

Agenda Item

Subject	Review of Appeals, Breaches and Complaints Quarter 4 2022-23	Status	For Publication
Report to	Local Pension Board	Date	27 April 2023
Report of	Director		
Equality Impact Assessment	Not required	Attached	N/a
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1 Purpose of the Report

To provide Members with an overview of:

- a. Appeals dealt with at Stage 1 and 2
- b. Breaches reported
- c. Complaints handled.

This report relates to the period from 1st January 2023 to 31st March 2023.

2 Recommendations

2.1 Members are recommended to:

- a. **Note the outcome of and appeals dealt with and comment on any further requirements**
- b. **Note the breaches summary and comment on any further reporting requirements or actions**
- c. **Note the outcome of and complaints 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 offer 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 Option

- 5.1 This report provides the regular update on Appeals, Breaches Complaints for the Board.

Appeals

- 5.2 During the reporting period 4 appeals were determined.

Stage 1

Ref	Reason for appeal	Upheld?	Comments
BM	Refusal of transfer request	No	Scheme member wanted to transfer his pension into an unregistered private scheme.
LY	Refund dispute	No	Member wished to opt out of the scheme but their application was out of time.

Stage 2

Ref	Reason for appeal	Upheld?	Comments
IH	Deferred pension	Partially	Issue relates to details of the rule of 85 protections which are particularly complex. SYPA cannot pay a benefit which is not due under the scheme rules. Compensation of £200 offered due to a delay in dealing with this appeal.
LY	Refund dispute	No	See Stage 1 above.

- 5.3 The above cases are each individual and do not provide any systemic learning, although in the case of the “Rule of 85” case some changes have already been made to member presentations making clear the need for members to seek information on their individual circumstances.
- 5.4 A comprehensive review of the Appeals process has been commissioned and commenced in January 2023. This is intended to create a single process with transparency over the numbers of appeals in process and whether they are being dealt with in line with the required timescales. This work is being led by the Governance Team and is currently reviewing several outstanding cases. While the conclusions in relation to most of these cases will flow through in regular reports one issue has emerged which, while not yet definitively settled, should be reported to the Board at the earliest opportunity.
- 5.5 5 cases where the member transferred benefits to another scheme some years ago (and before the current “stronger nudge” regulations) have been identified where it

appears the Authority may not have undertaken all the necessary checks to ensure that the receiving scheme was appropriately registered. While each case needs to be reviewed individually and an individual determination made in aggregate, it appears there was a control failure within the Authority. If the completed investigation bears this out the Authority will report itself to the Regulator in relation to these cases and implement actions in relation to the individual scheme members benefits that would be required had the Pensions Ombudsman found against us. As indicated these cases did occur some years ago and procedures have been tightened since then.

Breaches

5.6 The table sets out the breaches identified by the Authority in the quarter.

Ref	Date	Type	Description	Action
63	20/01/23	GDPR	Employer's monthly data submission changed the address of every member to a random address in Hull. This resulted in two potential breaches although only one potentially resulted in disclosure of personal information.	Employer has been spoken to with regard to the data submission and staff processing these files encouraged to be more vigilant. Action taken to address the potential disclosure of personal information.

5.7 This is clearly a unique case but it does highlight the need to ensure that the processing of large data files is carried out with appropriate care and attention, which is being continually emphasised to the staff involved. In addition, as reported elsewhere on the agenda, considerable effort is being made to support employers in providing accurate data.

Cyber security incidents

5.8 In addition to the more routine breaches there were 8 reported cyber security incidents during the quarter, all of which were phishing attacks. All attacks were reported and contained without clicked links or response to coercion. In all cases, the sender addresses and links (if included) were blocked and all staff notified of the email content to highlight future attempts.

5.9 It is noted that this period encountered a higher number of cyber security incident reports than normal, specifically in January in which 5 were reported. All 5 reports in January were isolated incidents with no connection in terms of sender, links, or content.

5.10 Cyber security defences and reporting procedures improved significantly in February with the introduction of a new solution to help staff detect phishing attacks. Staff now have new tools to highlight potential issues within individual messages, more power to control legitimate or SPAM messages, and simplified processes to reported dangerous messages.

5.11 All staff have now completed the additional cyber security awareness training around phishing attacks.

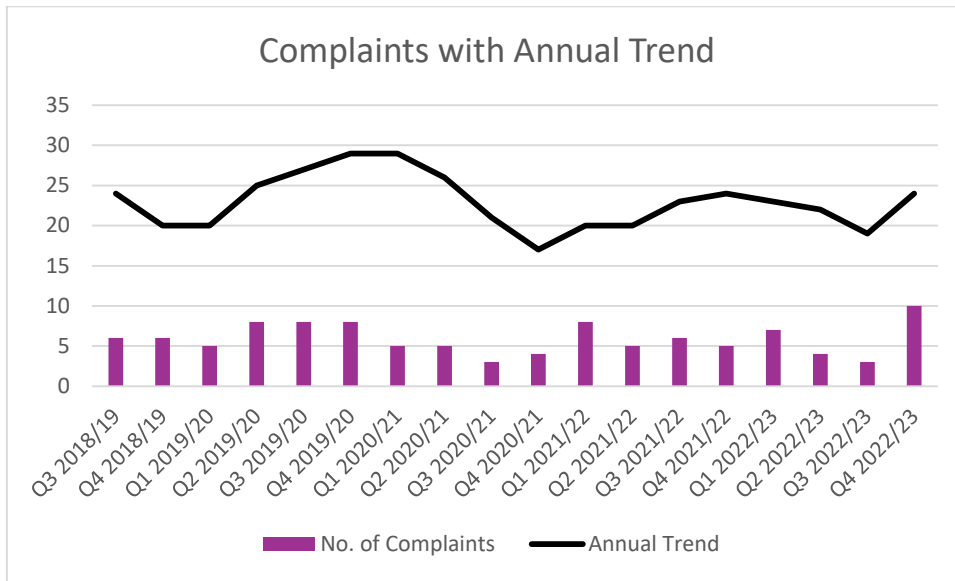
Complaints

5.12 The table below provides a summary of the 10 number of complaints received in the reporting period and an indication of whether the causes of complaint points to a wider process issue which may need review/improvement.

Reference	Complainant	Nature of complaint	Response issued within target response time?	Responsible party	Follow up actions required/taken?
C101	Member	Wanted a quote to 55 and we hadn't provided deferment details and aggregation quote from 1st record.	Yes	SYPA	Relates to the various issues with backlog aggregations
C102	Member	Issues with unravelling TUPE and paying benefits.	No	Member / Regulations	Decisions taken by Director which will resolve the decision
C103	Member	Issues with timings of payments, staff attitudes and how spouses CARE is worked out.	Yes	SYPA / Regulations	Customer Centre informed and asked to note in terms of working practices.
C104	Member	Member has been awaiting a quote since August 2022 and only just done due to scheme pays/AA issue and delays from us and employer supplying info.	Yes	Employer / SYPA	Note to staff stressing to staff the need to communicate delays better to members.
C105	Member	Delays with Prudential, inaccurate estimate and confusing info from SYPA staff.	Yes	SYPA / Prudential	Prudential delays remain an issue.
C109	Member	Complaint about time taken to	Yes	Capita	Capita continue to be actively engaged with by SYPA staff

		process case (Capita delays)			to resolve outstanding queries.
C110	Member	Length of time waiting for a deferment. Employer issues at our end.	Yes	SYPA / Employer	Reflects the delays in processing monthly data and leaver data.
C111	Member	Issues with incorrect scanning of a query causing a delay in providing data to WYPF.	Yes	SYPA	
C112	Member	Issues with aggregation (although we are waiting on member's decision) and wanting estimate but only 44 years old	Yes	Member / SYPA	Relates to the level of outstanding aggregations.
C113	Member	Employer provided wrong NI number which meant their person records didn't combine and created other data issues.	Yes	Employer	Records now combined
Total for three months	10				

5.13 The graph below shows the trend in numbers of complaints over time.



- 5.14 While numbers of complaints remain relatively low compared to volumes of casework the trend is clearly upwards which is a concern when looked at in conjunction with other performance data. There are several common themes which emerge from these complaints. As previously identified both through complaints analysis and customer surveys we need to improve communication with scheme members around work in progress and some work has recently been completed to allow some standard communication as part of certain key processes. However, more is likely to be required in this area. In addition to this the backlogs identified in the performance report elsewhere on the agenda are now beginning to impact quality of service and make it more difficult to resolve cases in a timely way an issue that may be being magnified by the relatively small number of experienced Pensions Officers within the Benefits Team.

Conclusion

- 5.15 This quarter's report reveals a trend of increasing numbers of complaints and appeals which all to some degree reflect levels of customer service or timeliness of completion of work than we would like to deliver. These are symptoms of a more significant range of underlying issues and challenges facing the Pensions Service which will be the subject of concerted action over the coming months with an initial plan of action to be presented to the Pensions Authority in June.

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

George Graham
Director

Background papers	
Document	Place of Inspection
None	