EXCLUSIVE

The new pensions delay that could cost you thousands

Concerns £289m project – which allows people to view pension pots in one place – could be scrapped altogether

A pensions dashboard is being proposed to help people keep track of their personal finances (Photo: Richard Sharrocks/Getty)

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The long-awaited pensions dashboard is facing fresh delays and may still not be ready to roll out next year – more than a decade after it was first proposed.

The Government's dashboard, designed to allow people to view all their pension pots in one place, has been beset by a series of delays and is tens of millions of pounds over budget.

A National Audit Office report in May last year found that the cost of the project had increased from £235m in 2020 to £289m in 2023.

The scheme falls under the Department for Work and Pensions (DWP) and was first put forward in 2016 by the then Conservative government.

It aims to make it easier for people to plan for retirement by allowing them to see all their pension pots – including "lost" pensions from previous jobs.

A 2024 report by the Pension Policy Institute estimated that almost 3.3 million pension pots, containing an average sum of £9,470, are now considered lost.

Labour is committed to the project and last autumn, minister Emma Reynolds confirmed that the Government was sticking to the original October 2026 deadline for all pensions providers to make their data available for the dashboard.

However, Reynolds did not give a definitive launch date, stating only that it was "too early to confirm a launch date for public use" and that it would be made available "at the earliest opportunity".

The Government confirmed its plans to launch its own dashboard, dubbed the MoneyHelper dashboard, which will allow people to find and view their pension pots on one platform and provide advice on planning for retirement.

Credit: Pensions Dashboards Programme
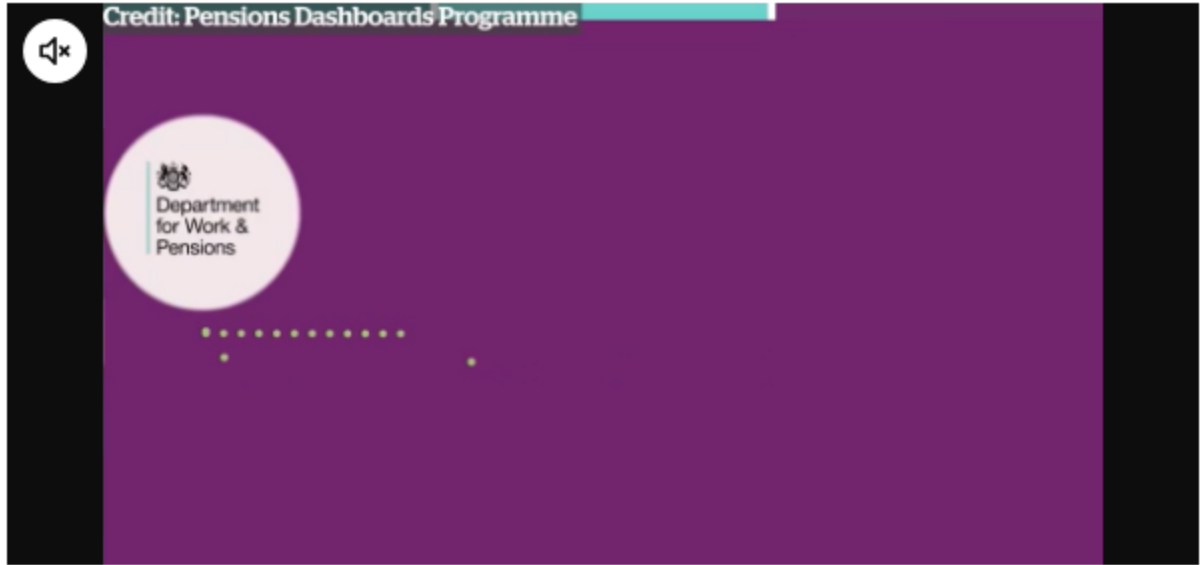
Once this is completed, pension providers will then be able to launch their own commercial dashboards on their websites using the same data, where they can also advertise services such as consolidating pensions or changing investment plans.

However, some industry experts have warned both the MoneyHelper and commercial dashboards are unlikely to be delivered by 2026, and the extended delay means many believe the project could be scrapped altogether.

Why it matters and why delays to this could cost you money

Why do we need a pensions dashboard?

The UK will be the first country to employee a multi-dashboard system, rather than a centralised government one that other countries have implemented over the years.

The benefit for savers is that it will be available to them as part of their regular wealth management experience rather than having to seek out the service via an alternative source.

It is hoped that, if successful, it will result in the younger generation interacting more with their pension.

Why the delays matter?

Delays to the pensions dashboard could end up costing savers money as the longer it takes to finalise the project, the more pension pots remain lost.

Access to the pensions dashboard will allow people to access important information about their retirement savings across different providers.

Preventing people from doing this will potentially lead to missed opportunities to consolidate their pensions, switch to better performing schemes, or make informed decisions about their retirement planning.

This could result in lower returns over time because of missed optimisation windows.

Tom Selby, director of public policy at AJ Bell, told *The i Paper*: "Pensions dashboards, once launched, will make it easier for people to know where their pensions are and to determine whether or not they are on track for the retirement they are hoping for.

"They should also make it simpler for people to consolidate their pots as they approach retirement if they want to.

"The most important thing is ensuring dashboards work as intended, but the reforms have already been delayed several times and the longer it takes, the worse the problem of lost pensions becomes.

"Savers wanting to find old pension pots don't have to wait for dashboards, however – lots of private pension firms offer free-to-use pension finder services which only require you to enter a few details and do the legwork of locating your pensions for you."

'Massive investment' needed

Former pensions minister Baroness Ros Altmann told *The i Paper* that she did not "expect a complete dashboard to be anywhere near ready next year" as only a "subset" of pension providers would be ready to provide the correct data.

She said: "The pensions dashboard is one of those excellent ideas that sounds great in theory but is so fiendishly difficult to deliver in practice.

"Each provider often has different data standards and uses different IT systems both relative to other providers and also within the long-standing pension companies, past records are sometimes on legacy systems which do not have modern connectivity."

Altmann added that the Government had not fully understood the "practical difficulties of getting consistent and accurate data fed into a central dashboard" and that this would be "impossible" to achieve unless all providers were required to ensure their data was up to standard.

She said she believed a pension dashboard on the required scale could not be delivered "without massive investment in the basic IT plumbing" or "proper accuracy checks on past and ongoing contributions".

The non-affiliated peer also warned that releasing the dashboard before it was ready could harm consumer confidence in the service, adding: "It is vital that the data people see on the dashboard are correct; otherwise, people will lose confidence in it right at the start.

"It is a noble project but needs massive investment in underlying administration to make it work as envisaged originally."

Other insiders suggested that the extra cost to businesses of converting their data for use on the dashboard could make many unwilling to comply with the project.

Baroness Altmann said the pensions dashboard was a 'noble project that needs massive investment' (Photo: Simon Dawson/Bloomberg/Getty)

What is the pensions dashboard proposal?

The Government's Pensions Dashboard Programme (PDP) is a long-awaited initiative designed to give individuals an online platform where they can view all their pension savings in one place, including workplace, private, and state pensions.

The project aims to improve transparency and make it easier for people to track their retirement savings.

However, since its announcement in 2016, the project has faced multiple delays. No launch date has been confirmed, but it is expected that the dashboard will be available to the public by 2026.

A key change in the implementation strategy is the decision to roll out a government-backed dashboard before allowing private companies to introduce their own versions.

MoneyHelper

MoneyHelper is a free, government-backed service that provides financial guidance. It's run by the Money and Pensions Service, which is an arms-length body of the UK Government.

The first pensions dashboard to be released will be run by the Government's MoneyHelper service. This version will offer a simple way for users to see their pension pots in one place, without additional features. The aim is to provide a secure and trusted platform before commercial providers enter the market.

Commercial dashboards

Once the Government dashboard is established, private companies will be allowed to launch their own versions.

These dashboards will provide the same core pension-tracking functionality but may also offer extra features, such as pension consolidation services, investment advice, and financial planning tools.

'DWP needs to get this done'

One pensions industry source said they had warned ministers that many long-standing pension providers and organisations would likely "try to pretend to cooperate while wanting the project to either fail or be endlessly delayed" because of the huge burden on them to implement it.

However, Sir Steve Webb, a second former pensions minister, now a partner at the pensions consultancy LCP, said he believed the Government should be prepared to release the dashboard before all commercial providers were signed up.

"If you want something that is 99.99 per cent perfect, there's not a cat in hell's chance because the underlying data isn't there. If you want something that will help a lot of people find lost money, then it is perfectly possible," he told *The i Paper*.

"I think it is better to have something up and running that everybody accepts is imperfect but is an awful lot better than nothing."

He pointed out that millions of people likely had "lost" pension pots from previous employers, the majority of which would be held by the large pension providers, which will be the first to connect their data to the dashboard.

The challenge, however, would be linking up pension records from smaller providers, many of whom have inconsistent data standards.

Webb said he was "optimistic" about the project's delivery on schedule and that he hoped that requiring pension companies to link up to the dashboard would "drive up data standards".

"I think the public would probably imagine that pension companies have entirely accurate records about the money they've taken in and who it belongs to. And sadly, that's not the case. And so there's an awful lot of data that could do with an awful lot of clearing up, and the dashboard process will have sped that up, I think," he continued.

He also urged the Government not to delay the project further: "Whenever you set a deadline on a project, everyone always says it's undoable. But, to be honest, it will be undoable until everyone believes it. And, once everyone believes the Government isn't going to push it back again, they will be more likely to comply."

How does it work in other countries?

There are several examples of countries using pension dashboards to help their citizens keep track of their finances.

Australia

In Australia, the government's online "MyGov" portal allows people to access their pension pots in one place in a system set up by the Australian Tax Office.

"Australia mandated common data standards for all pension providers in workplace pensions many years ago," pensions expert Baroness Altmann said.

"I have tried to help people realise this is urgently needed in the UK too to make a dashboard project more achievable, but this never happened."

The Netherlands

The Dutch version of the pensions dashboard is a well-established online service in the Netherlands run by an independent body created with input from the country's equivalent of the DWP.

Originally launched in 2011, it is now viewed as the main way to get information on Dutch pensions and could be used as an example for the UK.

Extensive market research into user experience and needs resulted in an extensive revamping of the service in 2021, with a refreshed interface.

Brand awareness of the scheme is very high in the Netherlands, where resources are invested in online advertising such as Google Ads.

Sweden

In Sweden, an online service known as minPension is widely used, and employers like Volvo promote it to all their new employees.

Various offline initiatives also promote it to those who are digitally excluded from Swedish society.

The platform is a collaboration between government and industry, much like the British version.

It allows functions such as forecasting users' pension amounts and simulating what might happen if users made various changes, such as changing jobs or earning more.

Jason Hollands, managing director at Evelyn Partners, said the pensions dashboard programme was a "fundamentally sound idea" that had become a "sorry tale of delays plagued by capability and capacity issues".

"It is at risk of being regarded as a classic 'white elephant' marked by delays and mounting costs, and there will be some degree of scepticism as to whether this will be ready next year. We hope it will."

Hollands went on to suggest that the Government should refrain from exploring new pension ideas, such as the Conservative government's proposal for a "pot for life," and instead focus on delivering the dashboard.

"Although individually some of these ideas have merit, when the existing flagship initiative remains unfinished business, new ideas for addressing the same core problem risk muddying the water. The DWP just need to get this done," he continued.

The DWP was approached for comment.