

Subject	Review of Breaches, Complaints and Appeals	Status	For Publication
Report to	Local Pensions Board	Date	15 October 2020
Report of	Head of Pensions Administration		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To update members on the latest available record of reported breaches and provide details of complaints and appeals for the period from 1 July 2020 to 30 September 2020.

2 Recommendations

- 2.1 Members are recommended to:
- a. **Note the breaches summary and comment on any further reporting requirements or actions**
 - b. **Note the outcome of complaints received and comment on any further requirements**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:

Customer Focus

to design our services around the needs of our customers (whether scheme members or employers). Complaints and appeals provide valuable feedback on potential areas for improvement in administration

Effective and Transparent Governance

to uphold effective governance showing prudence and propriety at all times. The Pensions Regulator's Code of Practice 14 places focus on the requirements to manage breaches of the law and the importance of maintaining a system of recording breaches.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report one method of working to mitigate risk O1 in the Corporate Risk Register which centres on the ability of the Authority to protect the data it owns and the data it handles.

5 **Background and Options**

Breach Reporting

- 5.1 The reporting of breaches was expanded previously at the request of members of the Board to include all the items listed in the latest breaches report which is now attached at **Appendix A**. The breach report includes four individual breaches in addition to the breach in relation to the Annual Benefit Statements which is referenced in the Quarter Two Administration Update.
- 5.2 Of the four individual breaches in the three month period, three were individual data breaches caused by the incorrect member address being held on file, originally stemming from information from employers. The fourth breach relates to the incorrect disclosure of ten email addresses for scheme members in a group mailing. A new 'delayed send' process has been introduced to minimise the risk of this recurring.

Cyber Security Incidents

- 5.3 In order to improve visibility for the Board, an additional area was added to the Breaches Log showing the instances of potential cyber security incidents and the actions taken in mitigation. There has been one incident in the last three months which involved the hacking of the SYPA website and creation of temporary web pages.
- 5.4 A full investigation was carried out by the ICT Manager and documented but essentially the issue was caused by some vulnerabilities in the Content Management System (CMS) which have now been addressed via an upgrade and some other additional security measures in relation to access routes having been put in place. Note that no personal data was at risk of being lost or disclosed as a result of the tampering with the website and none of the existing SYPA website information was impacted.

Complaints

- 5.5 **Appendix B** provides a summary of complaints received in the reporting period(s). As previously requested by members of the Board, the summary report now includes commentary as to whether the complaints received were indicative of a wider process issue which may need review/improvement. For the first time, we have also included a trend analysis to provide visibility for the Board on the level of complaints.
- 5.6 The total number of complaints received in the Quarter was five, which is reasonably consistent with previous periods. Of these, three were outside of SYPA's control, though one has resulted in a review of our transfer documentation to ensure that members are aware of the statutory time limit for transferring out of the scheme.
- 5.7 Of the two complaints that were caused by SYPA actions, one was a simple failure to acknowledge receipt of some documentation in a timely manner. The second one is also individual human error but is currently under investigation to establish if any positive actions can be taken (other than individual training) to avoid the issue recurring as it did result in a retirement estimate being lower quoted.

Formal Appeals

- 5.8 During the reporting period, five Internal Dispute Resolution Procedure appeals were determined and the details are shown below.

Ref	Reason for Appeal	Stage 1 or 2	Upheld?
SH	Member not eligible for ill-health retirement	Stage 2	No
JH	Member not eligible for ill-health retirement	Stage 2	No
JW	Member not eligible for ill-health retirement	Stage 2	No
GR	Member not eligible for compassionate benefits	Stage 2	No
GC	Member not eligible for transfer out of LGPS due to age limits	Stage 1	No

- 5.9 As set out above, none of the appeals was upheld. In relation to the ill-health retirement cases, although the outcome of the decision remains the same the appeals did highlight some procedural issues with a couple of employers in relation to the communication of the decision making process. These issues have been addressed with the two employers concerned but, more widely, the Engagement team are offering some additional training to all employers to ensure that they fully understand the procedural steps regarding consideration for ill-health retirement.

6 **Implications**

- 6.1 The proposals outlined in this report have the following implications:

Financial	None
Human Resources	None
ICT	None
Legal	None
Procurement	None

Jason Bailey

Head of Pensions Administration

Background Papers	
Document	Place of Inspection