

Shiona Charlery
Workplace Retirement Income Commission
6th Floor
138 Cheapside
London, EC2V 6AE

19th February 2011

Evidence Submission

Dear Ms Charlery and Lord McFall,

We are delighted that the WRIC has been established and on behalf of the Pensions Action Group (PAG) we would not only like to offer evidence to the committee but also, as the group with the most people (140,000) adversely affected by poor and inadequate Government decisions and regulations, to work with you to help you achieve your admirable objectives.

We are sure that you are aware of our campaign which started almost 10 years ago to obtain proper compensation for the losses our members suffered due to Government promises not being fulfilled after a lifetime of doing exactly what successive Governments had consistently urged us to do, namely to save for our retirement through company pension plans.

We have the most vivid and recent stories to tell about how peoples' expectations were raised in the belief that if they worked and saved hard throughout their working life they would receive the pensions that they had paid for. Then only to find that they had been sold an idea that was not built on solid foundations, and that the Government's pensions regulations were totally inadequate and mis-leading. They were cruelly disillusioned by politicians who chose not to accept the responsibility of their errors, and instead used spin to wriggle and ignore both the Parliamentary Ombudsman's findings of mal-administration and subsequent judgements by the High Court.

Despite Government's denial of this responsibility, despite it being dragged kicking and screaming through Parliament, and despite its threats of huge legal costs against us we eventually managed to help secure the introduction of the Pension Protection Fund (PPF) to give some protection against future scheme failures, and the Financial Assistance Scheme (FAS) for schemes that had already failed. Both of these schemes are seriously limited in their coverage of the original benefits, with the lack of scheme level re-valuation and indexation taking members' benefits well below the acclaimed 90% of original pension level.

Is there no wonder that confidence in pensions savings is at an all time low? People who enter the PPF in the future have still to realise the limitations of this

fund, and will no doubt voice their concerns in public when they eventually do. And they have more inflation protection than those of us in the FAS!

People are increasingly aware that we are governed by the same politicians that have gone to great lengths to make sure that their own pensions are safe, guaranteed and fully indexed at the expense of the taxpayer who they now want to invest in pensions with apparently limited protection or value.

It is our firm belief that Government will never restore public confidence to save voluntarily for a financially secure retirement until it demonstrates that its promises and pensions regulations can be trusted. There is no better way for them to do that than to improve the FAS so that the victims get what they paid for. No more and no less. Our campaign will continue until this fairness has been achieved.

Throughout our campaign we have always tried to be positive and to co-operate with the Government, Ministers, and all official bodies in an attempt to persuade them that providing, in some cases, less than half of the pensions that our members saved for, is no way to treat people who are part of the back bone of the nation and it will not encourage any widespread desire to save for retirement.

With that same spirit we would welcome the opportunity to meet with you and your committee to provide live examples of the result of the mistakes that have been and continue to be made. It is public awareness of these mistakes that make people reluctant to save for retirement. We are keen to share our ideas on how to make the necessary changes to reverse these effects.

We look forward to hearing from you shortly and in the meantime we enclose a copy of our recent press release regarding the WRIC.

Yours Sincerely

Pensions Action Group

Richard Nicholl
Terry Monk
Andrew Parr

Kenneth Molloy
Peter Humphrey
Peter Lapinskas

Please support the Pensions Action Group Campaign for full compensation for people who have lost all or part of their pension due to Government mistakes. For details go to www.pensionstheft.org