



**Information Commissioner's Office**  
Promoting public access to official information  
and protecting your personal information

## **Data Protection Good Practice Note Pension trustees and their use of administrators**

This good practice note explains to pension trustees how to comply with their obligations under the Data Protection Act 1998 (the Act) when they use pension administrators to help them run a pension scheme.

### **Using a pension administrator**

Trustees often use a pension administrator to run a pension scheme on a day-to-day basis. In most cases, this means that the pension administrator is acting on behalf of the trustees. To comply with the Act there are certain steps the trustees must take. The main data protection issues are outlined below.

### **General compliance with the Act**

If pension trustees process personal information that is covered by the Act they should comply with the eight data protection principles of good information handling. Most pension trustees will also have to tell the Information Commissioner what they use personal data for. This is called notification. For advice on how to notify the Information Commissioner, please see our 'Notification of Pension Scheme Trustees' guidance at: [http://www.ico.gov.uk/Home/what\\_we\\_cover/data\\_protection/guidance/technical\\_guidance\\_notes.aspx](http://www.ico.gov.uk/Home/what_we_cover/data_protection/guidance/technical_guidance_notes.aspx)

### **Security and using an administrator**

The seventh data protection principle requires organisations that use personal data to take appropriate security measures. To decide what the right security measures are, trustees should take into account:

- the sort of information that is held;
- the harm that might result from the misuse of that information;
- the technology that is available; and
- how much that technology costs to implement.

When trustees use an administrator to act on their behalf, the trustees remain responsible for the personal data and there are a number of specific steps they must take. Firstly, they need to choose an administrator who they are sure, can, and will, keep their information secure. They should also check that the administrators are doing this. Importantly for trustees, they must also have a written contract in place with their administrators. This contract must:

- make sure the administrator only acts under the trustees' instructions when they process the data; and
- require administrators to keep the information secure

## Access to personal data

When trustees are entering a contract with an administrator they should give thought to what access to the information may be required in the course of the contract and what will happen when it ends. For example:

- What guidance should be given to the administrator if they are required to answer enquiries directly?
- Will the information be returned to the trustees when the contract ends?
- Will the administrator continue to need any access for any purpose? How is this to be managed?

## Subject access requests

Remember, individuals have a right to access their personal information. To avoid confusion when an individual requests access to their information, we recommend that trustees have a policy for dealing with these requests. This should recognise that, although the administrator may receive the request and act on the trustees' behalf, the trustees are responsible for the response. If the trustees decide that the administrator should respond directly, the policy should state what action they need to take to make sure they respond properly within the 40-day time limit.

<b>Good practice <input checked="" type="checkbox"/></b>	<b>Bad practice <input type="checkbox"/></b>
Check notification annually.	Think it is the administrator's responsibility to check.
Have a contract with the administrator that lays down clearly what their and the trustees' responsibilities are.	Don't bother with a contract because the administrators seem to be responsible people.
Check how the administrator's security is working.	Never visit or ask for information about problems.
Lay down clearly how to deal with requests for information from employees and pensioners (or their agents) and anyone else.	Expect the administrator to respond to requests for information without giving them clear guidelines.
Make arrangements for the return of the information when the contract ends. Provide for any future access that may be necessary.	Don't bother about whether the administrators have kept any information when the contract ends.

## More information

If you need any more information about this or any other aspect of data protection, please contact us.

Phone: 01625 545745 or 08456 30 60 60

E-mail: please use the online enquiry form on our website

Website: [www.ico.gov.uk](http://www.ico.gov.uk)