

Subject	Review of Breaches, Complaints and Appeals	Status	For Publication
Report to	Local Pensions Board	Date	28 January 2021
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 October 2020 to 31 December 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**. Quarter 3 has seen just the one individual data breach which was caused by an employer providing an incorrect address for a scheme member resulting in a transfer notification being directed to the wrong address.

Cyber Security Incidents

- 5.2 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 'near miss' incident in the last three months which involved a staff member receiving a phishing popup message requesting release of her network credentials. Fortunately, the staff member recognised the popup was not genuine and reported it immediately to the IT department.
- 5.3 The incident did highlight some security deficiencies with the use of Internet Explorer as a web browser and staff are being migrated across to use Microsoft Edge instead which should help improve security. Staff will of course continue to receive refresher training on cyber security periodically.

Complaints

- 5.4 **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. We have also included a trend analysis to provide visibility for the Board on the level of complaints.
- 5.5 The total number of complaints received in the Quarter was three, which is a slight reduction on previous periods. Of these, one of these was outside of SYPA's control as it related to late receipt of leaver information s, 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.
- 5.6 Of the two complaints that were caused by SYPA actions, one was an individual input error in relation to a refund of contributions where the initial quotation provided was higher than the actual amount due to the member. The second one was a complaint from a member regarding the fact that the initial Annual Benefit Statement (ABS) made available online was incorrect and had to be replaced. This was a system error identified during the 2020 ABS exercise and has since been rectified.

Formal Appeals

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

Ref	Reason for Appeal	Stage 1 or 2	Upheld?
LB	Member received lower actual retirement benefits than quoted.	Stage 1	Partially – see 5.9
WB	Member not eligible for ill-health retirement	Stage 2	No – but see 5.8
AG	Member not eligible for ill-health retirement	Stage 2	No – but see 5.8
DF	Member wanted partner pension to be paid to her sister on her death	Stage 1	No
DM	Member wanted child pension to be extended beyond age 23	Stage 1	No
JF	Member not eligible for ill-health retirement	Stage 2	No – but see 5.8

- 5.8 As set out above, none of the appeals was upheld. In relation to three of the ill-health retirement cases, although the outcome of the decision remains the same the appeals did (as in Quarter 2) 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.
- 5.9 With regard to the partially upheld appeal, it was acknowledged that the member had received an incorrect estimate of benefits and she was compensated for the error made. This was a result of an individual error and not a systemic issue. The argument from the member that this had impacted her retirement plans was not upheld.

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