



# What does a good member experience look like?

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We work with lots of trustees and sponsors to help them deliver the best possible pension administration service to their members/ employees. Whilst in the vast majority of cases, that service is delivered by a third party administrator, ultimately it is the trustees who are responsible for the service – they cannot pass the buck in the eyes of The Pensions Regulator!

When there are grumbles or complaints with the service being delivered, a common statement that we hear is “Well, it’s pensions administration – everyone is rubbish!”. The reality is that a lot of pension administration is actually quite good, but that never gets talked about. So, what does a good member experience look like, and how can you make sure that the service you receive falls into that category?

At its core, good administration is delivering what the member needs, when they need it, in a medium that works for them. In simple terms, that is providing accurate quotes in a timely manner, paying the right pension when it is due, and dealing with queries as requested by the member. Sometimes the communication is via paper and other times it might be online. Lots of this work is done correctly time and time again by nearly all administrators.

Of course, mistakes happen, and there can be many reasons for those. It starts with poor data, in some cases supplied by the employer, includes errors in calculations, and in many cases it is down to not understanding what the members is asking for. Pensions in a complex area, and when members ask questions, they are not always as precise as pension administrators may think.

So, in an ideal world, what does a good member experience look like. Sadly, there is not one answer, as it will mean a different thing, at different times, to different members. Let’s look at two example scenarios:

- As a DB member approaches retirement, that will mean giving them access to the information to allow them to decide when they can afford to retire, and how they would like to receive their benefits.
- For a DC member looking to consolidate their deferred pension pots, it will mean providing a timely transfer value quotation, and then supporting them through the transfer process to achieve their ultimate aim.

Of course, there are lots of complexities and regulatory requirements in each of these scenarios that can make it feel like the administrator is delaying the process. In these cases that could be asking the member to confirm what other benefits they have in payment, so that LTA limits can be checked, or administrators having to undertake checks to ensure the pension transfer is not being made to scammers. How we communicate with members will impact on their experience and therefore, how good they feel the administration service has been.

Which then comes to the heart of what is required to deliver a good experience. It needs to combine high quality member data, with an efficient automated service, and high quality communication material, to ensure that members receive the information they need in a timely manner. And then surrounding that service with high quality member support so that members can be spoken to and understand what is required.

The 80 or 90% of work that is 'normal' and just dealt with through the automated processes should just work and deliver what the member needs. But the 10 to 20% that is a little more unusual really needs to be supported by pension administrators that can hold the hand of the member to help them through the process to the outcome that they desire.

More than a decade ago, one pension administrator started offering Skype calls to members who were approaching retirement, so that they could talk through the process, explain what the members needed to consider, help them to complete the forms, and get through the process with the minimum amount of fuss. Whilst this took a little time, they found that members were very grateful for the support and it meant that there was less back and forth getting forms completed. It ended up delivering a better outcome for members, at less cost to the administrator. Whilst some administrators offer something similar now, there is normally a cost attaching to it. However, some administrators have really enhanced their retirement packs, so it is very clear to members what they need to do and by when!

As technology has moved on, some of that effort has been replaced by systems (for example, online identification verification has replaced the need for requesting most hard copy certificates), but the benefit of a person spending time to help the member understand the process is significant and really makes a difference to the member – who really should be the focus of all that we do.

### **So, what should you do if the service your members are receiving isn't hitting the mark?**

Don't just settle for a sub-standard service from your pension administrator on the basis that "it's all rubbish!". Better options exist, and that might not even involve a change of administrator. Maybe you just need to be on your existing administrator's most up to date operating model and technology.

**As trustees, you are the ones who are responsible for the service – are you content to deliver a poor service to your members?** If not, then talk to us and we will help you to get the right service for your members, whether or not that means you need to change administrator.

**Do you need help, or want to know more?**

Contact Ian and Jo for practical help and independent advice at  
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