Hartshead
CBI – Confederation of British Industry
Electricity Supply Pension Scheme
Friends Provident
Hewitts
Hymans Robertson's
Institute of Chartered Accountants
in England and Wales
Institute of Chartered Accountants in Scotland
Institute of Directors
IFDS - International Financial Data Services
ITM Ltd
JLT Benefit Solutions
John Shaw
Law Society of Scotland
Lloyds Banking Group Pensions
Mercer Limited
Newsquest Media Group Ltd
Nigel Conduit
Pensions Management Institute
Phoenix Group
Prudential
Punter Southall
Raising Standards of Pensions Administration
Royal Mail Pension Plan
Sacker and Partners
Society of Pension Consultants
Standard Life
Tesco
TISA – Tax Incentivised Savings Association
Towers Watson
TPAS – the Pensions Advisory Service
Tracesmart
Zurich

A number of supportive comments were also posted on professional/social networking websites.

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Consultation response

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