

Subject	Review of breaches, complaints and appeals	Status	For Publication
Report to	Local Pensions Board	Date	15 July 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 April 2021 to 30 June 2021.

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 1 has seen three different individual data breaches. The first is a unique case where a tracing agency had previously identified an individual with the same name and date of birth as a scheme member and SYPA had incorrectly made payment to the wrong recipient. This appears to be a one-off incident with an error made by members of staff no longer employed by SYPA. Arrangements are being made for the overpayment to be recovered.
- 5.2 The second data breach was caused by a mistake from an external print company engaged to produce and issue P60s to pensioners. A full investigation has been carried out by the print company and it was a human handling error that caused the issue. The third breach was also down to human error in returning an original certificate to the wrong individual. A check has been added to the process to try and prevent this from recurring.

Cyber Security Incidents

- 5.3 In order to improve visibility for the Board, the breach report now includes details of cyber security incidents. Of the four incidents in the quarter, three related to phishing emails of various descriptions. Fortunately, the staff involved recognised that the emails were not legitimate and reported the incidents immediately to ensure that the network was not compromised in any way.
- 5.4 The fourth incident was an attempt by a hacker to gain access to our network via Mimecast. The access attempts were successfully blocked and some further changes have been made to ensure that only IP addresses from SYPA owned equipment can be used to access the Active Directory.

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 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.
- 5.6 The total number of complaints received in the Quarter has unfortunately doubled to eight when compared with recent reporting periods. Of these though, six were outside of SYPA control as they related to actions taken by the scheme members themselves or were a result of delays from employers or third-party providers.
- 5.7 Of the two complaints that were broadly within SYPA control, one was from a retiring member who was unhappy with the delays in the release of their AVC fund. Although this was not directly an issue with SYPA, there was a flaw in that the member had not been offered an interim settlement of his LGPS benefits. The retirement process has now been modified to ensure that members with AVC funds are offered interim settlements if there will be a delay.
- 5.8 The second complaint was from an independent financial advisor who had been waiting for transfer information in respect of a scheme member. The delay was a result

of an employer but SYPA did not keep the IFA informed of the status, so staff have been reminded of the importance of issuing status updates.

Formal Appeals

5.9 During the reporting period, six Internal Dispute Resolution Procedure appeals were determined and the details are shown below. As referenced in the TPR update report, an additional column has been added to indicate whether the appeal response was issued within the timescales set out in the LGPS Regulations.

Ref	Reason for Appeal	Stage	Upheld?	Response within IDRP timescales?
DL	Member not eligible for ill-health retirement	Stage 2	No	Yes
MA	Member had incorrect payment date on deferred statement	Stage 1	See 5.10	Yes
MA	As above	Stage 2	As above	Yes
TH	Member not eligible for ill-health retirement	Stage 2	No	Yes
JT	Member not eligible for ill-health retirement	Stage 2	No	Yes
IS	Member claiming entitlement to a refund/transfer	Stage 1	Yes	No. Archived records needed to be retrieved

5.10 In respect of the appeal from MA, the member appealed under Stage 1 and Stage 2 as she wanted SYPA to honour an incorrect payment due date that had been included on her annual deferred benefit statements. Although the adjudicator could not agree to this as it would have been outside of the statutory LGPS provisions, the member was offered a compensation payment as a result of the error made.

5.11 With regard to the IS appeal, this related to a period of membership with South Yorkshire County Council in the 1980's. The member claimed they did not receive either a refund or a transfer at the time and unfortunately SYPA have not retained detailed archived records for this member which would verify that a transfer payment or refund had been made. In the circumstances, it has been agreed to offer the member a refund of contributions.

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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Background Papers	
Document	Place of Inspection