Can pension schemes afford not to have a website for members?

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In the 13 years or so that I worked in the pensions industry before moving to the relatively niche area of 'communications', I wasn't aware of a single scheme that communicated to its members using its own dedicated website. Important member announcements were occasionally made via the sponsoring company's intranet to existing workers, which was not a platform that could be reached by deferred and pensioner members that no longer worked for the company.

According to the ONS, 86% of adults used the internet every day, and 78% of internet users said they used mobile phones or smartphones. Conversely, the Friends Provident Foundation found that less than 10% of pension members connected with their pension provider through their online platforms.

So the question is: why are work based pension schemes so far behind the curve in terms of offering their members online access?

As web tools become cheaper and the expectation of members to move to paperless communications grows, even the smallest schemes should consider whether implementing a simple web solution is the right thing to do. DC schemes' hands will soon be forced, as they must have a site to display their Chair's statement. It is important that they utilise this opportunity (and expense) to provide a useful resource for members.

Let's all go down the hub

Even in its most basic form, a website as a 'member hub' is the perfect way for a scheme to communicate with members. It can act as a bulletin board to display important information (contact telephone numbers, details of administrators, scheme documentation, basic FAQs) that will ensure members have a permanent port of call to keep track of their benefits. And the real beauty lies in the fact that a website can be updated as quickly as changes happen.

A more ambitious scheme can use online technology to allow members to track and model their benefits, access education tools (such as videos, animations and games), generate instant quotations and move their DC savings around. There is an expectation that these services are offered by master trusts and insurance companies, so why shouldn't trust based schemes follow suit?
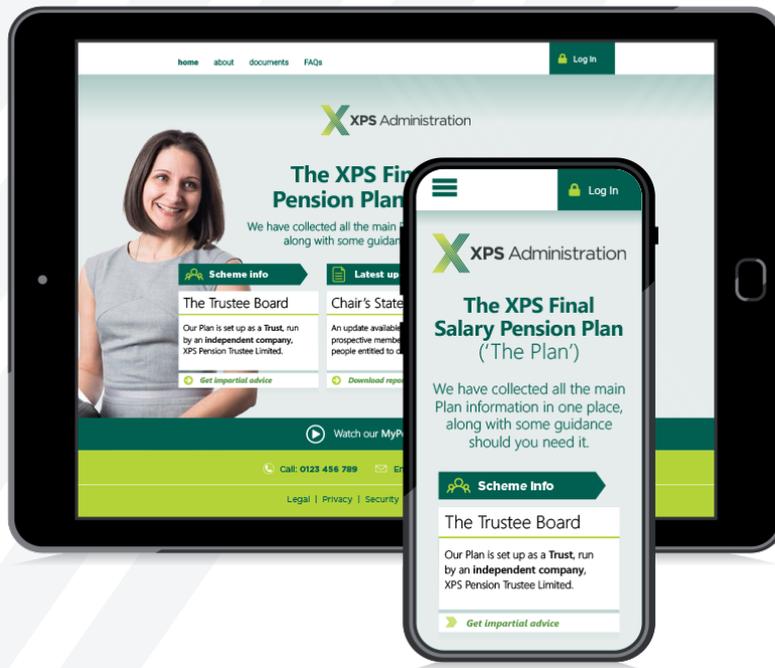
There is also the self-service aspect of making information and tools available online. Members are able to find what they're looking for rather than contacting the administration team. Unlike self-service checkouts, the aim would not be to make the roll of the administrator redundant, but to utilise their time more effectively so that they can focus on complex queries that often require one-to-one interaction with members.

Not just the standard approach

Online engagement has a number of benefits. It can help schemes move away from a 'standard' timeline of communications (statements, newsletter, wash, repeat) and push members towards a more active and sustained form of engagement. This can really help in situations where you either want to disseminate information quickly or gather current views and perspectives from members.

Changing the way a scheme engages with members is particularly pertinent as schemes move towards wind-up and run more bulk exercises to clean data and reduce liabilities. One of the main disclosure requirements for the DC Chair's statement is that the hosting website should be indexed by major search engines; so any member can Google the name of their pension scheme and find the information they need. This will help schemes combat the common problem of AWOL members, a compelling reason why DB should take the same steps as DC, regardless of whether legislation forces their hands.

The full implementation of the pensions dashboard is still some way off (5 years? 10 years? Who knows?), but the main concept behind it is that members should easily be able to find all their pension information in one place and this should be a key driver for schemes to improve their online presence now. Moving online is a modern, cost-effective, proactive and quick way to improve the way any scheme engages with its membership.

How can we help?

XPS Administration now offers a secure member tool (MyPension.com) and a brand new web platform (XPS Bridge).

Both can be fully customised to each scheme's requirements and can form the basis of a robust online engagement strategy.