

First Briefing, November 2021 - Cyber security

Pension schemes deal with large volumes of data held on numerous computer systems. Cyber security is therefore a big risk to both the personal data of scheme members and the overall ability of the scheme to function.

The scale of the problem

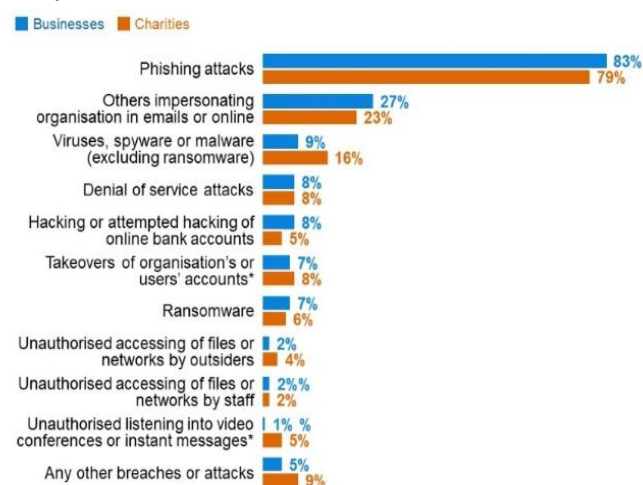
Around **four in ten** businesses in the UK **suffered a cyber attack or breach** last year, according to the UK Government's [Cyber security breaches survey 2021](#).

Perhaps more importantly, **one in five** of those reporting an attack or breach said they ended up **losing money, data or assets**.

Types of threat

Cyber criminals use a variety of approaches to target organisations. However, the vast majority rely on social engineering techniques to dupe victims into giving information away.

By far the most common of these approaches is 'phishing', as seen in the chart below. These attacks are now perhaps all too familiar, but not always easy to spot.



Bases: 654 businesses that identified a breach or attack in the last 12 months; 183 charities
*New codes for 2021

Source: [UK Gov Cyber Security Breaches Survey 2021](#)

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Registered address: First Actuarial LLP, Mayesbrook House, Lawnswood Business Park, Leeds, LS16 6QY

10 steps to cyber security

The National Cyber Security Centre has published a 10-step guide explaining how organisations can protect themselves. This was refreshed in May 2021.

The 10 steps are:

- Risk management
- Identity and access management
- Engagement and training
- Asset management
- Architecture and configuration
- Vulnerability management
- Data security
- Logging and monitoring
- Incident management
- Supply chain security

[Find out more about these 10 steps.](#)

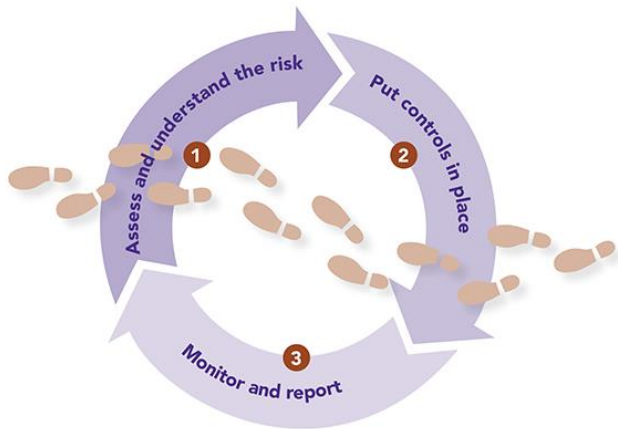
Trustees should make sure their suppliers have adequate controls and a clear process in place in case anything goes wrong.

Some of the steps will impact trustees directly, so gaining a basic understanding of all the general principles of cyber security will allow trustees to ask their suppliers the right questions.



Requirements for trustees

The Pensions Regulator published [guidance on cyber security](#) in April 2018.



Source: [Cyber risk assessment cycle, Pensions Regulator](#)

Central to this guidance is that trustees are accountable for the security of scheme information and assets.

In particular, trustees should:

- Make sure they have access to the required skills and expertise to understand and manage cyber risks
- Develop an understanding of your scheme's 'cyber footprint', vulnerabilities and impacts.
- Ensure roles and responsibilities are clearly defined
- Review your suppliers to ensure they have sufficient controls in place
- Put in place an incident response plan and understand the plans of your suppliers. This should include how and when incidents would be reported to you and others
- Carry out reviews of cyber risks on a regular basis, as they evolve continuously.

In addition to the existing guidance, the Pensions Regulator has recently consulted on a new [single code of practice](#). This includes a dedicated section on IT and cyber controls, which indicates that cyber security issues are to be elevated from guidance to a code of practice, and as such, will be taken into account by a court or tribunal.

How First Actuarial can help

We can help you manage your cyber security responsibilities by:

- Providing training on cyber security and any relevant regulatory requirements
- Drafting documentation such as a cyber policy for the scheme to document the controls you have in place and help demonstrate how you meet the requirements
- Reviewing and documenting the controls your suppliers have in place.

Further information

For further information, please contact your usual First Actuarial consultant or our Head of IT.



Mark Rowlinson FIA MBCS
Partner/Head of IT

E: mark.rowlinson@firstactuarial.co.uk
T: 07813 852748