

Agenda Item

Subject	Review of breaches, complaints and appeals	Status	For Publication
Report to	Local Pensions Board	Date	14 October 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 July 2021 to 30 September 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.
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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 2 has seen just one individual data breach. This was a case where a member of staff had returned a form in respect of a deceased member to the incorrect next of kin. It was an individual handling error and a new step has already been introduced into the document return process to ensure the recipient details are checked by another member of staff before issuing.

Cyber Security Incidents

- 5.2 In order to improve visibility for the Board, the breach report now includes details of cyber security incidents. All three of the incidents in the quarter 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.
- 5.3 All staff undertook an e-learning training session recently which focused on spotting this type of communication from hackers and the ICT team will continue to test staff periodically in this area to ensure that awareness levels remain high.

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 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 five, which is more representative of the volumes received in previous quarters, following a spike in Quarter One of this year. Of these though, three were outside of SYPA control as they were a result of delays from employers or third-party providers.
- 5.6 Of the two complaints that were broadly within SYPA control, one was from a member who was unhappy with the time taken to complete the aggregation process. Plans were already in place for a cross-project team to be set up to review the aggregation process in its entirety as several issues have been identified recently with both the accuracy of the process in certain unusual scenarios (e.g. when two records need to be aggregated with a third) and the manual intervention required to complete these technically complex calculations. Pending the resolution of any calculation errors, our data analysis tool (DART) is being further enhanced to ensure that any potential errors in the calculation process are being identified before a member's record is updated.

- 5.7 The second complaint was from a member who had been incorrectly sent a quotation to transfer out of the scheme when in fact she wasn't eligible to do so (as she was within twelve months of her Normal Pension Age). An additional check is being built into the transfer quotation process to try and ensure that the process cannot be completed in this type of scenario.

Formal Appeals

- 5.8 During the reporting period, just one Internal Dispute Resolution Procedure appeal was determined and the details are shown below. This was an historic case dating back to the 1980s where the member had been successful in being credited with a refund of contributions at Stage 1 but was arguing for a retrospective transfer out of the LGPS at Stage 2 which was not upheld.

Ref	Reason for Appeal	Stage	Upheld?	Response within IDRPs timescales?
IS	Member claiming entitlement to a refund/transfer	Stage 2	No	Yes.

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