

# Corporate Plan 2019-2022



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1.

## Introduction

## Introduction from the Pensions Ombudsman

It has been an incredibly busy couple of years at The Pensions Ombudsman (TPO) as we have continued to transform our service to better meet our customers' and stakeholders' needs.

We have implemented large-scale changes including an office relocation and the introduction of new technology to enable smarter working. Our remit has been expanded to include pre-internal dispute resolution procedure (IDRP) disputes; formerly carried out by the dispute resolution team at The Pensions Advisory Service, all while dealing with an increasing demand for our service.

One of the changes recommended by the [Tailored Review of The Pensions Ombudsman](#) is to strengthen our governance structure. This has led to the appointment of Caroline Rookes as interim Chair and I am delighted to welcome her to TPO. Her breadth of experience will be a real asset for us as we continue to make improvements to the customer journey.

The focus of this year's Corporate Plan is on ensuring every dispute can be resolved at the earliest point, with no loss of quality. We have scrutinised our internal processes and listened to our customers and stakeholders and now have the insight and resource we need to begin implementing further changes.

With this in mind, we are redesigning our casework function. We want to make sure that customers' enquiries and complaints are directed to the right team with the right expertise to deal with the issues raised; no matter how complex. An enhanced triage process and tracking of cases will improve the customer's journey; making it shorter and more transparent.

But having a process that is quicker and more streamlined does not mean there will be any loss of quality. We will be expanding our quality assessment team and the additional resource will enable us to continue to roll out our new quality framework across the organisation, so that high quality and consistent outputs are guaranteed.

As well as streamlining our processes, we want to make it easier for our customers to understand how their complaint will be dealt with and what their options are. One of the main ways we will be doing this is by expanding our Digitalisation Programme. This will include a major overhaul of our website to give our customers the tools and information they need to decide their next steps.

Part of this will include simplifying the way customers can make pension complaints by the introduction of an online portal where customers will be able to complete online forms and upload documents. Future developments will include customers being able to track progress of their case online and for respondents and our volunteers to be able to upload documents. Not only will this take us one step closer to achieving a paperless office; it will also make it quicker and easier to obtain the information we need to progress a case.

But none of this will be in isolation; we will continue to engage with our customers and stakeholders and listen to what they have to say to keep us on track for delivering our vision to be ‘a trusted, fair, impartial service that makes it easy for everyone to resolve pension complaints’.

We have already made great strides in engaging with public sector pension schemes and now we want to increase our engagement with large private providers as well as consumer groups and unions. We will be recruiting additional resource to help us in this endeavour, alongside developing a more strategic approach to stakeholder engagement that focuses on managing risk.

We will continue to develop strong relationships with strategic partners such as the Financial Conduct Authority, The Pensions Regulator, Financial Ombudsman Service, Money and Pensions Service, Pension Protection Fund and the Department for Work and Pensions. By working collaboratively in areas such as clearer signposting, information-sharing agreements and pursuing the required legislative change; we can make real improvements in dispute resolution for everyone.

In August, the Tailored Review of The Pensions Ombudsman was published by the Department for Work and Pensions. I am very pleased that the review recognises our achievements and all the hard work that has been done already as part of TPO’s transformation and acknowledges “...many of the recommendations are already significantly progressed and reflect work that was already underway.”

Since our last Triennial Review (2014), our organisation has completely changed; our headcount has almost tripled from 40 in 2015 to a planned 111 by March 2020, plus we can now count an additional 240 volunteer pension experts as part of our team.

Our volunteers are an incredible asset for us and one of our priorities this year will be to develop a Volunteer Strategy which utilises this expertise to get a better understanding of dispute resolution across the sector. This, along with our Stakeholder Engagement Programme and work with strategic partners will help us to identify opportunities where we can use our influence to drive dispute resolution standards up.

It is certainly going to be another busy year as we move to the implementation phase of our transformation journey. This Corporate Plan outlines our priorities for the next three years and our key deliverables for 2019/20.



Anthony Arter  
Pensions Ombudsman  
September 2019

## Statement from the Interim Chair

I am delighted to be joining Anthony and his team at TPO as they continue their transformation to improve the pension dispute customer journey. I hope that with my experience and expertise I can help and support them to deliver their plans for a high quality, quicker and more streamlined service. It is important that customers have a fair and impartial dispute resolution service that they trust and that is easy to use. It is equally important that lessons learned from this work at TPO can be shared more widely to improve dispute resolution across the pensions industry. I look forward to playing a part in delivering these important objectives.

Caroline Rookes  
Interim Chair  
September 2019

# 2.

Who we are and  
what we do



## Who we are and what we do

The Pensions Ombudsman combines in one organisation the Pensions Ombudsman and the Pension Protection Fund Ombudsman. Our primary function is handling pension complaints. We act impartially and our service is free.

### **Pensions Ombudsman**

The Pensions Ombudsman investigates and determines complaints and disputes concerning occupational and personal pension schemes. Our governing primary legislation is Part X of both the Pension Schemes Act 1993 and Pension Schemes (Northern Ireland) Act 1993.

We operate an early resolution service and a formal adjudication service. Wherever possible we resolve complaints informally at an early stage, frequently before the issues have been formally considered by the parties. At adjudication stage we investigate and determine complaints that were not resolved by the parties or by us at early resolution stage. Our determinations are final, binding and enforceable in court.

### **Pension Protection Fund Ombudsman**

The Pension Protection Fund Ombudsman determines complaints and reviewable matters concerning the Pension Protection Fund; and also appeals against it in respect of its decisions as manager of the Financial Assistance Scheme. Our governing primary legislation is sections 209 to 218 of the Pensions Act 2004 and sections 191 to 197 of the Pensions (Northern Ireland) Order 2005. Our determinations are final, binding and enforceable in court.

### **Status and funding**

We are a non-departmental public body and are funded by the Department for Work and Pensions. The grant-in-aid that funds us is largely recovered from the general levy on pension schemes that is administered by the Pensions Regulator.

Our principal place of business is 10 South Colonnade, Canary Wharf, London E14 4PU.



## Our vision

A trusted, fair, impartial service that makes it easy for everyone to resolve pension complaints.

## Our aims

- Get the right outcome every time and in good time – by being proportionate, efficient and consistent.
- Make it easier to resolve complaints about pensions – by ensuring more people know where to go for help and by working closely with our stakeholders and partners.
- Provide a trusted, accessible service – by listening, delivering on promises and being honest about what we can and cannot do.
- Deliver value for money – by making a difference to how pension schemes are run and by continually reviewing and improving the way we work.
- Ensure everyone who works here is supported to succeed – by being a good employer and helping people develop their potential.

## Our values

**We are: Fair** – we look at the facts, without taking sides and we are always impartial. We take our responsibilities seriously.

**Collaborative** – we share what we know so everyone can do a better job. We seek out opportunities to work with others and then take action to make it happen.

**Open** – we are approachable and make it easy for people to get the help they need. We are honest and transparent about how and why we make our decisions.

**We: Show respect** – we are considerate and take people's needs into account. We believe in treating people with dignity and we welcome different points of view.

**Build trust** – we take pride in our work and do our best to get it right. We always do what we say we will.

**And we: Keep learning** – we are open to change and want to find better ways of doing things. We stay positive, take charge of our own development and support people trying something new.

# 3.

Strategic aims and  
objectives incorporating  
key deliverables for  
2019/20

## Providing one centre for the resolution of occupational and personal pension complaints to improve the customer journey

We believe that it is important for customers to be able to quickly access help in resolving their pension complaints, without the complication of extraneous steps or having to make choices about dispute resolution forums. We began this journey with the transfer of dispute resolution from The Pensions Advisory Service in March 2018.

Simplified and clear signposting is essential so that all complainants are assured of a consistent customer journey and respondents have certainty.

### Over the next three years, we are committed to:

- customers having a 'one stop shop' to go to when they discover they have a occupational or personal pension complaint, with the overall journey being considerably shorter and simpler
- making our service a straightforward, easy, fair and impartial alternative to the courts
- continuing to seek changes to legislation and signposting where necessary to reflect what our service needs to operate effectively. This includes looking at complaints that have not gone through a scheme's IDRPs
- review our process and procedures for those cases that are appropriate for early resolution and providing clarity and relevant assurances.

### Key deliverables 2019/20

- A1. Continue to develop a strategy to reflect our expanded remit to include pre-IDRP complaints to ensure they are dealt with at the earliest opportunity.
- A2. Improve our services by listening to customers and users of our services through our consumer panel, customer surveys and feedback gained through stakeholder engagement, and publishing the results.
- A3. Implement the reorganisation of our casework function to further enhance the customer journey.
- A4. Continue to liaise with the Money and Pensions Service to develop productive working relationships and clear signposting for customers.
- A5. Continue to work with the Financial Ombudsman Service and develop a collaborative process to improve the customer journey by reducing the potential for customer confusion and duplication of effort.
- A6. Continue engagement with DWP about required legislative changes, in

particular those which support the actions we are already taking to improve the customer journey in respect of pension complaints.

- A7. Scope out a plan to introduce service standards in line with the Ombudsman Association framework.

## Supporting and influencing the pensions industry and the wider alternative dispute resolution sector to deliver effective dispute resolution

We believe that it is in the interests of complainants and respondents to increase the industry's capability to resolve disputes at an early stage. This is of critical importance to maintain trust in the sector.

We are already recognised within the pensions industry and government as the 'go-to' forum for resolution of pension disputes and we will seek to reinforce our profile and reputation to ensure good practice in dispute resolution.

We will continue our commitment to participate in appeal proceedings where there may be a wider impact on the pensions industry.

### **Over the next three years, we are committed to:**

- extending our Stakeholder Engagement Programme and strengthening working relationships and communications with stakeholders to improve the capability of the industry to handle complaints better.
- influencing and shaping policy in the pensions industry and government by providing guidance through the decisions we make on pension disputes.
- communicating with a view to influencing industry to adopt a one stage IDR. We will consider earlier intervention in disputes, for example, reaching out to providers and schemes to either avoid complaints arising in the first place or to assist in resolution.

### **Key deliverables 2019/20**

- B1. Continue the expansion of the Stakeholder Engagement Programme to include large private providers as well as consumer groups and unions. We will design and implement a Stakeholder Engagement Strategy and carry out a stakeholder mapping exercise to ensure a more strategic approach that focuses on managing risk. We will recruit additional Stakeholder Engagement staff and use the increased resource to help implement the strategy alongside working on the recommendations from the Government Internal Audit Agency.
- B2. Utilise our Stakeholder Engagement Programme, Legal Forum and Consumer Panel to raise standards in dispute resolution across the pensions industry.
- B3. Continue to use the dispute resolution volunteer network to help us gain a wider and deeper understanding of complaints handling in the industry.

- B4. Respond to consultations where appropriate and produce newsletters/guidance for the pensions industry.
- B5. Liaise with stakeholders, such as the Financial Conduct Authority, to look to enter into a range of sharing of information/communication agreements.
- B6. Continue to participate, as appropriate, in appeals in accordance with our extended policy of assisting the court where a decision could have a wider impact on the pensions industry, or where there is a significant concern over access to justice and participation is necessary to properly present and argue the facts.

## Transforming and improving our services and processes

We are committed to our vision to provide a service that makes it easy for everyone to resolve pension complaints.

Improved IT systems are an essential part of this. Making processes more streamlined, and delivering a self-service approach, will introduce efficiencies and help to shorten the time taken to resolve a dispute.

We employ a highly skilled workforce who, along with our volunteer network, are our biggest asset. We will continue to invest in their training and development as well as making processes and systems easier to use, so that they have the tools needed to provide an excellent service.

### **Over the next three years, we are committed to:**

- continuing our Digitalisation Programme by further developing the secure online facility so customers, volunteers and respondents can upload and share documents and track case progress
- continuing to improve our service in terms of time, quality and value for money
- strengthening our governance in line with Cabinet Office guidelines
- improving management information to assist decision-making and for identifying and tracking efficiencies
- monitoring and developing our staff resources to ensure that we have the right number of staff, in the right jobs, with the relevant skills and experience to deal with the changing demands placed on our service.

### **Key deliverables 2019/20**

- C1. Appoint a Chief Operating Officer and introduce an interim Chair to the Board.
- C2. Further develop and customise our new Case Management System (CMS), to improve the collection and dissemination of information.
- C3. Redesign our website by fully refreshing the information and tools available to enable improved interaction between us and our customers and ensure compliance.
- C4. As part of the casework reorganisation, recruit additional management information and customer service staff and introduce a casework hub that will

allocate cases based on resource capacity and priority; improve triage to enable more focused allocation of investigations; and eliminate downtime during investigations through more focused caseload management.

- C5. Close cases at a rate equivalent to 90% of cases taken on; close enquiries at a rate equivalent to 90% of enquiries received; and by the end of the year, have no more than 10% of cases open aged more than 12 months (please see section 4 for more details).
- C6. Continue to roll out the new quality framework to make sure it is embedded across all areas. Identify trends and training needs to ensure high quality and consistent output. Recruit additional resource required to do so.
- C7. Implement the reorganisation of the Legal and Corporate Service teams by recruiting extra staff and using the additional resource to better meet TPO staff and volunteer needs along with TPO's wider aims and objectives.
- C8. Introduce a new People Strategy with clear priorities for: the positive promotion of diversity and inclusion; investment in learning and development, including a team capability matrix; and approach to recruitment.
- C9. Recruit additional resource to manage volunteers and create a volunteer strategy to clearly articulate how volunteers are utilised and how the associated risks and opportunities will be managed.
- C10. Introduce a more robust approach to risk through a new risk policy and process.



# 4.

Estimated performance in  
2019/20 and comparisons  
with previous years

## Key Performance Indicators (KPIs) for 2019/20

We aim to:

- Close cases\* at a rate equivalent to 90% of cases taken on in 2019/20.
- Close enquiries\*\* at a rate equivalent to 90% of enquiries received in 2019/20.
- By the end of the year, have no more than 10% of cases open aged more than 12 months.

\* 'cases' are early resolution cases where some intervention is required including contact with all the parties to the complaint, plus traditional investigations.

\*\* 'enquiries' are early resolution quick responses where a problem can be solved swiftly with minimum intervention, plus traditional enquiries.

As recommended in the Tailored Review we will be reviewing how we set KPIs for 2020/21 onwards.

## Casework performance

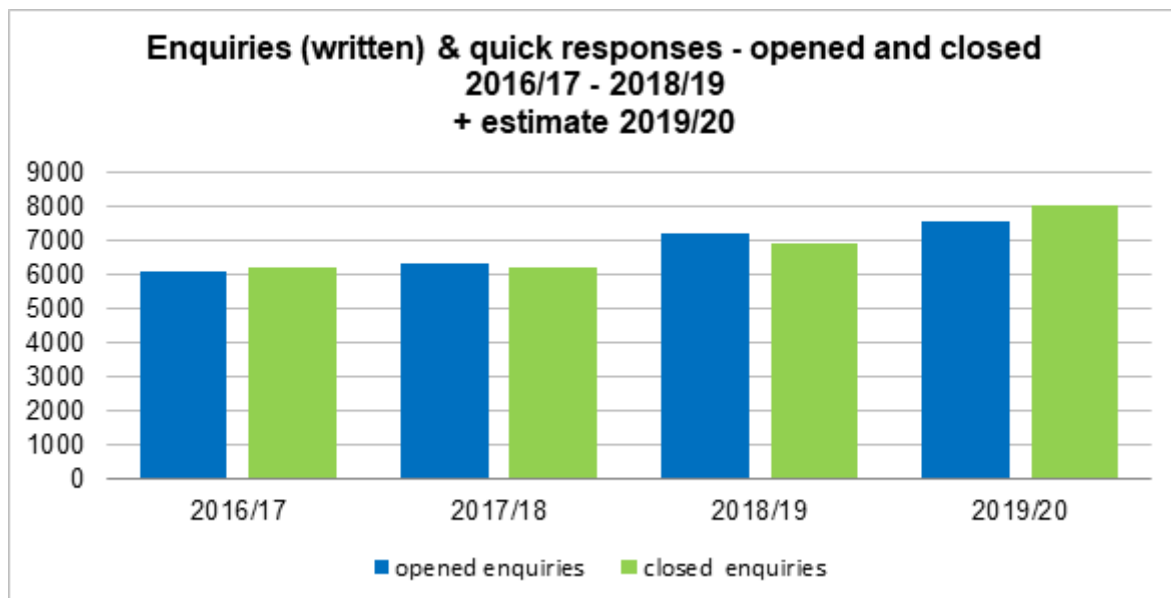
This section gives an estimate of casework performance in 2019/20 alongside performance in the last three years.

Note: in 2018/19, we were dealing with two distinct workstreams:

- 'early resolutions' which was a new workstream that followed the transfer of dispute resolution work to us from The Pensions Advisory Service in March 2018. This in turn breaks down into two categories that we have called:
  - 'Quick responses' where a problem can be solved swiftly, with minimum intervention and
  - 'Cases' where some intervention is required including contact with all the parties to the complaint.
- all other investigations, which we have always done and which continued as normal.

### Written enquiries – new and closed – three years + estimate 2019/20

The chart below shows what has happened on written enquiries between 2016/17 and 2018/19. Based on this experience, we are planning for similar incoming work in 2019/20 as in 2018/19.



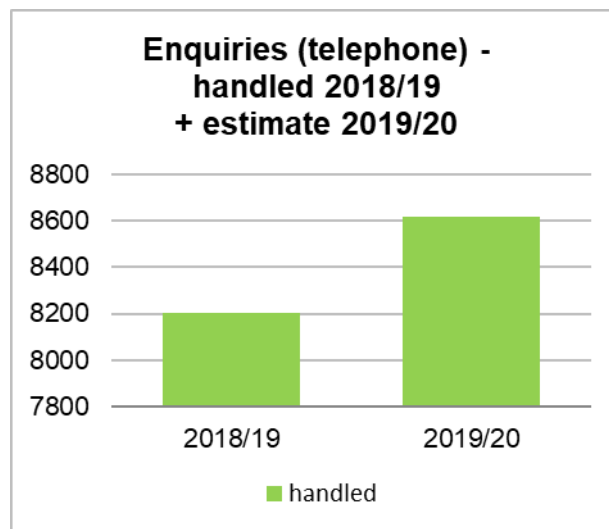
For 2018/19 we included early resolution quick responses in the figures for written enquiries. This is because we believe we saw a dip in traditional written enquiries that represented enquiries we would previously have received and passed to The Pensions Advisory Service. The work on quick responses was carried out within the Early Resolution Team.

The way in which we deal with incoming enquiries will change significantly in 2019/20 because our Digitilisation Programme will introduce a portal through which members of the public can refer their complaints to us. We expect efficiencies to emerge in the slightly longer term (18 to 24 months) allowing us to redeploy staff from purely administrative roles, to more outcome-focused ones.

### Telephone enquiries – 2018/19 + estimate 2019/20

We are planning for a modest increase in telephone enquiries in 2019/20 (see chart below).

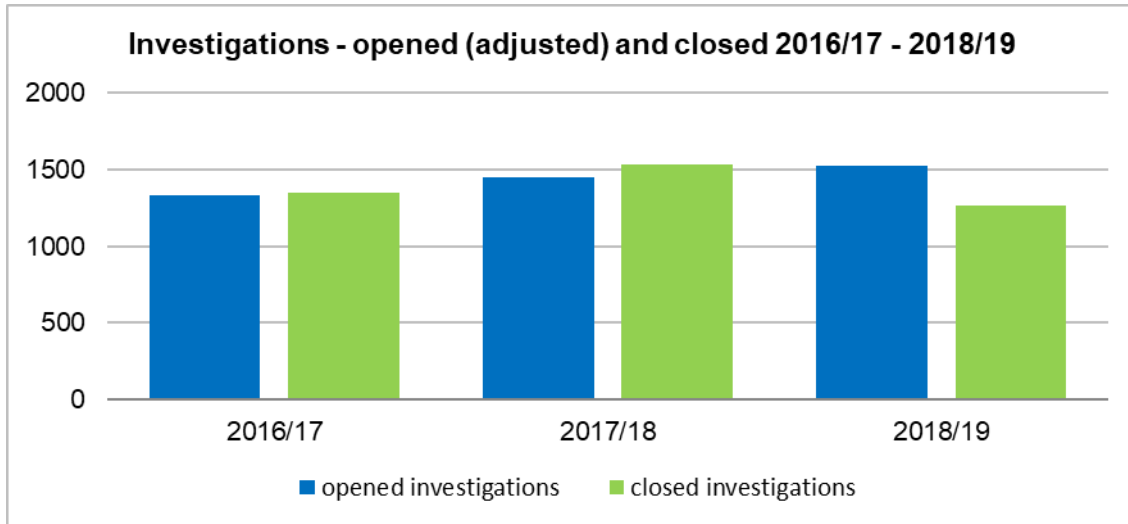
During 2018/19, new signposting arrangements for pension disputes were put in place. We believe that, as more people became aware of the routes available to them to resolve their pension disputes, we experienced an increase in telephone enquiries.



In 2018/19, for the first time, we formalised our approach to telephone enquiries and how we count them. We have in place a process for dealing with people's telephone enquiries. It has been tested over the last 12 months and can be scaled up to meet increased demand.

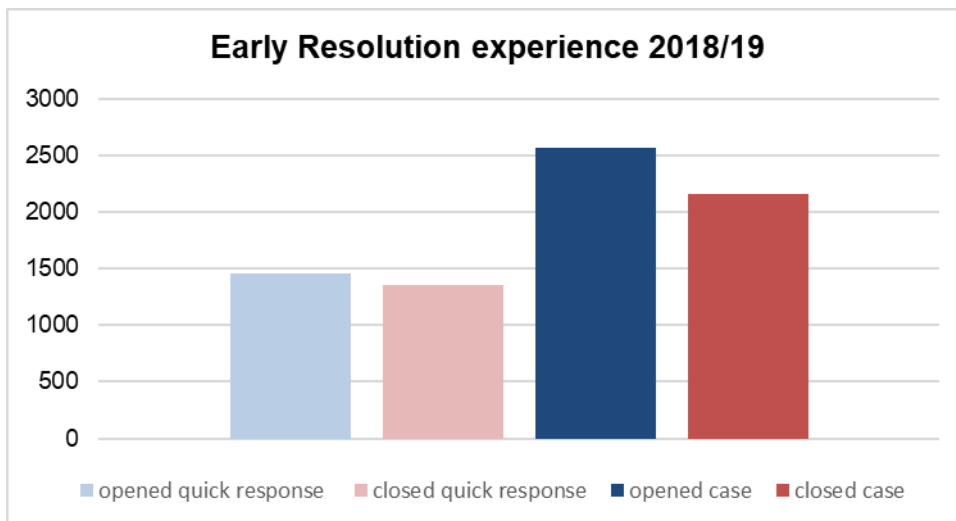
### Investigations – new and closed – three years

This chart covers our ‘formal’ investigation work only, over the last three years. It does not include work carried out by our Early Resolution Team which became part of our service in March 2018. The chart illustrates experience in the last three years, adjusted to allow for groups of similar, or even identical, complaints.



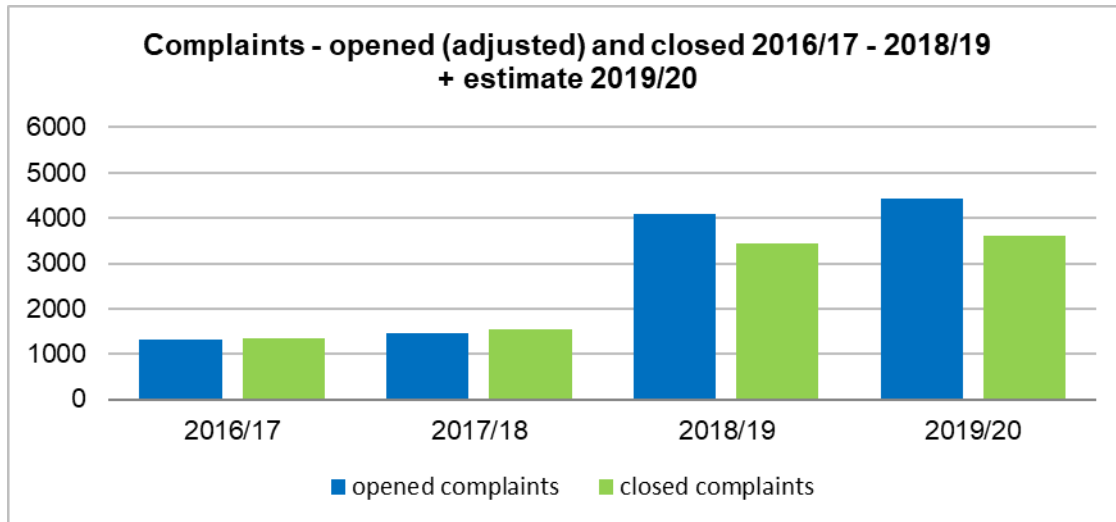
### Resolutions – new and closed – 2018/19

This chart shows experience associated with all early resolution work in 2018/19 – the first year in which we have dealt with this type of work.



## Investigations and resolutions (except quick responses) – new and closed – looking forward

This chart shows what has happened on complaints between 2016/17 and 2018/19. We are planning for a slightly higher workload in 2019/20 related to early resolution cases and our more traditional work (note: early resolution quick responses appear in the section about enquiries).



In 2018/19, we completed Phase 1 of a reorganisation of our casework function. We will be moving on to Phase 2 of the reorganisation during 2019/20. Phase 2 will fully embed the concept of resolution into our service and will seek to achieve further efficiencies. A new CMS, introduced in March 2019, is likely to have an impact on output. We expect a slight downturn in output as users familiarise themselves with the new system but, in time, the effect will be positive. As the restructured function, and other initiatives, take effect, we will start to see efficiencies. We expect to be able to move staff from administrative roles to more outcome-focused ones (i.e. those that directly assist with producing outcomes on complaints) in around 18 to 24 months.

### Pension Protection Fund Ombudsman

The small caseload of the Pension Protection Fund Ombudsman does not warrant detailed monitoring in the same way. We simply aim to close in a year the same amount of cases as are opened.

5.

Finance



## Finance

Our budget is set by our sponsoring department, the Department for Work and Pensions. Our estimated costs over the next three years are detailed below, along with spend from the last two financial years for comparative purposes.

Over the last two years we have seen an increase in our staffing levels and corresponding funding increases to be able to meet demand for our services. The 2019/20 forecast spend assumes a full staffing of 111 staff by March 2020 and a steady state thereafter.

Increases in IT, professional services and other staff costs are in proportion to the changing headcount, as well as including projects such as the development of our CMS and redesigning our website – as outlined in our key deliverables above.

|  | 2017/18<br>Spend<br>£'000 | 2018/19<br>Spend<br>£'000 | 2019/20<br>Forecast<br>spend<br>£'000 | 2020/21<br>Forecast<br>spend<br>£'000 | 2021/22<br>Forecast<br>spend<br>£'000 |
|--|---------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Staff salaries                                 | 3,132                     | 4,406                     | 6,000                                 | 6,732                                 | 6,867                                 |
| Other staff costs inc training and recruitment | 77                        | 162                       | 240                                   | 245                                   | 249                                   |
| IT/Telecommunications                          | 411                       | 467                       | 751                                   | 654                                   | 667                                   |
| Professional services                          | 188                       | 99                        | 77                                    | 191                                   | 194                                   |
| Subscriptions                                  | 84                        | 90                        | 94                                    | 96                                    | 98                                    |
| Legal costs                                    | 104                       | 110                       | 140                                   | 143                                   | 146                                   |
| Accommodation                                  | 419                       | 462                       | 480                                   | 489                                   | 499                                   |
| Printing and stationery                        | 19                        | 39                        | 31                                    | 32                                    | 32                                    |
| Insurance                                      | 9                         | 27                        | 26                                    | 27                                    | 27                                    |
| Postage /courier                               | 25                        | 25                        | 18                                    | 18                                    | 18                                    |
| Other  | 18                        | 22                        | 27                                    | 27                                    | 28                                    |
| <b>Total operating costs</b>                   | <b>4,486</b>              | <b>5,909</b>              | <b>7,884</b>                          | <b>8,654</b>                          | <b>8,825</b>                          |
| Non cash items                                 | 49                        | 136                       | 116                                   | 116                                   | 116                                   |
| <b>Total comprehensive expenditure</b>         | <b>4,535</b>              | <b>6,045</b>              | <b>8,000</b>                          | <b>8,770</b>                          | <b>8,941</b>                          |



