

# Tackling 'Dirty Data' and Data Quality Are Key to Reducing Pension Fraud and Locating Missing Deferred Pension Members

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10 percent of UK deferred pension member records out of date, making mortality screens and address checks virtually impossible and unreliable

Tackling underlying data quality issues is key to fraud prevention and reduction, lowering administration costs, and fulfillment of legal obligations for pension fund providers, according to Heirtrace, specialists in asset reunification, and Datanomic Ltd, specialists in fit for purpose data. Heirtrace estimates that approximately 10 percent of deferred pension member records in the UK are out of date. This incomplete and inaccurate data makes mortality screens and address checks virtually impossible and unreliable.

One percent of the population or 600,000 people die each year in the UK, yet UK pension funds are still paying in excess of £200 million per year to deceased pensioners. Maintaining pension fund data through regular cleaning and updating of the database and running mortality checks will have a direct impact on fraudulent payments or payments made in error. Furthermore, the Pension Regulator's recent consultation paper on Record Keeping goes much further than any other guidance on data quality. Maintaining accurate postcode information to enable future liability calculations, as well as fulfillment of legal obligations under the Data Protection Act 1998 mean pension trustees and their appointed administrators have an implicit duty to ensure members are found and paid their pension on time.

"As the population becomes more mobile and changes jobs more often, individuals typically have multiple pensions throughout their lifetime," said Danielle Higgins, Managing Director for Heirtrace. "The problem for pension fund providers and administrators is that people often forget to update their records when they move, and many people move abroad before retirement age. Simply paying for a tracing service without getting results or spending huge sums trying to locate deferred members is not the answer. Heirtrace and Datanomic are able to fill in the gaps of missing member data, whether it's locating and verifying a current address, a missing postcode, a date of birth or full names. This not only allows specific mortality screening to be conducted, but also gives the administrator confidence to communicate with the member from that point forward."

With success rates of 85 percent, Heirtrace is able to search for members living overseas as well as those in the UK. By partnering with Datanomic, specialists in data cleansing, data quality and data matching, Heirtrace is able to help large corporations and pension fund providers track and trace members, and better plan financially for their pension fund requirements.

"You must know your data, have a risk profile, understand the data flows and have clean member records," said Jeremy Lovett Director of Alliances and Data Quality Integration for Datanomic Ltd. "These are the fundamental keys to addressing fraud reduction, overpayments, data protection obligations and accurate mortality screening. Most pension fund managers and pension trustees know they have a problem with the accuracy of their data, yet don't know the size of the problem lurking in their database or how to go about addressing it."

Datanomic and Heirtrace are offering a free QuickStats Workshop which provides an analysis of data sources to identify potential weaknesses in the data collection and data management processes, identify missing, erroneous or misallocated data, assess how complete and accurate the member data is within a pension fund, and advise on the best approach for remedying 'dirty data' and tracing 'Lost' or 'Gone Away' members. More information about the QuickStats Workshop for pension providers can be found at: <http://www.datanomic.com/solutions/unified-single-view/quickstats-workshop/>

#### About Heirtrace

Heirtrace is a leader in providing pro-active search services to Lawyers, financial institutions and pension funds to reunite assets with owners/heirs. It also provides services to membership organisations, schools and universities. Its key strategy is to utilise individual intelligence and advanced technology to achieve an exceptionally high level of success for its customers. [www.heirtrace.co.uk](http://www.heirtrace.co.uk)

#### About Datanomic

Datanomic's holistic approach to delivering fit-for-purpose data and screening accuracy enables its growing list of blue chip clients around the world to achieve a rapid Return on Investment, by exposing and correcting deficiencies in information their businesses rely upon, and by discovering potential regulatory and legislative compliance data issues in line with proactive risk management. Our clients come from a wide spectrum of industries including financial services, telecommunications, government, healthcare, utilities, professional services and engineering. [www.datanomic.com](http://www.datanomic.com)

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