

<b>Subject</b>	<b>Appeals Breaches and Complaints – Quarter 1 2023/24</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	10 August 2023
<b>Report of</b>	Director		
<b>Equality Impact Assessment</b>	Not Required	Attached	Na
<b>Contact Officer</b>	George Graham Director	<b>Phone</b>	01226 666439
<b>E Mail</b>	ggraham@sypa.org.uk		

## **1 Purpose of the Report**

- 1.1 To provide the Board with information on Appeals, Breaches and Complaints for the first quarter of the year.

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## **2 Recommendations**

- 2.1 Members are recommended to:
- a. **Note the contents of this report and endorse the action proposed in relation to the historic transfer cases identified.**

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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).

### **Listening to our stakeholders**

To ensure that stakeholders' views are heard within our decision making processes.

### **Effective and Transparent Governance**

To uphold effective governance showing prudence and propriety at all times.

Using the information generated through analysis of Appeals, Breaches and Complaints should result in positive progress against each of the above corporate objectives.

#### **4 Implications for the Corporate Risk Register**

The actions outlined in this report have no implications for items included in the Corporate Risk Register.

#### **5 Background and Options**

- 5.1 Each quarter the Board receives a summary of the Appeals, Breaches and Complaints either dealt with or received in the quarter to ensure that the organisation is effectively learning from what happens when things go wrong.

##### *Appeals*

- 5.2 Work is ongoing to review the Appeals process and make it more robust. During the quarter 2 ill health appeals were determined neither of which was upheld, and there are 15 cases currently under consideration. It is important to note that in these cases the Authority can only consider whether the employer has followed proper process and considered all the facts and not substitute its judgement on the merits of the case.

- 5.3 The completion of the appeals process allows scheme members to ask the Pensions Ombudsman to consider their case. The Ombudsman generally seeks to resolve cases informally but can order the Authority to take specific actions and pay compensation to individuals affected by its decisions, At present there are 3 case being investigated by the Ombudsman and the Authority is providing any information requested by the ombudsman, and awaits a determination from the Ombudsman as to whether these will proceed to a full investigation. Details on the results of these cases will be reported when available.

##### *Breaches*

- 5.4 The table below summarises the breaches identified in the quarter.

Ref	Date	Type	Description	Action
64	01/06/2023	Provision of Information	Information in relation to redundancy calculations sent to a trusted e mail address rather than to the recipient requested and neither was sent through the secure e mail system. This raised the potential for sensitive personal information to be disclosed. Consideration was given as to whether to report this to the Information Commissioner but following discussion	Instructions issued to all staff to take particular care with provision of information of this sort and emphasising the need to use the secure e mail system. The issue was followed up with the member of staff concerned. An apology was issued to the employer concerned.

			with the Data Protection Officer it was determined that this was not reportable.	
65	07/06/2023	Data Issue	<p>The Authority's Hybrid Mail provider experienced an incident that impacted their data transfer software.</p> <p>Forensic investigation identified that 3 SYPA files were taken by an unauthorised third party affecting 6 members and 1 executor's names and addresses of whom 2 were deceased and whose letters had been returned.</p>	<p>The affected members have been contacted notifying them of the incident.</p> <p>A follow up with the provider will be arranged to understand the steps they have taken to prevent a recurrence.</p>

5.5 In addition to these as reported last quarter 5 transfer cases have been under review to determine whether there was a breach in relation to the required checks for transfers out of the scheme. The original transfers in these cases date from 2012 to 2016, when different rules to those currently in place applied. However, the Authority was still required to carry out a range of checks to ensure that transfers were being made to suitably regulated schemes and that appropriate advice had been taken by the scheme member. In these five cases had the Authority undertaken the required checks properly it is clear that the transfers would have been refused. The remedy for this is to offer the solution that would likely be offered by the Pensions Ombudsman if they considered the case which is to reinstate the benefit that would have been available to the member had they not transferred (the largest of these transfers would generate a pension of c£2,000 pa). In addition, each individual will be offered the maximum compensation set out in the Ombudsman's guidance. Given that there is a clear breach here the Authority will also report itself to the Regulator, setting out the arrangements that are now in place which provide assurance that a recurrence is unlikely.

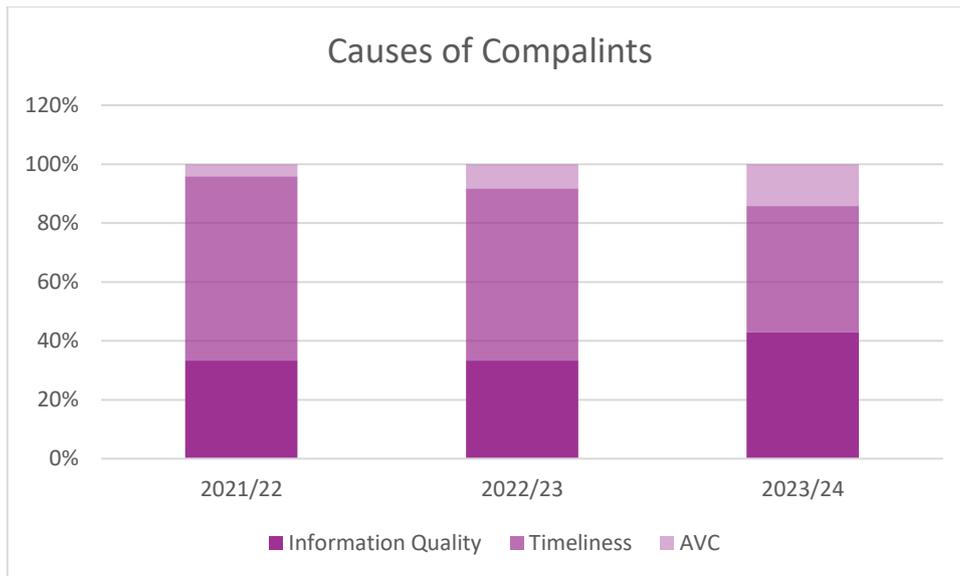
### Complaints

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

Ref	Complainant	Nature of Complaint	In Time	Responsible party	Other Actions
C114	Active Member	Issues with incorrect scanning of a query causing a delay in providing a	Yes	SYPA	Scanning issues to be addressed with staff and info to be added to the letter as standard.

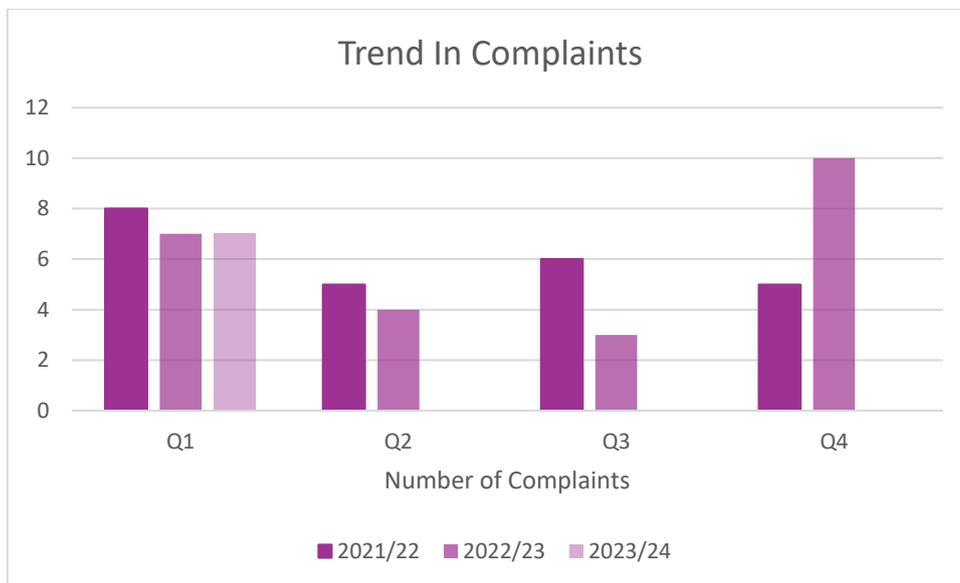
		split TV for WYPF.			
C115	Retiring Member	Delay in paying AVC benefits	Yes	Third Party	Scottish Widows - On-going issue
C116	Active Member	Issues with employer not providing casual hours	Yes	Employer	
C117	Active Member	Issue with time taken to sort transfers out	Yes	SYPA/Third Party	
C118	Active Member	Member opted out in 2020 and re-joined in 2022 thinking he was entitled to a flexible retirement	Yes	SYPA/Member/Employer	No issues at SYPA identified.
C119	Employer	Over a year's delay sending an account out following the members death. Amount to be written off.	Yes	SYPA/Employer	Note sent to staff instructing them to be careful with issues like this and look to W/O if delays unacceptable.
C120	Active Member	Delays both SYPA and NatWest on this potential TVIN payment leading to delays and a reduction in the amount offered.	No	SYPA/Third Party	Note sent to staff and refresher training on the importance of doing TVIN's within timescales of both schemes to be arranged.

5.7 While each of these complaints is individual there are patterns in the type of issue causing complaints, which we have analysed and are illustrated in the chart below using data from the last quarter and the previous two years.



5.8 Thus there the predominant causes of complaint are the quality of information (sometimes as a result of employers not providing appropriate data as in one of the cases highlighted in the table) and timeliness. The latter is sometimes the result of communication with other organisations (employers and other funds) but also reflects some of the challenges resulting from the volume of work within pensions administration which is dealt with elsewhere on the Board’s agenda.

5.9 Despite the challenges in pensions administration the overall number of complaints remains low as shown in the chart below given that between 15 and 20,000 work items are completed each quarter.



*Cyber Security Incidents*

5.10 Over the course of the quarter there were 6 reported cyber security incidents, all of which were phishing attacks. All of these were reported and contained without clicked links or response to coercion. In all cases the sender address and links were blocked and all staff notified to raise awareness in relation to future attempts. All of these

attacks were reported using the additional security software introduced in February which supports the logic for the further strengthening of our cyber defences which has been undertaken and shows that procedures are working as intended.

- 5.11 In addition to the above the Board will want to be aware that SYPA has retained its Cyber Essentials security accreditation and is currently being assessed against the “plus” criteria to upgrade this to Cyber Essentials Plus.

## 6 **Implications**

- 6.1 The proposals outlined in this report have the following implications:

Financial	None directly. The settlement of the identified transfer cases will have an implication for the Fund’s liabilities, although given the overall funding position this is unlikely to be material.
Human Resources	None
ICT	None
Legal	The Authority is under an obligation to deal properly with Appeals and Breaches and to make appropriate reports to the Pensions Regulator. This report demonstrates compliance with these obligations.
Procurement	None

**George Graham**

**Director**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>