

Subject	Review of Breaches, Complaints and Appeals	Status	For Publication
Report to	Local Pensions Board	Date	4 August 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 April 2022 to 30 June 2022.
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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 and appeals handled 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 1 has seen just one data breach where a unique set of circumstances involving a staff member using an incorrect process and a system fault on the address update from an employer allowed the same address to be updated for two different members (who had previously shared the same address). The system has been updated to prevent an error of this type recurring and checks are being undertaken to ensure the same error could not have occurred on the administration system.

Cyber Security Incidents

- 5.2 To improve visibility for the Board, the breach report now includes details of cyber security incidents. There were two incidents in the quarter, one of which was a result of the common issue of phishing emails. Fortunately, the phishing email purporting to be from the bank was recognised as such by Finance staff and the instructions on the email were ignored.
- 5.3 The second incident was a result of a member of staff using an online sort code checker which contained an advert with a redirect to a dubious website. The staff member recognised the issue immediately and ICT undertook all necessary safety checks. All staff have been reminded to use “official” sort code checkers when required in future.

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 seven, which is slightly higher than the volumes received in recent quarters. Of these though, five 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.
- 5.6 Of the two complaints that were directly attributable to SYPA, one was from a member who was unhappy with the delay in processing his aggregation. This is a known issue currently and referenced in the administration report. The second was a member who had a legacy AVC fund and unfortunately had not been given full details of his options in an initial call to the Customer Centre. This is a training issue which has been addressed with the relevant member of staff.
- 5.7 A third complaint was from a member who would not accept the (correct) explanation provided by the team for the difference between his Annual Benefit Statement (ABS) and a flexible retirement quotation. To avoid any further difficulties, a face-to-face meeting was arranged with the Head of Pensions Administration and the explanation has now been accepted. We have agreed to review the wording on future ABS's to make the position clearer.

Formal Appeals

- 5.8 During the reporting period there were three formal appeals determined. Two were ill-health appeals which were not upheld. The third related to a member who had elected to transfer his modest AVC fund from his former LGPS fund to SYPA and had experienced a delay which he felt had resulted in a loss of investment income. The member is being placed in the position he would have been if there had not been a delay between SYPA and the former LGPS fund. More widely, although this is an individual error a more comprehensive review of the LGPS interfund-in process is currently being undertaken which should help ensure this sort of delay with AVC funds does not recur.

Ref	Reason for Appeal	Stage	Upheld?	Response within IDRP timescales?
PS	Member not eligible for ill-health retirement	Stage 2	No	Yes
JM	Member not eligible for ill-health retirement	Stage 2	No	Yes
OC	Loss of income due to delay in transferring AVC fund	Stage 1	Partial	No – information needed from AVC provider

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