

# Performance against service standards

April 2017 – March 2018

September 2018

The Pensions  
Regulator

The Regulators' Code requires us to publish details of our performance against our service standards, on a regular basis. This includes feedback received from those we regulate, such as customer satisfaction surveys, and data relating to complaints about them and appeals against their decisions<sup>1</sup>. This report contains the relevant details for the period April 2016 to March 2017.

This report refers to two annual pieces of research that TPR commissions to both monitor our performance, and to understand customers' perceptions of our performance. The Perceptions Tracker audience covers lay trustees, employers and pensions professionals; including professional trustees, lawyers, actuaries, administrators and investment consultants. The Customer Satisfaction Survey is a telephone survey consisting of interviews with TPR customers who had an interaction (be that by phone, email, or letter) with TPR.

## How we communicate and how we can be contacted

We have two customer support teams, one focused on scheme regulation and scheme maintenance, and one focused on automatic enrolment (AE). These are the first points of contact for our regulated community, and we measure performance through a combination of management information and our annual customer satisfaction survey.

Our customer support team in Brighton is the first point of contact for trustees, administrators and scheme advisers looking for support with running a scheme, understanding regulations and using our online services. This year, regarding scheme regulation and scheme maintenance, 90% of customers rated the overall quality of service positively, and 96% were satisfied with the time taken to resolve their enquiry.

Our specific automatic enrolment (AE) contact centre is for employers and AE advisers, and includes an AE frequently asked questions library, as well as a call centre for more specific automatic enrolment enquiries. This year our AE team answered around 270,000 phone calls.

When asked about the service they had received, 90% of AE customers rated the overall quality of service when contacting TPR positively, with 93% of AE customers agreeing TPR were professional in our handling of the enquiry, while 87% agreed TPR gave clear and easy to understand responses. Satisfaction with time taken to resolve enquiries reached 96% in 2017/18.

<sup>1</sup> Paragraph 6.5 of the Regulators Code: <https://www.gov.uk/government/publications/regulators-code>

In addition to our customer support teams, we also pursue proactive communications campaigns. In September 2017 we launched '21st Century trusteeship – Raising the standards of governance', a campaign aimed at trustees, employers and advisers to improve standards of trusteeship across all schemes. This has driven engagement with our content and messages, increased interaction with our online content, and led to more Trustee toolkit module passes. Other notable work included our continuing scams awareness campaign.

We have once more seen increased engagement online and via social media: over 15, 000 engagements on Facebook; 14, 000 via LinkedIn; around 12,500 followers on Twitter, and 26 new videos currently posted on our YouTube channel, with a total of almost 88,000 views.

We also continue to proactively communicate through webinars and stakeholder events. During the year, we undertook 336 speaking events, and 212 automatic enrolment-specific meetings and speaking events. This is in addition to surveys supporting our communications and policy development in a range of areas including our broad regulatory approach.

## **Our approach to providing information and guidance**

Our corporate plan 2017 to 2020 set out our commitment to be clearer in the information and guidance that support our regulated community in understanding and carrying out their duties.

We achieve this in a variety of ways, including the publication of our regulatory decisions and our research analysis; guidance on our website; the provision of e-learning opportunities, and updates by email.

We measure our performance in this area through a combination of management information and the results of our annual Perceptions Tracker.

This year we have produced new or updated content in respect of 388 publications, generating 308,000 downloads. These have included guidance statements in key areas of concern (such as the new code of practice for master trusts); our quick guide to the chair's statement; guidance on record-keeping and cyber security, and our 21st Century trustee campaign. These have set out or clarified our expectations, and set out how we will act if our expectations are not met.

The effectiveness of this work is clearly demonstrated by the results of this year's Perceptions Tracker, in which 91% of respondents regarded us as being a trusted source of information; and 85% agreed that trustee boards are clear what legal requirements apply to them in relation to pensions legislation - while 75% agreed with the same statement in relation to employers.

We are also being clearer in our interactions with our regulated community, and setting out our expectations upfront where we see significant risk or issues. Our website remains highly rated by our regulated community, with 84% of respondents to our Perceptions Tracker agreeing the content provides enough support, and 90% agreeing it is pitched at the right level for the intended audience.

The same 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 found it useful, with around nine in ten agreeing that our emails (89%), e-learning (94%), and website (94%) were fairly or very useful for getting information about pensions.

We are committed to being open and transparent in our activities, including publishing information about our regulatory and enforcement decisions. The majority of our regulated community agrees that we explain clearly why decisions affecting occupational schemes have been made. This year we published nine regulatory intervention reports and two determination notices to help our regulated community understand how we are using our powers. We also published our first compliance and enforcement bulletin covering the powers used across all our sectors. This publication complements the regulatory intervention reports and illustrates, through case studies, how we are using the breadth of our regulatory toolkit with employers and trustees.

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

We aim to take a focused and targeted approach to our checks on compliance, that is risk based and in line with our statutory objectives. This approach continues to be successful, with the majority of respondents to our Perceptions Tracker agreeing that we take proportionate action to the risk posed, and that we take a pragmatic approach based on individual scheme circumstances. In addition to this, almost 80% of respondents agreed that we hold trustees, governing bodies and employers to account.

In line with our commitment to be quicker in responding to risks and reconciling issues, we are improving our insight and using a wider range of tools. This has helped us to identify and respond quickly in a number of areas, including compliance with basic duties such as AE, the provision of statutory information to us, and scheme administration. This year we began carrying out spot checks on employers to ensure they are complying with their AE duties, undertaking 660 inspections and issuing 51,509 statutory notices.

In DC, alongside publishing our new code of practice for master trusts, we have been in contact with every master trust to ensure they understand the new requirements, and are putting the necessary plans in place. We also continue to maintain the existing assurance framework for master trusts, and signpost employers to schemes with assurance so they can comply with their AE duties.

In regards to public service pension schemes specifically, we stepped up our checks on compliance in regards to the provision of annual benefits statements, and have been proactive in supporting schemes in addressing issues in this area.

This work is having a positive effect in raising awareness of our standards, in turn supporting our regulated community in complying with their duties. The majority of respondents are aware that we will fine trustees of schemes with DC benefits for failure to submit an annual statement signed by the chair of trustees. They are also aware that we are taking a tough stance with trustee boards that have not completed their scheme return, including issuing fines.

We judge risks in terms of the threat they pose, the extent to which we can mitigate them, and our risk appetite. This means we will not seek to intervene in all situations, but will prioritise by risk, cost and perceived benefits in a way that is targeted and proportionate. This year we identified five key risk themes going into 2017-2018: sub-scale schemes; poor standards of stewardship; disorderly scheme failures; poor data integrity and security; and economic market outlook.

We addressed these risks through a range of activities including increased focus on setting clear expectations, taking an increasingly proactive approach - such as the pre-authorisation process for master trusts to help them meet the standards we expect under the new regime, and working closely with public service pension schemes to help them improve their record-keeping plans. In addition, we have significantly increased our proactive interventions with the DB schemes that present the biggest risks to our statutory objectives.

## **Our approach to enforcement and non-compliance**

Our approach in this area is to be targeted in our enforcement, focusing on high risk breaches, and that where our expectations have not been met and we believe it is in the interest of members to do so, we have moved to enforcement quickly and more decisively. The majority of respondents to the Perceptions Tracker acknowledged that we are decisive, efficient, and tough; and of those that had seen a change in TPR's approach this year, the main areas of change identified were that we were being tougher or more assertive, and more proactive.

We have once more been quicker and tougher in the use of our powers, with an increased focus on basic duties. We issued 153 mandatory penalty notices for failures to prepare a chair's statement, where non-compliance can be an indicator of broader issues, and took action in 83 cases where trustees failed to complete a scheme return when required. We have strengthened our resources in our frontline regulatory teams, been continually improving our regulatory approaches, testing new approaches, and demonstrating our clearer, quicker, tougher approach.

We have increased our criminal investigation activity this year, successfully enforcing information provision through the criminal courts. We have also started a number of complex fraud and money laundering investigations, where member benefits are threatened by dishonest behaviour. We issued our first fine to a public service pension scheme, brought our first criminal prosecutions for willful non-compliance with AE, conducted our first spot-checks on employers, and for the first time we used a court order to require scammers to repay stolen money to their victims.

We are intervening more quickly where DB schemes are underfunded or avoidance is suspected, initiating our powers to set scheme liabilities and deficit repair contributions for the first time. We successfully prosecuted 11 people who failed to comply with our information-gathering powers.

On the AE side, in line with the steep rise in the number of employers reaching their staging dates, we have seen an increase in the number of times we have fined employers for non-compliance. We used our powers over 80,000 times, but these numbers are still very small in the context of the vast majority of employers doing the right thing.

## 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 £83.5 million. Of this, £43.3 million was funded by the general levy and £40.2 million by the tax payer.

## Complaints and appeals

We aim to respond to and address complaints as quickly as possible in a fair, reasonable and proportionate manner. We have a separate channel for complaints relating to AE, through which we received 129 new AE related complaints. In addition to this, we received 19 non-AE related complaints, all of 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.

Of AE-related complaints at stage 1, 53 were not upheld, 58 were upheld in whole, 27 were partially upheld, and 1 complaint was withdrawn. For non-AE-related complaints, 10 complaints at stage 1 were not upheld, 5 were upheld in whole, 3 were partially upheld, and 1 was withdrawn.

We received 3 requests for review of the complaint at stage 2, and no complaints were investigated by the Parliamentary Ombudsman in this period.

As at 31 March 2018, 13 complaints remained in progress.

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