

# Innovating the pensions industry with biometrically secured mypensionID



## **Partner:**

Target Professional Services – A global leader in data verification and trace solutions for pension schemes, financial services and government authorities

## **Business Objective:**

Pioneer a new way for pension schemes to establish and continue an ongoing, two-way secure digital communication channel with pension scheme members

## **Solution:**

mypensionID, an innovative identification & verification mobile app for pension scheme members to maintain and update all their personal data, confirm they are alive and view their details with multiple pensions in one place

---

Thanks to a partnership between Target Professional Services and Daon, pension providers can now leverage biometrics and a user-friendly customer mobile app to transform the efficiency of communications with pension scheme members.

## **The Challenge**

In an industry where accurate data is essential, and every effort is made to ensure payment mistakes are avoided, overpayment of pensions is a serious problem that costs millions and tarnishes public perceptions – and once they're lost, reclaiming those funds is often written off as either unfeasible or cost-prohibitive. Ensuring that member information is complete and up-to-date can help minimise errors, but doing so is an enduring challenge for the global pensions industry, and it's become even more challenging with the advent of GDPR. The Pensions Regulator (TPR) requires pension schemes to ensure that members' data is current and verified, and to cease payments promptly if a beneficiary should pass away.

"Almost 11% of UK pensions are paid to people who have passed away, so it's not an exaggeration to say that this is a billion-pound problem," says Lisa Lyon, Managing Director of Target, a firm whose specialty is data verification for the pensions industry. Target, an industry leader in data and trace solutions, helps schemes keep in touch with members and assists them in tracking down pensioners who've moved to ensure they receive the benefits to which they are entitled.

## **The Response**

Target developed the concept for an innovative app that would address the dual challenges of achieving GDPR compliance and maintaining contact with pension recipients, while also delivering benefits to the recipient. "The idea was to build an app that would use liveness checking, incorporating biometrics, to confirm the pensioner is still alive, and to ensure that their member data is accurate and up-to-date for the Regulator while being GDPR compliant," Lisa says. "But it would also let the member see all of their pensions in one place. With the advent of auto-enrollment in company pension plans, it is estimated that many of the current

working population will accrue 11-12 pension pots. The vision was for an app that would bring all of that information together, so a recipient could view it in one place.”

To develop its groundbreaking app, Target knew it would require a best-of-breed biometrics technology partner to provide the identity piece at the front-end of the app. After considering its options, it selected Daon. Daon's IdentityX® platform now sits at the heart of the mypensionID app, which rolled out in an early pilot form in autumn 2019.

---

*“At Target we believe mypensionID and the biometric security it uses will become industry standard. The pensions industry is on the cusp of a wave of change, and we’re delighted that mypensionID is there as an early innovator.”*

*- Lisa Lyon, Managing Director, Target Professional Services*

---

### The Results

Working with IdentityX, Target's developers created an easy onboarding solution that lets pension scheme members get started. The member receives an invitation from their pension scheme to join mypensionID, then simply downloads the app from the App Store or from Google Play and inputs the 12-digit unique security code contained in the invitation.

The Daon biometric solution provides simplicity and security: the member verifies their identity by taking a selfie and showing a valid government issued photo identity document, such as a passport, driving licence or national ID card.

“We put a strong focus on ease-of-use for customers,” Lisa explains. “To take the selfie for instance, all the member needs to do is blink – no buttons to press or fingerprints to scan; the action of blinking will take the selfie as well as confirm the member is living.”

### The Benefits

Target rolled out mypensionID to one of the UK's largest pension schemes, and two further schemes are also now piloting the app. Target was glad to find an open and receptive technology partner in Daon, especially as the mypensionID app is a totally new innovation for the pensions industry. It has been a learning experience on all sides to develop, pilot, and incorporate user feedback on the trial version.

“We are testing the app with actual pensioners and learning from them what they find easy and what they'd like changed,” Lisa says. “Trials are so important because the more information we get back from users, the more we can improve the service. Daon have been responsive and eager to work with us on it, which is hugely positive.”

Lisa further notes it is encouraging to see such a buzz in the industry about the mypensionID app, which schemes recognise has a unique appeal: it opens a precious, two-way, digital channel of communication with scheme members, whether they are already a pensioner or years away from receiving benefits.

Instead of attempting to reach members only by their postal address or email, schemes can reach out via the app, through the mobile device that members use every day. Once established, that communication channel helps scheme members stay engaged

with their pensions, whether they're being prompted to verify their postal address details or being asked to provide an annual proof of living check. Many schemes are now undertaking such checks as standard, to verify members are still living and entitled to payments.

### Looking to the future and enhanced efficiency for the pensions industry

In the future, pension schemes may even opt to conduct liveness checks more frequently than once a year, Lisa says, which could enable significant financial savings for schemes, especially in the case of members who are receiving potentially higher value final-salary pensions.

"The industry isn't there yet, but it's easy to imagine that, in the medium term, the pension world will use mypensionID to verify liveness monthly, not annually," Lisa says, "which is likely to become common in the future, as both the schemes and their members become more used to biometrics and mobile technology. At Target we believe mypensionID and the biometric security it uses will become industry standard. The pensions industry is on the cusp of a wave of change, and we're delighted that mypensionID is there as an early innovator."

**For more information, visit <https://mypensionid.co.uk>**

---

### **BENEFITS AT A GLANCE: mypensionID powered by Daon, for pension scheme customer relationship management**

- Simple mobile app helps pension schemes keep member data accurate and up to date
- Helps schemes avoid overpayment to pensioners who may have passed away by making it easier to confirm they are alive through an easy mobile interface
- Easy-to-use customer app incorporates the latest biometric security from the experts at Daon
- Assists pension schemes in meeting their GDPR obligations and TPR requirements
- Benefits members by providing the ability to view multiple pensions from one screen as a growing number of pension schemes join mypensionID
- Improves customer relationship management for all pension scheme members, including during the years before members receive benefits – a segment that traditionally has low levels of engagement

---

**For more information on Daon IdentityX and strong multi-factor authentication for the pensions industry, visit [www.daon.com](http://www.daon.com)**