

Corporate Plan 2018-2021



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1.

Introduction

Introduction from the Pensions Ombudsman

Since I became the Ombudsman, my vision has been to provide one centre for the resolution of pension disputes; an easily accessible service, utilising the latest technologies where disputes can be dealt with quickly and efficiently. We have already made great strides in updating our working practices, processes, technologies, workplaces and culture, but there is still more that we intend to do to complete the transformation of The Pensions Ombudsman (TPO).

The forefront of our vision over the next three years is to further shorten and simplify the customer journey while maintaining quality and reaching the right outcome. This means not only providing the best possible service, but also continuing to pull together the fragmented pension disputes landscape. All this is set against the background of an increasing number of pension disputes received by us, so we need to work as efficiently as possible if we are to meet the growing demand for our service.

At the end of 2017/18 we completed a project to integrate into TPO the dispute resolution work previously carried out by The Pensions Advisory Service (TPAS). This is a major change for TPO, customers and the pensions industry. It enables the vast majority of pension disputes to be handled in one place instantly transforming the customer journey.

There still remains fragmentation in some areas due to the jurisdictional overlap with the Financial Ombudsman Service (FOS). In order to try and address this we have entered into a new Memorandum of Understanding (MoU) with FOS, concerning the overlap of our respective jurisdictions which will be reviewed in 12 months. Also, signposting to TPO, in addition to FOS, has been introduced by the Financial Conduct Authority (FCA) in order to provide clearer information of which service to contact.

For some time we have been working on simplifying our own processes and improving performance in terms of quality of output and the time taken to bring disputes to a conclusion. We are already seeing results from the changes we have implemented with around 70% of cases resolved informally and timescales significantly reduced.

Our latest initiative has been to restructure our casework function to enable us to accommodate our new ways of working. We now want to build on this fundamental change. Planned improvements include strengthening our quality assurance and casework administrative functions. We will also be seeking to expand our stakeholder engagement work, including establishing a public liaison group to complement our, already strong, relationships with the pensions industry.

To support this work we will be introducing a new case management and knowledge management system to enable our customers to monitor the progress of their

disputes online and to shorten the time caseworkers spend on administrative tasks, including reducing our reliance on paper.

I have mentioned the importance of ensuring that the high quality of our decisions is maintained, so to that end we are setting up a team to help ensure consistency of quality and output.

During the next three years we will complete the significant changes we have introduced to the way in which we deliver our service for the benefit of both the public and the pensions industry. In doing so we will ensure that we use the pension levy funding in the most efficient way.

This plan sets out how we aim to achieve this over the next three years.



Anthony Arter
Pensions Ombudsman
August 2018

2.

Who we are and
what we do



Who we are and what we do

The Pensions Ombudsman is an independent organisation set up by law to investigate complaints and disputes concerning pension schemes. We can also consider complaints alleging maladministration by the Pension Protection Fund, and decisions made by it, and decisions by the Financial Assistance Scheme. We look at the facts, without taking sides; and we have legal powers to make decisions that are final, binding and enforceable in court. Our service is free.

The Pensions Ombudsman combines, in one organisation, the functions of two commissioners; the Pensions Ombudsman and the Pension Protection Fund Ombudsman. We are a 'Tribunal non-departmental public body' and are funded by grant-in-aid from the Department for Work and Pensions (DWP).

Vision

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

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.

3.

Strategic aims and
objectives incorporating
key deliverables for
2018/19

Providing one centre for the resolution of workplace and personal pension complaints

The DWP 2013 Triennial Review of Pension Bodies concluded that the customer journey for workplace and personal pension complaints needed to be addressed saying that, under the current structure, “nobody is responsible for the process as a whole and nobody attempts to understand and measure the overall customer experience”.

We firmly believe that it is important for complainants to be able to quickly access help in resolving their pension disputes, without the complication of extraneous steps or having to make choices about dispute resolution forums.

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 workplace or personal pension complaint, with the overall journey being considerably shorter and simpler than it is now
- making our service a straightforward, easy, fair and impartial alternative to the courts
- seeking changes to legislation where necessary so that it adequately reflects the requirements that our service needs to operate effectively
- looking at complaints that have not gone through a scheme’s internal dispute resolution procedure (IDRP)
- liaising with the new Single Financial Guidance Body to develop productive working relationships and clear signposting for customers.

Key deliverables 2018/19

- A1. Fully integrate the dispute resolution work transferred to us from TPAS in March 2018.
- A2. Continue to work with FOS and FCA to further improve the customer journey through the dispute process. Review the MoU between us and FOS to ensure the best customer journey is achieved.
- A3. Introduction of a public liaison group to enable us to seek the views of users and potential users of our service when we are, for example, considering changes in approach or process.

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 capacity 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 also believe that we should continue our participation 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 capacity of the industry to handle complaints better
- reflecting our decisions and court judgments in influencing and shaping policy and guidance for our casework processes and output; and for the pensions industry and government
- communicating with a view to influencing industry to adopt a one stage IDRPs and considering 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 2018/19

B1. Continue the expansion of the Stakeholder Engagement Programme. We will increase the number of organisations taking part and work better with those organisations to ensure even earlier resolution of disputes.

B2. Use the dispute resolution volunteer network to help us gain a wider and deeper understanding of complaints handling in the industry.

B3. Respond to consultations where appropriate and produce newsletters/guidance for the pensions industry.

B4. Participate, as appropriate, in appeals in accordance with our new 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.

B5. Liaise with stakeholders, such as the FCA and the Institute and Faculty of Actuaries, to look to enter into a range of sharing of information/communication agreements.

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 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 Digitilisation Programme by developing an online service with a secure facility for customers and stakeholders to upload and share documents and track case progress
- reducing further the time it takes to complete an investigation
- 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 demands placed on us.

Key deliverables 2018/19

C1. Secure a new case management system; an advanced document management system; and introduce software which can provide easy access to precedents.

C2. Improve our website to enable improved interaction between us and our customers.

C3. Develop new tools and processes for our staff including allocating cases based on resource capacity and priority; improving triage to enable more focused allocation of investigations; eliminating downtime during investigations through more focused caseload management.

C4. Complete 1,400 investigations.

C5. Complete new investigations, on average, in six months from the date on which we have a valid application.

C6. Introduce a new quality assurance team to contribute to high quality and consistent output.

- C7. Develop our staff resources through effective recruitment; and introduce a new performance framework and associated training plans so that staff and managers can carry out their roles effectively.
- C8. Review and develop our information management and information assurance activity and ensure that appropriate policies, procedures and governance are in place.
- C9. Prepare for and take part in the DWP Tailored Review due to take place in the last quarter of 2018/19.

4.

Estimated performance in
2018/19 and comparisons
with previous years

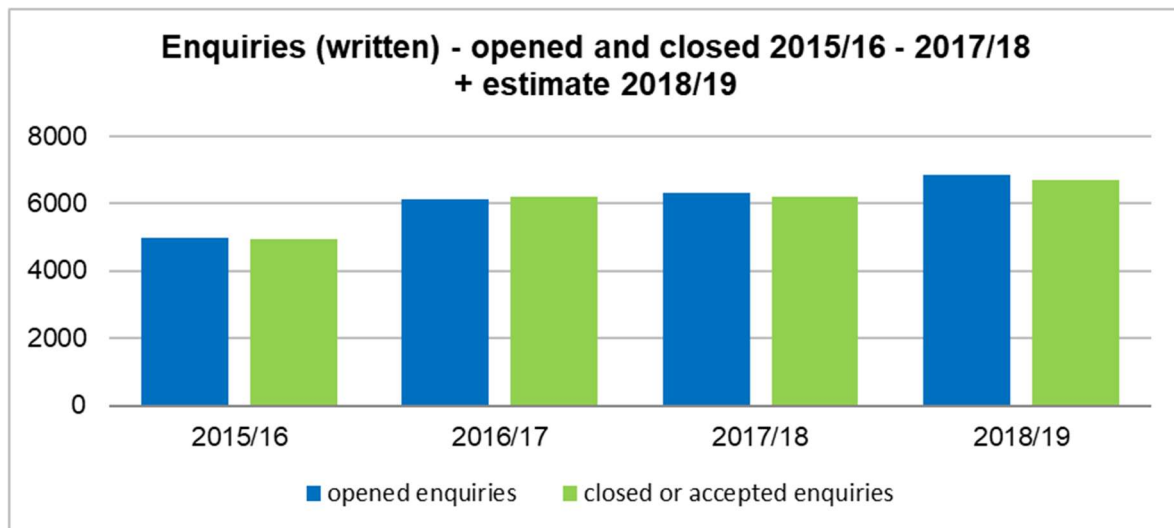
Casework performance

This section looks at casework performance in the last three years, and gives an estimate of performance in 2018/19.

Enquiries – new and closed

This chart shows what has happened on written enquiries between 2015/16 and 2017/18. We have seen an annual increase of around 8% in the last three years. Based on this experience, we are expecting an increase again in 2018/19.

We are managing the increase in demand by amending our processes and being more flexible in how staff are deployed. We will continue to do this in 2018/19 to ensure we keep up with demand in this area.

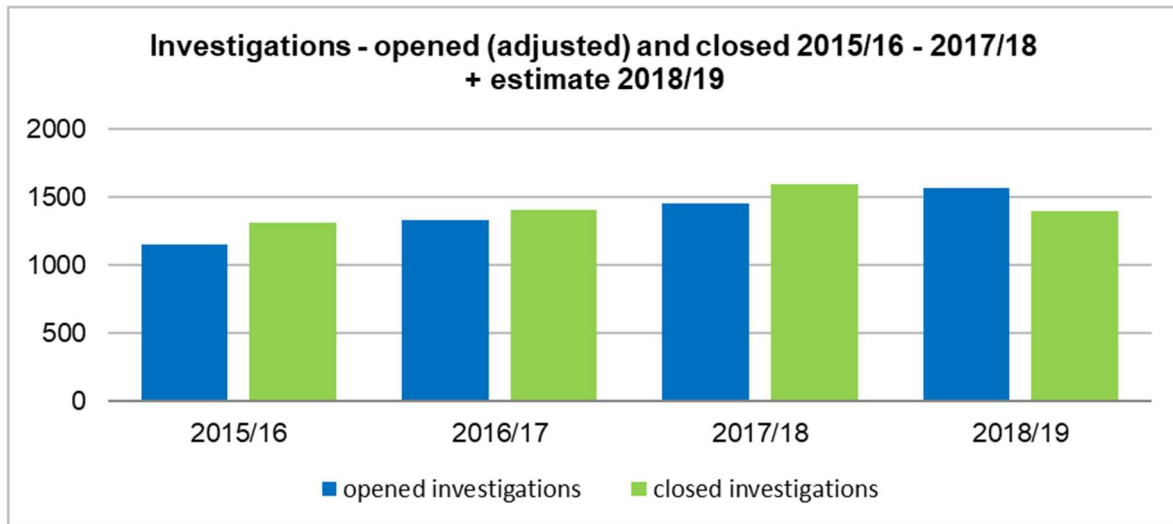


In addition to written enquiries, we have always dealt with a significant number of telephone enquiries. In 2018/19, for the first time, we have formalised our approach to telephone enquiries and how we count them.

Traditionally, we would expect to deal with around the same number of telephone enquiries as written – for example, in 2017/18 we believe we dealt with around 6,000. We now need to factor in an increase in telephone enquiries following the transfer of dispute resolution work to us from TPAS. We estimate we might deal with around 11,000 telephone enquiries in 2018/19.

Investigations – new and closed

This chart illustrates experience in the last three years, adjusted to allow for groups of similar, or even identical, complaints. Over the last three years, we have seen annual growth in new investigations of 7%. Based on this experience, we expect to see an increase in 2018/19.



We have made further changes to our casework procedures and approach and we have restructured our casework function. But we will still not be in a position to handle all new investigations as they come in.

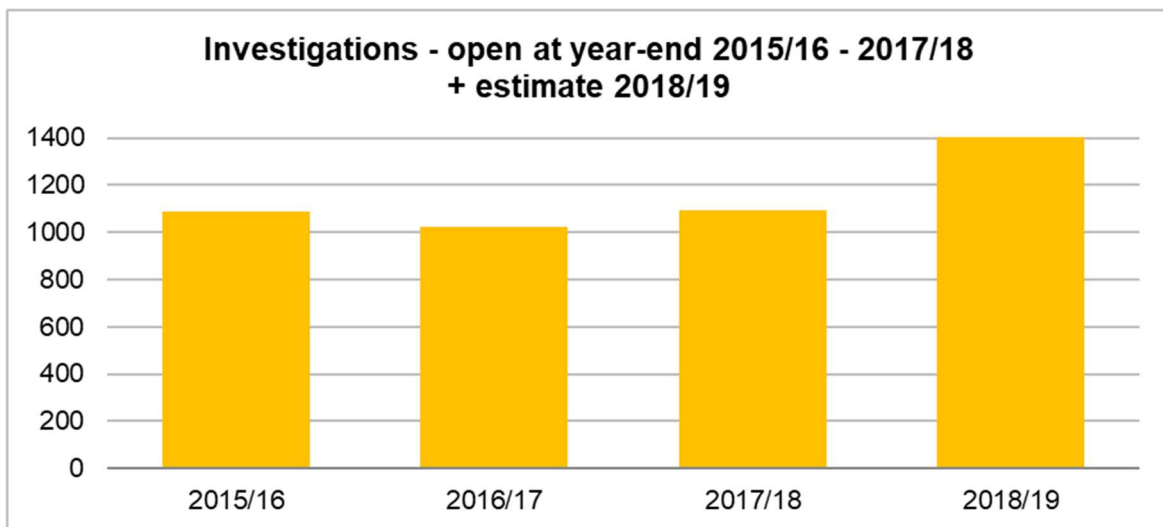
Based on recent experience, we expect to take on around 1,800 new investigations in 2018/19. We have resource (as at June 2018) to deal with 1,400. And adjudicators already have existing caseloads in hand. We have recently been given the go-ahead to recruit additional resource but due to the lateness of the decision, we will not have staff in post and fully operational until sometime in quarter three. This additional resource has therefore been ignored for the purposes of forecasting performance in 2018/19.

Early resolution cases

In March 2018, TPAS' dispute resolution service transferred to us. We expect that up to 5,000 additional cases will be handled in 2018/19.

Investigations – open

Based on current adjudicator resource, a comfortable number of investigations in hand is around 600. This represents the point at which complaints can be investigated very soon after they are taken on. But, in recent years we have seen a steady increase in investigations in hand, and we have been holding numbers well in excess of the ideal – as illustrated in the chart. Given the position in relation to recruitment of additional resource, we are unlikely to see an improvement in 2018/19.



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.

	2016/17 Spend £'000	2017/18 Spend £'000	2018/19 Forecast spend £'000	2019/20 Forecast spend £'000	2020/21 Forecast spend £'000
Staff salaries	2,728	3,110	4,381	4,491	4,603
Other staff costs inc training and recruitment	114	99	143	147	150
IT/Telecommunications	438	399	330	338	347
Professional services	79	171	93	95	98
Subscriptions	75	84	95	97	100
Legal costs	171	104	137	140	144
Accommodation	367	419	470	481	494
Printing and stationery	28	20	20	21	21
Insurance	9	9	31	32	33
Postage /courier	13	24	26	27	27
Other	29	30	32	33	34
Sub total	4,051	4,470	5,758	5,902	6,049
Amortisation/Depreciation	88	43	92	92	92
Total operating costs	4,139	4,512	5,850	5,994	6,141
Capital					
IT	0	338	150	150	150
Accommodation	0	792	0	0	0
Total	4,139	5,643	6,000	6,144	6,291

