

Lancashire Local Pension Board

Meeting to be held on Tuesday, 23 January 2024

Electoral Division affected:
N/A;

Lancashire County Pension Fund Breaches and Complaints Report

Contact for further information:

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Brief Summary

This report provides the Board with a summary of the Lancashire County Pension Fund (LCPF) Breaches Log for the period 1st September 2023 to 30th November 2023 and outlines the number of complaints that have been registered during the same period for the purposes of monitoring the quality of member experience.

Recommendation

The Board is asked to consider and comment on the content of this report.

Detail

The Lancashire County Pension Fund has policy and procedures in place to effectively record and, if necessary, report breaches of the law to the Pension Regulator or Information Commissioner as appropriate. In line with the breaches policy, a log of all breaches is maintained by the Fund. This includes data breaches and breaches which contravene the legal requirements set out in the Pension Regulator's Code of Practice 14 which covers areas such as:

- Governing your scheme
- Managing Risks.
- Resolving issue
- Administration issues including aspects such as:
 - Scheme record keeping.
 - Maintaining contributions.
 - Providing information to members.

To ensure that the most recent and complete data is reported to the Board, this report includes details of breaches and complaints for the period 1st September 2023 to 30th November 2023.



Data Breaches

For the period 1st September 2023 to 30th November 2023 there were a total of 7 data breaches reported as follows:

A	Incorrect house number used, resulting in divorce paperwork being sent to the wrong address.
B	Personal data for a total of 20 Lancashire members was incorrectly shared with the auditors of another client.
C	Complaint response issued via email to incorrect email address. No NI number or personal data contained within the email.
D	A Lancashire member's NI number was assigned to another member within a different Fund in error. Retirement options then issued to the member quoting the incorrect NI number.
E	Letter sent to a member's old address and opened by the resident who confirmed they would shred the documentation. Member has not informed the pension service administrator of their new address.
F	Retirement options issued to incorrect email address due to typo in email address.
G	Letter sent to a scheme member's old address and opened by the resident who confirmed they would shred the documentation. Scheme member has not informed the pension service administrator of their new address.

All data breaches are managed through the Information Governance Team of Lancashire County Council who are happy with the remedial action taken in each case and have deemed the breaches aren't significant enough to warrant reporting to the Information Commissioner.

The Fund also considers these data breaches are not materially significant and will not be reported to the Pension Regulator.

The Pension Regulator Code of Practice Breaches

This type of breach can occur for a variety of tasks normally associated with the administrative function of the scheme including, but not limited to, contribution breaches, scheme record keeping and provision of information to members.

Contribution Breaches:

A breach occurs when an incorrect amount is collected on four or more occasions, or any payment is late. An incident occurs when an incorrect amount is collected, or no remittance is provided on up to three occasions (i.e. employers fail to submit contribution figures).

Out of 981 collections, there were 67 incidents recorded in the period where employers failed to submit contribution figures, and which have resulted in corrective action being taken. The number of incidents where employers failed to submit contribution figures represents 6.83% of the total submissions, in monetary value this equates to 1.73% of the total contributions received during the period. Previous month's figures have been collected and usually results in only a small variance in



what the Pension Fund should have collected. Relevant employers have all been contacted in accordance with the Stage 2 escalation procedures, which ensure that all incidents are corrected swiftly.

In the period 1st September 2023 to 30th November 2023 there were 2 breaches which occurred due to a failed direct debit arising from incorrect bank details. New details have been obtained and contributions have been collected. A summary table showing incidents and breaches is below.

	Dec 2022 – Feb 2023	Mar 2023 – May 2023	Jun 2023 – Aug 2023	Sep 2023 – Nov 2023
No. of incidents*	78	76	68	67
No. of Breaches**	10	1	1	2
% of employers not submitted (breach)	1.09%	0.10%	0.10%	0.20%
Monetary value of contributions not submitted (breach)	£181,964.84	£20,172.11	£292.65	£24,786.10
% of contributions not submitted (breach)	0.40%	0.04%	0.01%	0.04%

* Previous month's figures were collected and usually causes only a small variance in what the Pension Fund should have collected.

** Number of cases where no contributions collected with breakdown of the % of employers failing to submit contributions, the % of the total contributions and the monetary value of those contributions shown in the rows below.

Administration Breaches

During the period 1st September 2023 to 30th November 2023 there were 4 breaches reported to the Fund which contravened Code of Practice guidelines.

A	Death Grant paid to incorrect trustee. Original Trust Deed rejected; new Trust Deed created using correct bank details, but original bank details used in error.
B	Incorrect interest calculated by UPM resulting in an underpayment of interest to member.
C	Member holds two records but only one record trivially commuted.
D	Member entitled to Trivial Commutation was issued with a rejection letter in error.

The Fund is awaiting further information from LPPA regarding these cases, but early indications are that the breaches are one-off incidents which are not materially significant and will not be reported to the Pension Regulator.



Summary of breaches:

	Dec 22 – Feb 23	Mar 23 – May 23	Jun 23 – Aug 23	Sep 23 – Nov 23
Data	7	5	8	7
CoP – Administration	2	1	5	4
CoP - Contributions	10	1	1	2

Potential Breach

The fund is monitoring the 2023 production of annual benefit statements. Further details are provided elsewhere on the agenda.

Complaints

Complaints reflect the quality of service experienced by members and have been categorised by LPPA into general service issues, delays, payment, or regulatory issues. The following table provides further data regarding complaints.

Month	Nature of Complaint			Total Complaints	Volume per 1000 members (Rolling 12-month basis) *
	Delays	General Service	Payments		
September 2023	36	23	3	62	3.0
October 2023	34	28	0	62	3.2
November 2023	23	20	3	46	3.3

*This measure is adopted by Customer Experience Management (CEM) benchmarking to score complaints as part of their overall service metric with the target being less than 1.

As of 30th November 2023, the volume of complaints per 1,000 members is 3.3 (rolling 12- month basis) and is above the CEM benchmarking target of less than 1.

Consultations

Local Pensions Partnership Administration Limited were consulted regarding the administration and data breaches. Lancashire County Council's Finance Team were consulted with regards to contribution breaches.

Implications:

This item has the following implications, as indicated:

Risk management

The Lancashire Local Pension Board provide scrutiny and support to the Pension Fund Committee, in relation to their responsibility to ensure there is effective compliance with the Pension Regulators' Code of Practice 14 – Governance and administration of public service pension schemes.



**Local Government (Access to Information) Act 1985
List of Background Papers**

Paper	Date	Contact/Tel
Code of Practice 14 – Governance and administration of public service pension schemes	April 2015	James Almond 01772 539699

Reason for inclusion in Part II, if appropriate
N/A

