

# Data Quality

At The Pensions Trust we use data every day. We collect it from many different sources, validate it where possible and record it in our computer systems before using it in a variety of ways, such as:

- writing to members to quote benefits at retirement;
- using it to calculate a transfer value;
- requesting a Fund Manager to invest contributions;
- preparing and sending out mailings to; and
- compiling it for use by the Scheme Actuary in valuing a schemes assets and liabilities.

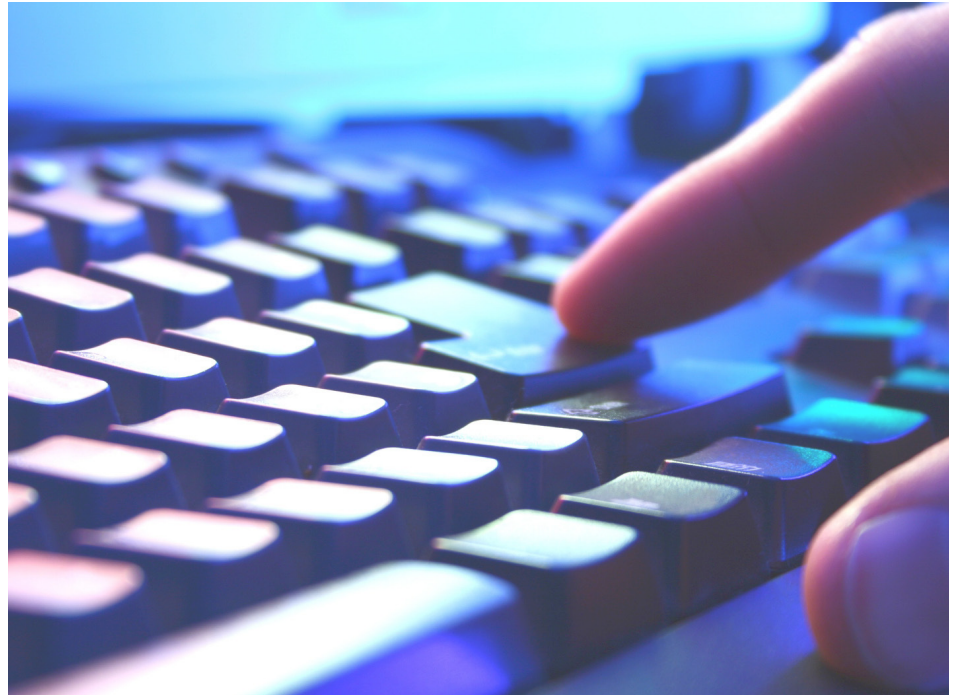
Data is used throughout most of what we do as a business, so we have to ensure that we collect, store and use the data as accurately as possible.

## **So why is the quality of the data we hold and use important?**

On a basic level, given that we use it to pay benefits, it is vital.

The Pensions Trust views quality in terms of how accurate its data is, and if it is incorrect, incomplete or out of date this can lead to incorrect payments.

Our members share our responsibility in achieving a better standard of data quality by informing us of any changes that will affect their scheme membership, even for something as simple as a change of address or telephone number.



As the quality of the data given to the Trust directly impacts on the quality of the data we record, we have processes in place to check that standards are maintained. If the data submitted doesn't meet our required criteria we do investigate this, which takes time and can cause delays.

Therefore, to assist with this the Trust has developed an eBusiness system enabling a direct interface between the employer and the administration system. And, as we place a high responsibility on employers who submit data to us via the eBusiness system, the software requires validation directly by the employer at the time of data entry to ensure that it is accurate and consistent.

## **So what is the impact of poor data quality?**

This isn't just about providing or recording the wrong information, it could also be about

missing information. An example would be a benefit statement, which shows a snapshot of a members benefits at the statement date and also what benefits to expect at retirement. And, as benefits are calculated from the membership information provided the member accurate recording of when joined the pension scheme, their current salary, the amount of contributions paid, and when, is vitally important to providing the correct expectations of benefits now and when the member retires. Also, as the statement includes details, such as the members surname, initials, title, etc – information which was probably collected when they first joined the scheme – any inaccuracies received on this statement are very visible to the member and could have a direct impact on their opinion of The Pensions Trust. Finally, as we issue this to the address held on our administration system it is very important that members inform us if their details have changed.

The pensions industry sees data quality as key to providing a service which is reliable and accurate. The Pensions Regulator, following the lead of the industry, is looking to make sure that data held by pension schemes is correct. To drive this they have set out minimum standards which the Trustees of a scheme must look to achieve. This regulation follows on from previous legislation within the pensions industry aimed at making sure your benefits are protected.

### **What is The Pensions Trust doing to measure and improve the quality of data that we record on our pensions administration system?**

The amount of data that the business uses is vast and complex; and so the Trust's approach is to set up a series of reports that can be run periodically across the entire database and highlight any deficiencies. These reports can show where data is incomplete or inaccurate and prompt an exercise to fill any gaps or question whether an incorrect piece of information is held. Processes that gather the information can also be reviewed and made more robust to prevent further errors being made. The results can also highlight where training may be required, improving how work is carried out and the quality of data in the future.

The Pensions Trust recognised that having an established system with a good reputation was crucial to achieving this and have therefore implemented 'DAaRT', which stands for Data Audit and Reporting Tool.

The software is provided by Independent Transition Management Ltd (ITM) who are a market leading, independent data and administration consultancy providing specialist services to third-party administrators, auditors and trustees in the pensions industry.

The system is designed to run over 350 pre-defined analyses, producing a detailed risk report of the quality of data held. The system is fully integrated with The Pensions Trust's administration system and will allow for bespoke analysis queries to be set up to meet any of the current and future specific requirements the business has. Each data item analysed can be given a criticality rating to focus the risk report on highlighting the areas of greatest importance. Most importantly, the system complies with The Pensions Regulator's proposals for enforcing a common data standard in the pensions industry.

The analysis that the system provides will enable The Pensions Trust to meet the standards that The Pensions Regulator currently imposes however, the Trust will look to go beyond the minimum data standards as we look to develop in the future.

The implementation of this system demonstrates the Trust's commitment to improving the quality of data we use on behalf of our members. We expect it to enhance our customer service offering as processes can become more efficient and cost-effective. This innovative solution provided by ITM means that we can be pro-active in identifying the deficiencies that might present a risk to the quality of service we provide. Most importantly, you can gain confidence that we are taking care of your personal data and monitoring it's accuracy and security to ensure that this care extends across the life of your membership with us.

