

Latest benchmark figures from ATMOS Data Services show that administrators should not be blamed for ‘natural data decay’

The ATMOS service, launched in 2009, was developed out of a need to trace deferred members and to provide comprehensive mortality screening primarily to counter fraudulent pension payments, but also to assist with schemes complying with The Pensions Regulator’s (TPR) guidance notes on record keeping.

Since inception, over 1 million records have been processed and analysed. ATMOS director Rob Shillaker points out that the records have provided very consistent results. “it is not surprising that the Royal Mail claim that 10% of post fails to reach its destination, as our latest benchmark figures show that in excess of 42% of all address records processed fail to reach Royal Mail Standards. This can be attributed to a number of reasons; for example, incomplete addresses, spelling mistakes or frequently because Royal Mail have changed postcodes or postal towns, in which case the data will naturally decay through no fault of the member or administrator.” Similarly, if ex-employees fail to notify the scheme administrators when they move house, the accuracy of the data will clearly subside.

Correction of core address data is essential, not only to facilitate the provision of forwarding addresses through bulk processing, but also to increase the accuracy of mortality screening. With Impersonation of the Deceased (IOD) Fraud increasing and estimates that over £200 million per annum is being paid by UK pension funds to deceased pensioners*, fraud prevention is one area where ATMOS believes administrators and trustees should be increasingly proactive. Regular bulk screening is becoming a more cost effective and offers a reliable alternative to relying on existence certificates or having payslips returned as a method of identifying mortalities.

ATMOS Data Services is the latest company to be granted a licence for the General Register Office’s (GRO) Disclosure of Death Registration Information (DDRI) data, which provides weekly updates of all deaths registered in England, Wales, Scotland and Northern Ireland. On average 12,500 entries are recorded per week. Shillaker added that “providing accurate address data is essential for accurate mortality screening, as a ‘last known address’ is a key field within the DDRI data and many pensioners move, for example into a care home or to be near relatives, before they pass away. Even the many schemes participating in the National Fraud Initiative (NFI) risk the potential of 23 months of overpayment to a deceased pensioner”

The Pensions Regulator stated in June 2010; “We now intend to supplement this (*TPR initial guidance on record keeping*) by strengthening our regulatory approach. We will take enforcement action where the evidence we gather indicates a breach of pensions legislation. Where record-keeping problems are so severe as to indicate a failure to maintain adequate internal controls, resulting in a failure to administer the scheme in accordance with the scheme rules and the broader requirements of the law, these schemes will be prime candidates for investigation.”

Commenting on this Shillaker said that “the ATMOS service was designed to adhere to TPR guidance; to **measure** (initial analysis), **improve** (cleanse, trace and screen) and **maintain** (regular ongoing screening), thus enabling schemes to comply quickly and effectively. Interestingly, the initial analysis consistently identifies potential mortalities within the pensioner and deferred memberships (benchmark figures 0.26% and 0.15% respectively), which Trustees cannot ignore, even if they are waiting for TPR enforcement”.

The full TPR report is available via the following link:

<http://www.thepensionsregulator.gov.uk/guidance/guidance-record-keeping.aspx>

* Source: BDO Stoy Hayward LLP Link: www.bdo.co.uk/concealmentfraud