

Subject	Review of Breaches, Complaints and Appeals	Status	For Publication
Report to	Local Pension Board	Date	28 April 2022
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 2022 to 31 March 2022.

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 and appeals handled 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 4 has seen just one data breach (which occurred in Q1 of 2022/23) where a set of individual queries on a Monthly Data Collection (MDC) file were incorrectly sent to the normal payroll contact for the wrong Council. The data was correctly encrypted and the Council confirmed they have deleted the email issued in error. This was simply human error with the wrong contact selected. Once Civica have made some corrections to the MDC process we will be moving to a system where MDC queries are issued directly via the online portal which should reduce the risk of this issue recurring.
- 5.2 Separately, one of our AVC providers, Prudential, reported to us at the end of March 2022 (see copy of letter at **Appendix B**) that they had been unable to meet the 12-month statutory deadline for issuing member AVC statements for the 2020-21 year. The administration problems with Prudential have been well documented over the last 12-18 months and Prudential have already reported themselves to The Pensions Regulator (TPR) in relation to performance issues on AVC administration. The Scheme Advisory Board (SAB) have also been undertaking engagement with Prudential on behalf of LGPS funds.
- 5.3 Prudential did not feel able to share details of their specific correspondence with TPR in terms of reporting breaches so, as a precautionary measure, SYPA has prepared a report to TPR to ensure they are aware of the AVC breach specifically in relation to our fund. The performance of Prudential will be included as part of the wider review of AVC provision being undertaken by the actuarial firm, Barnett Waddingham, on behalf of SYPA. Prudential have indicated they expect to issue the 2020-21 statements by the end of April 2022.
- 5.4 The breach report also includes reference to the late issue of Pension Savings Statements for 2020-21 which are detailed in an accompanying report.

Cyber Security Incidents

- 5.5 To improve visibility for the Board, the breach report now includes details of cyber security incidents. There was just one incident in the quarter which was a result of the not uncommon issue of phishing emails. Fortunately, the email was directed to possible Spam and was not opened by the members of staff to whom it was addressed.
- 5.6 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

- 5.7 **Appendix C** 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.

- 5.8 The total number of complaints received in the Quarter was five, which is representative of the volumes received in previous quarters. Of these though, four were outside of SYPA control as they were a result of either delays from third-party providers, regulatory requirements or actions not taken by the member.
- 5.9 The one complaint that was possibly within SYPA's control related to a retiring member who had maintained she had posted in original certificates (birth and marriage) along with her claim forms, but these had not been traced. We strongly discourage members from sending in original certificates for exactly this reason. In the event we were able to pay the benefits having received a scanned copy of passports and we have offered to reimburse the member for the costs of a replacement certificate if required. Longer term, we are interested in ways of using other electronic forms of ID verification and have included this in our Corporate Strategy. Our initial investigations suggest the options currently available in the market are not yet sufficiently secure, though we expect this to change in due course.

Formal Appeals

- 5.10 There were no formal appeals determined in Quarter Four.

Ref	Reason for Appeal	Stage	Upheld?	Response within IDRP timescales?

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