

Subject	Review of breaches, complaints and appeals	Status	For Publication
Report to	Local Pensions Board	Date	3 November 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 July 2022 to 30 September 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.
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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 data breach, albeit a significant one, where the SYPA external post box was compromised and a number of documents from scheme member documents containing personal data were removed. The breach is summarised on the breaches report attached for completeness but the details are also covered in a separate Governance report at this meeting. The motivation for the crime does not appear to be identity theft but more likely an unsuccessful attempt at a monetary crime. This has been reported to the police. All known affected members have been contacted directly to inform them of the situation and the post box has been removed from the building whilst alternative options are investigated.

Cyber Security Incidents

- 5.2 To improve visibility for the Board, the breach report now includes details of cyber security incidents. There were three incidents in the quarter, two of which were the common issue of phishing emails. Fortunately, the relevant members of staff identified the emails as such and these were reported to ICT in line with our incident reporting process.
- 5.3 The third incident was a result of a member of staff accidentally clicking on a notification purporting to be from an anti-virus provider. The notification was switched off, genuine anti-virus scans were run and an alert was posted to all staff reminding them of the risks of clicking on notifications from websites not confirmed as legitimate. No data was compromised.

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 four, which is a reduction from those received in recent quarters. Of these, two 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 experienced a delay with the payment of their retirement benefits which was compounded by SYPA after an initial employer delay. This was a training issue with an individual member of staff who did not correctly assign a workflow task and has been addressed.

Formal Appeals

- 5.7 During the reporting period there were three formal appeals determined at Stage One of the IDR process. The first was a member who had initially been incorrectly provided with a transfer value quotation even though she was above the age limit to transfer and wanted this to be honoured. SYPA systems have since been updated to prevent a transfer being calculated in these circumstances but the member was compensated for the error.
- 5.8 The second case related to a member who had been overquoted on an estimate of benefits because of the Final Pay estimate given by the employer. This was primarily an error on the part of the employer but it would have been prudent for SYPA to have identified this when checking the case so the member was given a modest compensation award.
- 5.9 The final case related to a member who had been overquoted on an estimate of benefits because the service history was showing full-time and not part-time service. This had been corrected by the employer but SYPA had not updated the records in a timely manner so, as with the case above, a modest compensation award was given. Arrangements have been put in place to ensure any service history corrections are actioned much sooner than happened in this case.

Ref	Reason for Appeal	Stage	Upheld?	Comments
LE	Member not eligible to transfer out of the LGPS	Stage 1	No	Compensation awarded for case
AW	Member wanted estimated benefits quoted to be honoured	Stage 1	No	Compensation awarded for case
VA	Member wanted estimated benefits quoted to be honoured	Stage 1	No	Compensation awarded for case

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