

Subject	Review of Breaches, Complaints and Appeals	Status	For Publication
Report to	Local Pensions Board	Date	22 April 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 January 2021 to 31 March 2021.
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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**
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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 4 has seen two individual data breaches which resulted in correspondence being issued to a wrong member or wrong address. One was caused by an employer providing an incorrect address for a scheme member and the other by human error in updating an incorrect record. No systemic issues were identified from these breaches.

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 phishing email being sent to selected staff which purported to be from an investment management company. Fortunately, a staff member recognised the phishing email was not genuine and swift action was taken to remove the offending email from user's accounts and the links were blocked without compromising personal information.
- 5.3 The incident did highlight the increased sophistication of phishing emails and the IT team will continue to test staff awareness of this type of activity and ensure we remain vigilant.

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 remains relatively low with four received, half the number of the equivalent quarter in the previous year. Of these, two were outside of SYPA control as they related to actions taken by the scheme members themselves.
- 5.6 Of the two complaints that were within SYPA control, one relates to the issues with updating the 2020/21 monthly data files received from Rotherham MBC payroll services and this will be resolved ahead of the 2021 ABS exercise. The second one was a complaint from a member regarding the fact that the payment date on his deferred Annual Benefit Statement (ABS) was incorrect. This was a legacy data migration issue dating back to 2014 and investigations are underway to check if any other members are likely to have been affected. The outcome of this investigation will be reported at the next Board meeting and will be addressed in the appeals section as the member has proceeded to a Stage 1 appeal.

Formal Appeals

- 5.7 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?
AP	Member not eligible for ill-health retirement	Stage 2	No
DF	Member wanted partner pension to be paid to her sister on her death	Stage 2	No
AH	Member not eligible for ill-health retirement	Stage 2	No – but see 5.8
LF	Member not eligible for ill-health retirement	Stage 2	See 5.8
TS	Member not eligible for ill-health retirement	Stage 2	No

- 5.8 As set out above, none of the appeals was upheld. In relation to one of the ill-health retirement cases (AH), although the outcome of the decision remains the same the appeal did (as in Quarter 3) highlight a procedural issue with an employer in relation to the decision making process. This issue has been addressed with the employer concerned but, more widely, the Engagement team have now provided some additional training to employers to ensure that they fully understand the procedural steps regarding consideration for ill-health retirement.
- 5.9 With regard to the LF appeal, it was not upheld but the member's representative did provide some further medical information which was not previously available to the employer so they have been asked to review the original decision in the light of this. It is possible the outcome may ultimately remain the same of course but it's important the employer is able to take all relevant circumstances into account.

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

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Head of Pensions Administration

Background Papers	
Document	Place of Inspection