

Self-Service Scheme Return and Data Maintenance Research Project Final Summary Report

December 2007

Background to Self-Service Scheme Return and Data Maintenance Research

In early 2007 the Regulator was looking to develop web-based self-service functionality covering a number of regulatory activities, including scheme returns for 2007/08. In the longer term (2008/09) the Regulator wished to explore the feasibility and acceptability of calculating, invoicing and paying the Regulator's levy on-line (on the basis of the preceding scheme return) and of making other on-line services available, such as scheme registration, wind-ups, and levy payments.

The vision was to implement a 'single, end-to-end process, utilising reliable and efficient web-based technology, integrated with a customer contact strategy' for the Regulator's main activities. It is intended that the move to self-service will:

- Reduce the pensions regulatory burden through minimising the time and effort it takes for the Regulator's stakeholders to comply
- Deliver a positive customer experience through seamless, joined-up, user-friendly interfaces
- Achieve value for money, and cost savings, by improving efficiency
- Deliver reliable and accurate services and data to the Regulator's stakeholders and partners such as the Pension Protection Fund (PPF)

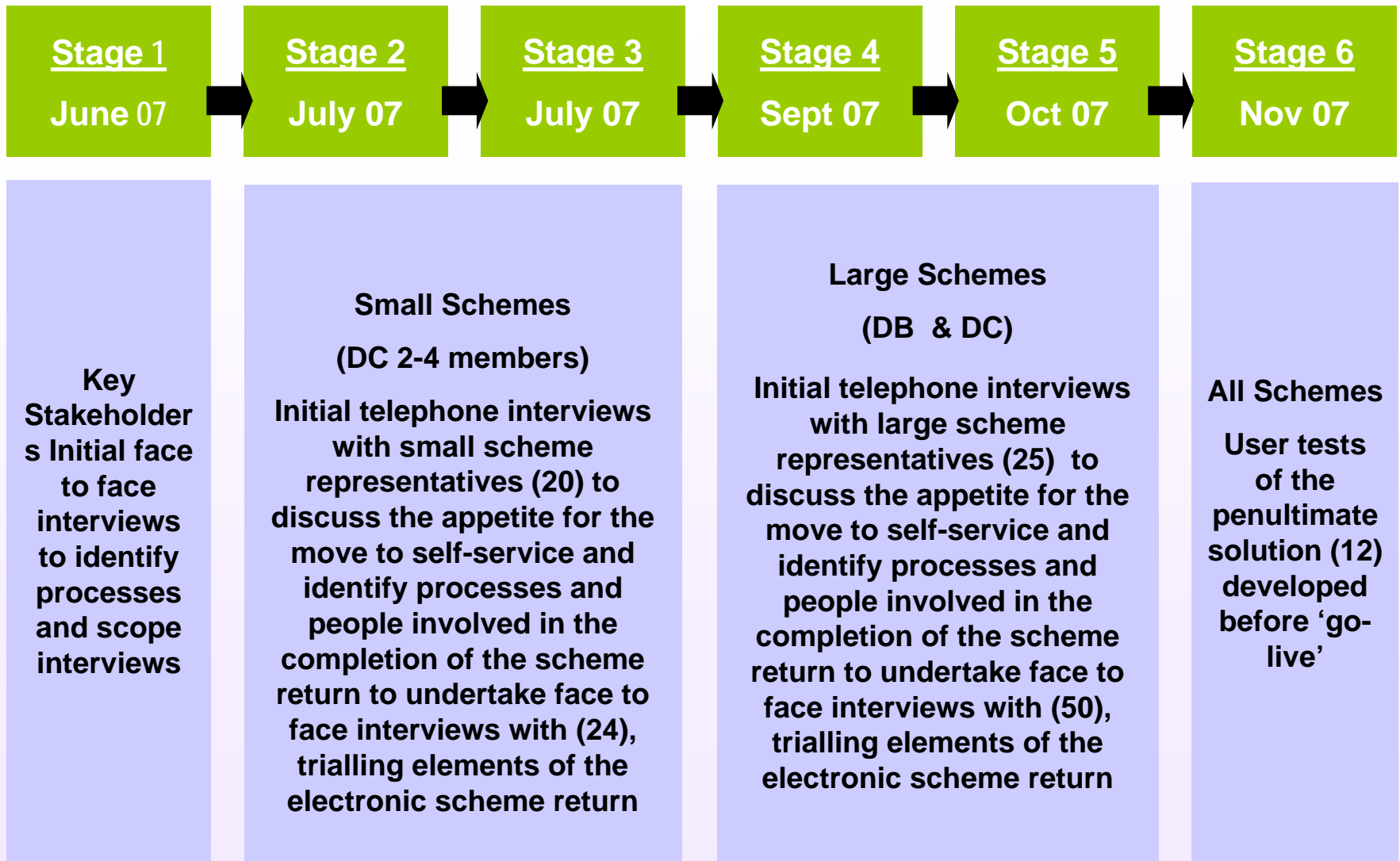
The Regulator commissioned independent research to inform the design and development of fit for purpose, user-friendly solutions, and identify any significant concerns and/or issues emerging.

Research Objectives

Key objectives of this research were to :-

- Explore customer attitudes to the principle of a self-service approach within the pensions regulatory context
- Provide a detailed understanding of the current scheme return completion 'life-cycle' in terms of processes, people and sign-off
- Define user requirements in order to identify appropriate solutions and support services
- Establish customer preferences with regard to the activities that it was proposed would be self-service
- Assess the appetite for providing data when prompted (via a scheme return notice) versus ongoing maintenance
- Investigate and assess alternative methods for encouraging the maintenance of scheme data
- Trial the proposed solution.

Project Framework



Summary

- The majority of respondents were very much in favour of the proposed online system as web based self-services are viewed as convenient and efficient.
- A shift to online service was seen as inevitable with many people submitting tax returns and Companies House returns online and using online banking facilities.
- A few respondents were concerned how small cottage businesses (typically husband and wife teams) and manufacturing companies would cope using online services. These types of businesses may not have online access to, or be familiar with online services. It was proposed that the Pensions Regulator should offer a paper-based return for these types of businesses.
- Typically, for small schemes (2-4 members), a trustee would complete the scheme return, while with large schemes, the task would be delegated to a pension administrator or pension manager. Where small DC scheme representatives did hand over responsibility they would do so either to their IFA or EBC. Larger schemes almost always sought actuarial input due to the complexity of financial information required.

Summary

- Small scheme respondents welcomed multi-user access, however, larger scheme representatives were against it, due to concerns over a lack of security and control, fearing that others could over-write information inputted.
- Most of the information required to populate the form was to hand or easily obtained.
- Pre-population was almost universally welcomed as it saves time and a good deal of data is static from year to year.
- Respondents had high expectations with regard to the accuracy of pre-population, particularly if they had completed a scheme return in the last two years.
- The modular layout of the new scheme return forms was welcomed. People liked the feeling of building progress when working through and confirming the different sections.
- Being able to complete any part of the form and come back to other sections was seen as beneficial, especially if waiting on data from third parties.
- Completion time was dependent on data arriving from third parties in most cases.
- Most users would print the form at some point whether it be at the start for manual completion or at the end as a personal record prior to submission. This also helped users to easily review the information which had been inputted, and enabled them to 'share' sections with third parties without granting them e-access.

Summary

- Online calculation for the TPR levy was almost universally welcomed. Security concerns were minimal and most would also welcome an email invoice.
- The suggestion of automated Direct Debit was not liked. It was seen as a loss of control and unnecessary as the payment was only once a year.
- Ongoing scheme data maintenance divided respondents. Those who thought it would be a good idea tended to be larger schemes with dedicated administrative resources or professionals such as pension administrators. But even they were keen to point out that they would not wish it to become a requirement.
- Those who did not favour ongoing maintenance cited that there were not many changes during the year while other respondents cited that there were too many changes in year. Either way, they felt it would be a burden for them to notify the Regulator of updates on an ad-hoc basis.
- Few understood the importance of updating scheme membership details for the PPF calculation. This will need to be communicated clearly and widely.

Recommendations from research incorporated into scheme return process/design

- Research findings were fed back to the team at the Regulator on an ongoing basis and amendments made to the electronic form at each stage of development. Design concepts and navigation were tested and refined throughout. Other research findings which led directly to modifications to the final form included the following:
- Timescales for completion of form extended to 6 weeks based on initial feedback that 4 weeks was too short
- Requirement for valuation information from small DC schemes was dropped based on feedback that it was problematic to obtain
- Security questions amended to be more specific
- Some mandatory fields, such as trustee telephone number, were made voluntary
- Many help and guidance notes were refined, such as those associated with scheme status, trustee category, and PPF Membership data (as distinct from Scheme Membership data)
- The sections of the form were re-ordered and renamed to be more intuitive
- Flexible print options were incorporated into the design
- The ability to view the entire (blank) form before embarking on completion was made available
- The submission acknowledgement page was amended to include a date of submission as well as the PSR