

Performance against service standards

April 2015 – March 2016

October 2016

The Pensions
Regulator

This report sets out how we have met our standards over the period April 2015 to March 2016. These standards are set out in our Annual Report and yearly Perceptions Tracker.

How we communicate and how we can be contacted

This year we continued to produce targeted materials and tools for our different audiences in accessible formats to help them learn about, and comply with, their obligations. A prime example of this is our national advertising campaign to raise awareness of the automatic enrolment (AE) duties amongst small and micro employers which ran across television, radio and online.

In order to support this campaign we introduced an online Duties Checker, which provides a bespoke journey for people employing carers and domestic staff as well as a list of schemes with independent assurance to give small businesses confidence when choosing a scheme. The information obtained from employers via the Duties Checker enables us to generate more targeted letters and emails reminding them about their duties.

We also reached a new consumer audience with our refreshed 'scorpion' scams campaign, producing a short film and using true stories about those who have lost their life savings in order to expose the continuing threat of pension scams. The campaign included an online 10-step guide and a downloadable booklet, both designed to help savers protect their pension.

We have invested in upgrades to our infrastructure and technology in order to help us communicate more effectively. One of the benefits of our investment in technology is that trustees can now access our revised Trustee toolkit on a variety of devices, including tablets. We have also expanded our presence on Facebook, LinkedIn, YouTube and Twitter, where our following has increased significantly.

We have continued to proactively communicate through webinars, stakeholder events and emails. For example, during the year we issued 98,333 emails as part of the pension scams campaign and undertook 501 speaking events in connection with scheme-based regulation.

Our approach to providing information and guidance

Our aim is to provide tailored materials for our regulated community that will support them in understanding and carrying out their duties. We achieve this in a variety of ways, including the publication of information and guidance on our website, the provision of e-learning opportunities and updates by email.

This year we have produced new or updated content in respect of 261 publications on our website. The effectiveness of these publications was revealed in a recent survey in which users of our website were asked to rate the information provided based on various attributes. A significant majority (84%) rated the information as being clear and 73% rated it as being pitched at the right level for the intended audience.

The survey also asked respondents to rate the usefulness of the information they obtained from us via email, e-learning and the website. The majority of those who accessed information from us found it useful, with around nine in ten agreeing that our emails (89%), e-learning (89%) and website (92%) were fairly or very useful for getting information about pensions.

We also used the survey to test the effectiveness of our pension scams campaign amongst lay trustees, in-house administrators, pension scheme managers and third party administrators. Of those that could recall seeing TPR-specific communication on pension scams, 85% 'agreed' or 'strongly agreed' that it had helped them understand what actions were needed if they suspect a pension scam.

Our approach to checks on compliance, including details of our risk assessment framework

Our regulatory approach is to 'educate, enable and enforce' where appropriate. We have undertaken a wide variety of activities over the past year, with the intention of educating through a range of communication channels. We have produced tools to enable our regulated community to meet their duties, and used enforcement action where we have encountered wilful or persistent non-compliance. This has led to a number of high profile and complex cases being resolved.

We also continued to increase our focus on proactive casework. We have found that targeted early intervention is more effective in supporting compliance and furthering good member outcomes. Being proactive helps us to understand the risks to compliance and good member outcomes in a particular area or within a segment of the market and to target our actions appropriately.

The AE compliance and enforcement team continued to issue their quarterly bulletin. This is designed to help employers, their advisers and the pensions industry as a whole, understand the type of compliance and enforcement interventions that follow our educative and enabling communications and support.

To help us fulfil our new regulatory remit in relation to public service pension schemes, we have published a report setting out our expectations of scheme managers, and built a regulatory capability which is helping schemes to improve governance and administration standards.

Our approach to enforcement and non-compliance

Our priority is, as always, education and enablement. Enforcement activity remains a last resort but our activities throughout the year demonstrated that we are willing and able to enforce where necessary.

On the AE side, around 140,000 small employers reached their staging date this year so it is not surprising that we have issued a larger number of Fixed Penalty Notices than in previous years. In total, the AE team exercised their powers 8,812 times over the year. Despite this, overall compliance is better than predicted and opt-out rates remain low.

Certain powers are only exercisable by our Determinations Panel. This ensures that we undertake such regulatory action in a transparent way, allowing those affected to understand the reasons for it and the evidence upon which it is based. During the year, the Panel made 10 determinations and exercised 12 powers. The schemes concerned were six defined benefit (DB), two defined contribution (DC) and two hybrid schemes.

We continue to publish formal reports of our regulatory decisions. During this period, we published three in total, relating to contribution notices and scheme funding. Our ability to publish information about our activities plays an important part in enabling us to deliver on our commitment to transparency.

Our fees and charges

All activity relating to the regulation of new and existing DB and DC schemes is funded by grant-in-aid payments from the Department for Work and Pensions (DWP). This is recovered through the general levy which is charged on UK pension schemes. Our AE activity is tax payer funded through a separate grant-in-aid stream from the DWP.

Over this year our total expenditure was £62.8m. Of this, £34.5m was funded by the general levy and £28.3m by the tax-payer.

Complaints and appeals

We received 58 new complaints in 2015-2016, which were dealt with via our formal two-stage complaints process. This represents a small proportion of those in contact with us, particularly in the context of the regular contact with our stakeholders who have AE duties.

35% of complaints at stage 1 were not upheld, 62% were upheld in whole or part, and 3% did not fall within our complaints procedure but they required a formal response.

We received four requests for review of the complaint at stage 2 and three complaints were investigated by the Parliamentary Ombudsman, who did not uphold the complaint in two of the cases and decided not to progress the third.

As at 31 March 2016, no complaints remained in progress.

We have now set up a separate channel for complaints relating to AE because 77% of the 58 complaints during the year related to this area. We will send approximately 2.5 million outbound AE communications in 2016-2017 and anticipate a corresponding increase in the potential volume of complaints.

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