

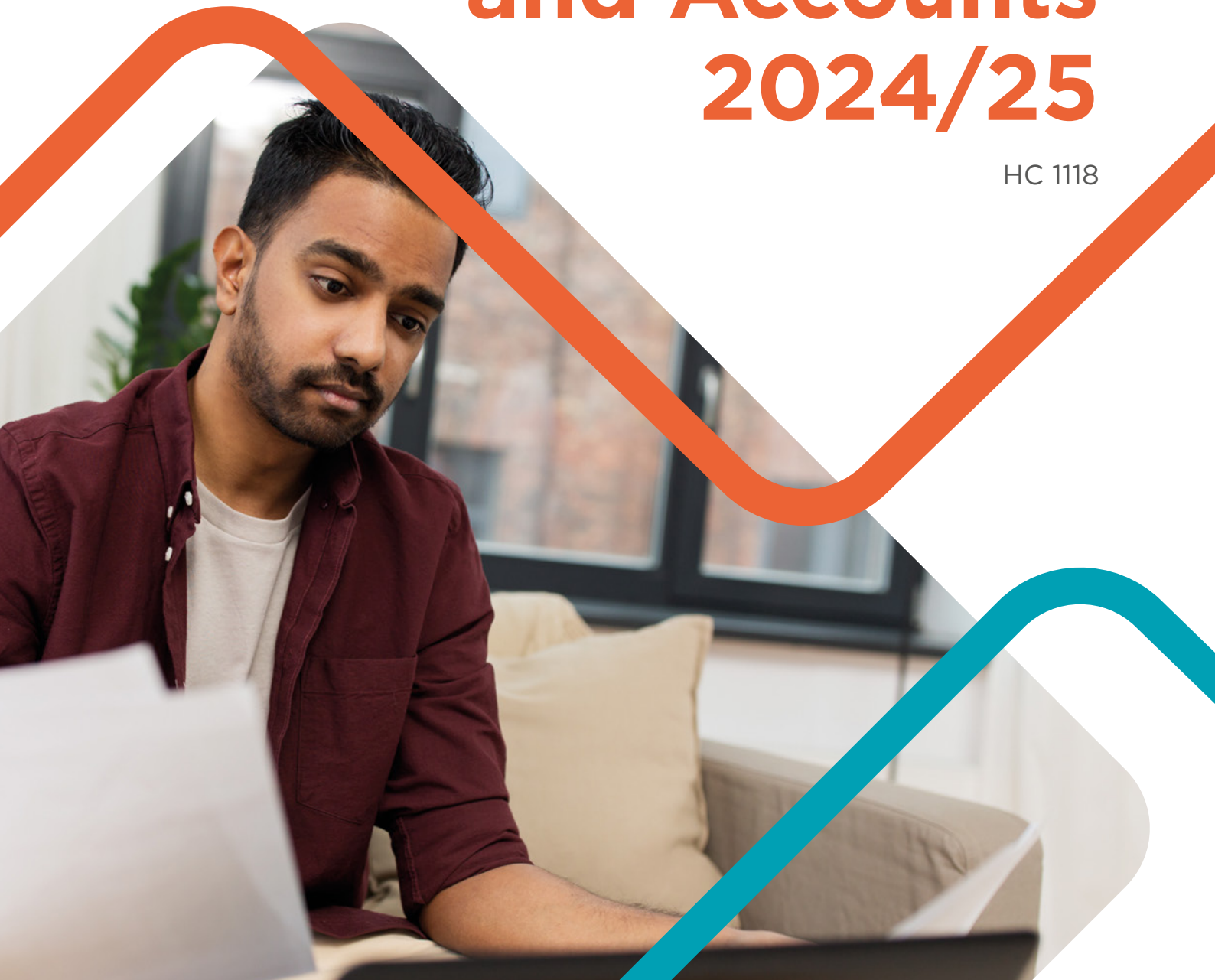


The
Pensions
Ombudsman

Pensions Ombudsman
Pension Protection Fund Ombudsman

Annual Report and Accounts 2024/25

HC 1118



Pensions Ombudsman
Pension Protection Fund Ombudsman

Annual Report and Accounts 2024/25

For the period 1 April 2024 to 31 March 2025

The Pensions Ombudsman's Annual Report and Accounts are prepared and presented to Parliament pursuant to section 145 (6)–(9) of the Pension Schemes Act 1993. The Pension Protection Fund Ombudsman's Annual Report and Accounts are prepared and presented to Parliament pursuant to sections 212 and 212A of the Pensions Act 2004.

Ordered by the House of Commons to be printed 17 July 2025.

HC 1118



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ISBN: 978-1-5286-5526-2
E03306194 07/25

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

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About us

The Pensions Ombudsman combines in one organisation the Pensions Ombudsman and the Pension Protection Fund Ombudsman. Our primary function is handling pension complaints. We act impartially and our service is free at the point of delivery.

Pensions Ombudsman

The Pensions Ombudsman investigates and determines complaints and disputes concerning occupational and personal pension schemes. Our governing primary legislation is Part X of both the Pension Schemes Act 1993 and Pension Schemes (Northern Ireland) Act 1993.

We operate a resolution service and a formal adjudication service. We adopt a proportionate approach and aim to conclude all complaints at the earliest appropriate stage.

Our Determinations are made on the basis of law, and are final, binding and enforceable in court.

Pension Protection Fund Ombudsman

The Pension Protection Fund Ombudsman determines complaints and reviewable matters concerning the Pension Protection Fund, and also appeals against it in respect of its decisions as manager of the Financial Assistance Scheme. Our governing primary legislation is sections 209 to 218 of the Pensions Act 2004 and sections 191 to 197 of the Pensions (Northern Ireland) Order 2005.

Our Determinations are made on the basis of law, and are final, binding and enforceable in court.

Status and funding

We are a non-departmental public body and are funded by the Department for Work and Pensions (DWP). The grant-in-aid that funds us is recovered from the general levy on pension schemes that is administered by The Pensions Regulator.

Our principal place of business is 10 South Colonnade, Canary Wharf, London E14 4PU.

Our purpose¹

A trusted, fair and impartial service that resolves pension complaints

Our vision

We are a people-focused ombudsman, trusted to deliver quality outcomes and drive improvements across the wider pensions industry

Our strategic goals

- ▶ Providing an efficient, accessible and quality service
- ▶ Being an authoritative voice for improvement in the pensions industry

Supporting values and behaviours

Customer-focused

- This means:
- ▶ We understand diverse needs
 - ▶ We make consistent, quality decisions
 - ▶ We set appropriate expectations

Integrity

- This means:
- ▶ We build trust through reliability
 - ▶ We make impartial, evidence-based decisions
 - ▶ We are transparent

Collaborative

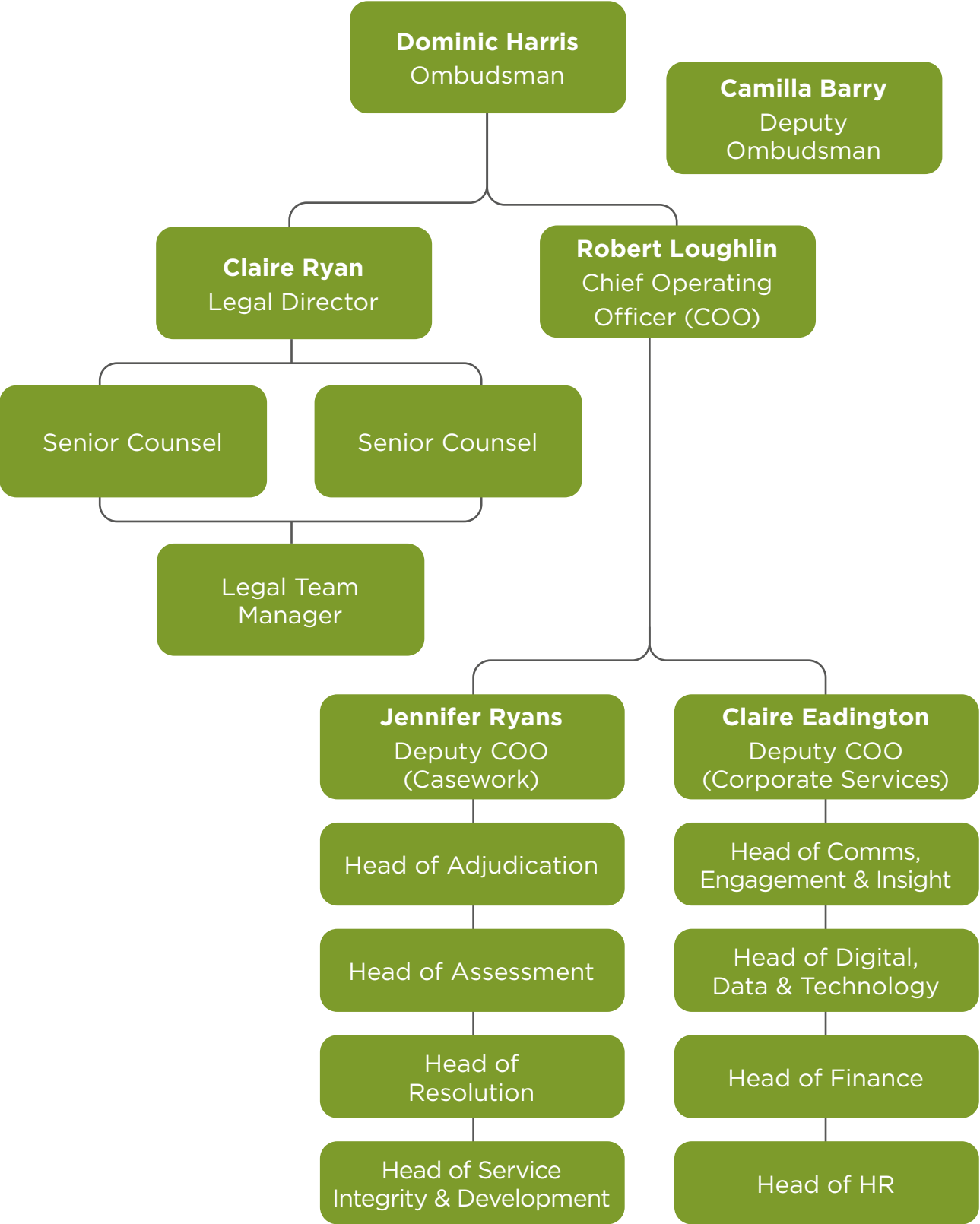
- This means:
- ▶ We work together effectively
 - ▶ We share our knowledge
 - ▶ We embrace diversity and inclusion

Excellence

- This means:
- ▶ We drive continuous improvement
 - ▶ We learn from experience
 - ▶ We take ownership of our own development

¹ Our purpose, vision, strategic goals and supporting values and behaviours have been refreshed and form part of our new three-year Corporate Strategy due to be published shortly.

How we are structured (as at 31 March 2025)



Glossary

ARC – Audit and Risk Committee

CETV – cash equivalent transfer value

CMS – case management system

DWP – Department for Work and Pensions

EDI – Equality, Diversity and Inclusion

FAS – Financial Assistance Scheme

FCA – Financial Conduct Authority

FCF – Fraud Compensation Fund

GGC – Greening Government Commitment

GIAA – Government Internal Audit Agency

GPA – Government Property Agency

IDRP – internal dispute resolution procedure

ICO – Information Commissioner’s Office

IFA – independent financial adviser

NEDs – Non-Executive Directors

PCS – Public and Commercial Services Union

PDU – Pensions Dishonesty Unit

PPFO – Pension Protection Fund Ombudsman

RS – Resolution Service

SIPPS – Self-Invested Personal Pension

SSAS – Small Self-Administered Scheme

TPO – The Pensions Ombudsman

TPR – The Pensions Regulator

Performance report: Overview

The overview section provides a statement from the Pensions Ombudsman and Interim Chair on the performance of the organisation in 2024/25, our performance against our key performance indicators, and a summary of our financial position.



Ombudsman's introduction

This report covers my second full year as the Pensions Ombudsman – a year in which the organisation has embarked on a significant and successful change programme to improve the timeliness of the service that we provide to all of our customers.

My motivation to become Ombudsman came from seeing the vital service that the organisation provides. TPO 'levels the playing field' between well-resourced pension providers and individuals – allowing workplace pension complaints to be resolved without cost. However, it has been clear for a number of years that the demand for our important service outstripped our capacity to deal with the number of complaints coming through our front door.

As a consequence, the time it takes to investigate and determine complaints has grown over the course of the last decade and it became clear that we urgently needed to do something about it. That something was our Operating Model Review (the **OMR**), that we both planned and implemented in the course of just 18 months.

Implementing the Operating Model Review

As our funding is not within our control and does not change to reflect the demand for our services, we looked at what levers we could pull. Specifically, we looked at those that would increase our own internal efficiency (the 'supply side' of our operation) and, separately, those that would limit the number of cases coming into us (the 'demand side'). Our aim is to both reduce the number of complaints coming to us and, for those that do come through our letterbox, to provide a streamlined service where accurate decisions are made as early as possible.

We set out key details of the OMR on page 41, together with examples to aid understanding of the changes we have made.

However, in summary, as this has been such an important part of the last year, key aspects of the OMR have included:

Scheme level dispute resolution comes first: Since October 2024, an applicant must have exhausted a provider's or employer's own dispute resolution process before we will consider investigating a complaint. We are an organisation of last resort, and it should be possible to resolve many complaints much earlier, at scheme level, before they need to enter our process. In turn, complaints that do then reach us should be more focused on the matters that are still in dispute and become quicker for us to resolve.

Pensions expertise at the earliest stage of our process: We have allocated experienced adjudicators with specialist knowledge at the earliest stages of our process. This has allowed us to identify more cases that would either be better placed with a different organisation, for example the Information Commissioner's Office, or those that fall short of one of our thresholds for investigation, such as suffering financial loss – see page 47 for examples.

Expedited Determinations: Cases assessed as having a clear outcome can be closed at any point in our process by an expedited decision. Between September 2024 and March 2025, we closed 104 cases in this way. Of these, 22 were final and binding Expedited Determinations by an Ombudsman. These shorter Determinations, issued at an early stage of our customer journey, are similar to summary judgments used by the courts. They reduce duplication in our process and allow us to resolve disputes more quickly for all parties involved. The remainder were closed by our assessment team, without the need for a formal Determination, as the applicant agreed with the informal decision.

Older, complex cases: In turn, this releases more adjudication resource to concentrate on reducing our historical caseload of older, more complex cases. As a part of this we have successfully expanded our specialist working groups to include embedded members of the legal team and have upskilled adjudicators to deal with the complex cases that require more in-depth investigation.

A 'lead case' approach: Where we identify an industry-wide issue, or scheme-specific issue affecting multiple members, we now look to select one or more representative 'lead' cases to accelerate through to Determination as quickly as possible. This allows us to set out our position on the key issues clearly and quickly, supporting the timely resolution of linked cases. There are different ways we can do this, as demonstrated by the Rowanmoor and NatWest case studies on page 48.

A substantial increase in case resolution

The fruit of our changes is there for all to see. Thanks to the hard work of my team, we have resolved a record number of pension complaints over the last year: 9,435, compared to 6,634 in 2023/24. This represents a 42% increase in case resolution for the year.

Separately, we have also resolved a further 8,561 general enquiries. Indeed, although not formal complaints, it is worth highlighting the great work the organisation does with these general enquiries – they are often more detailed and involved than one would imagine from the outside of TPO (there is an example at page 119), and a good response from my team will stop a general enquiry from becoming a formal case requiring detailed investigation – an example of one of the key elements of our strategy: limiting the demand for our service by looking for resolution before a 'complaint' reaches us.

In turn, we received 9,610 new applications during the year. This represents a very large 39% increase in demand for our service compared to last year, and a 21% increase on our own forecast for the year.

That means that, broadly, we have kept pace with the number of new complaints that we received – no mean feat when the increase in demand is taken into account.

A need to keep improving – a new three-year Corporate Strategy

Even with the success of the OMR programme to date, it is clear we need to do more and to keep the momentum of our change going, if we are to both (i) cope with future increases in demand for our service and (ii) at the same time erode the substantial number of aged cases we have in our system.

We are, at the time of writing, discussing a more sustainable financial settlement with DWP, and are grateful for their support. However, we are also looking to build on what has worked in the OMR programme in a new three-year Corporate Strategy. This is set out in a separate document – but in large part continues the simple premise of finding ways to improve our own efficiency while reducing demand for our services where alternative resolutions may be available.

A year to be proud of

As a small organisation, we faced the challenge of running a substantial change management programme at the same time as carrying on our ‘day job’. The figures I set out above demonstrate that we have met that challenge – and for that I owe a huge debt of gratitude to the entire organisation. Our staff and volunteers remain our most valuable asset, and our achievements over this last year are thanks to their hard work and commitment. Many of my colleagues on fixed term contracts were moved into permanent positions over the last year – and we are now developing a ‘People Strategy’ that will allow us to arm them with the knowledge and experience they need to deal with ever more complicated pension issues, while continuing to keep TPO an enjoyable and rewarding place to work.

Our volunteers are also an essential part of TPO, generously giving their time and expertise to help resolve complaints. Part of the OMR programme is about refreshing our volunteer strategy to ensure that we make the most effective use of the time and expertise our volunteers afford us. The strategic use of volunteers earlier in proceedings supports and encourages delivery of the right outcomes to customers in a timely fashion – which can be seen in the case study on page 43. Notwithstanding the OMR programme changes, our volunteers also continue to offer impartial support to members, many of whom are vulnerable, prior to, and during, the internal dispute resolution procedure (IDRP) where,

for example, the risk of financial harm is high. During 2024/25, our volunteers helped to resolve 408 cases, and I am extremely grateful for their hard work and commitment to TPO.

Over the last year I, and my colleagues, have also engaged with industry stakeholders all over the country. This has allowed us to explain the changes we have made to the organisation through the OMR programme – but is also a vital part of our strategy in and of itself. For example, I set out my approach to the recoupment of overpayments in the BIC Determination (see page 131) in April last year and, in order to encourage trustees and managers to resolve overpayment issues as a part of their own dispute resolution process, we have also sought to provide information on how TPO expects schemes to review those complaints themselves.

Finally, I would like to thank Anthony Arter, and his board, for the hard work and support over the year. The Board has not only been involved in the development of our new three-year Corporate Strategy (including progressing the OMR programme) but also provided wider oversight and support to the Executive Team. Anthony, as Interim Chair, and prior to that as Ombudsman and then Deputy Ombudsman, has always had the organisation's best interests at heart and is a strong voice for the justice it provides. We are all very grateful for his service. On 1 July 2025 we welcomed Deborah Evans as our new permanent Chair. She joins at an exciting time, and I look forward to working with her as we implement our new Corporate Strategy.



Dominic Harris

Pensions Ombudsman

Pension Protection Fund Ombudsman

14 July 2025

Chair's foreword

The Pensions Ombudsman has been an important part of my life for the past ten years and I am honoured to have been the Chair in a year of further transformation where so much continues to be achieved.

The ever-increasing demand for such an important and well-respected service has put TPO under considerable strain over recent years, as demand for our vital services has continually outstripped resource, and despite additional funding and support, it has, unfortunately, failed to keep up.

During the past ten years we have continually revised our approach to the way in which pension complaints are processed in order to keep up with the ever-increasing demand. The new OMR programme is now driving further key improvements across the organisation and wider pensions sector, and I am delighted to report that the organisation continues to rise to this challenge, gaining increasing confidence, resulting in an excellent set of results delivered over the last year.

As a Board, we have supported the Executive Team and helped develop a new Corporate Strategy that sets out the direction of travel for the next three years. At the heart of this, TPO will continue to strive to deliver the best possible service that it can, with a focus on driving down waiting times. This will need to be delivered through a combination of further improvements and efficiencies in the way the organisation operates and the way it interacts with and supports the sector. Importantly, it will also require further funding, as demand is expected to continue to outstrip both our resources and the increased efficiencies we expect to deliver.

While this document looks back at the past year, our separate Corporate Strategy highlights the priorities for the next three years and builds on the solid foundation that is now in place. It will require the organisation to be increasingly agile and continually adopt new ways of working, including new advances in technology. It will also see further improvements delivered through our now well-established OMR programme and further investment in our people – the volunteers and staff that are at the heart of TPO.

We will be looking to others to play their part too. Too many complaints continue to come through to TPO that should be dealt with earlier – and with improved early engagement, signposting and awareness, we are confident that we can reduce demand and improve outcomes and confidence in the pensions sector more generally. Tackling our funding gap will also be a key focus and we will be looking at all options to resolve this, including legislative change that will allow us to raise additional funding independent of the existing pensions levy.

Finally, I am passionate about the work TPO does and the very real lifeline that it offers to people struggling to get their voice heard. In handing the reins over to Deborah Evans, supported by my fellow board members, I know that TPO's future is in safe hands and I look forward to following TPO's future successes as the three-year Corporate Strategy is implemented.

Anthony Arter CBE

Interim Chair

The year in summary

Key facts and figures

Pensions Ombudsman



We received **10,514** contacts by phone, LiveChat, email and post from people who thought we might be able to help them



We resolved **8,561** general enquiries



We received **9,610** new pension complaints

We closed **9,435** overall pension complaints

Out of the above..



We closed **6,926** pension complaints at the assessment stages. This includes **82** cases closed through Expedited decisions

We resolved **1,512** pension complaints informally through our resolution service



We resolved **997** pension complaints through our adjudication service

Of our overall closed pension complaints, we closed **351*** through formal Determinations by the Pensions Ombudsman and Deputy Pensions Ombudsman

Pension Protection Fund Ombudsman



We received **13** new or reopened PPF cases

We completed **14** PPF investigations

*This includes 22 Expedited Determinations (see page 30)

Key performance indicators

Target	Performance	
Effectively use our resources to deliver a high-quality output		
<ul style="list-style-type: none"> 90% of enquiries resolved within four weeks (28 calendar days) 	<ul style="list-style-type: none"> 95% of enquiries were resolved within four weeks (28 calendar days) (see page 24) 	↑
<ul style="list-style-type: none"> Average closures per month to be above 680 	<ul style="list-style-type: none"> On average we closed 786 complaints per month (see page 31) 	↑
<ul style="list-style-type: none"> Average overall score from the Quality Assurance Framework to be above 85% 	<ul style="list-style-type: none"> Average overall Quality Assurance score was 80% (see page 54) 	↓
Deliver a balanced service to customers at all stages in our pension complaint process		
<ul style="list-style-type: none"> % of total pension complaints closed within 9 months from valid application is above 55% 	<ul style="list-style-type: none"> 71% were closed within 9 months (see page 31) 	↑
<ul style="list-style-type: none"> % of total pension complaints closed within 18 months from valid application is above 65% 	<ul style="list-style-type: none"> 84% were closed within 18 months (see page 31) 	↑
<ul style="list-style-type: none"> Reduce total number of active pension complaints aged over 18 months by 25% 	<ul style="list-style-type: none"> The number of active pension complaints aged over 18 months increased by 3% (see page 32) 	↓
Reduce waiting times for customers at key stages in our pension complaint process		
<ul style="list-style-type: none"> Waiting time for assessment pension complaints to be allocated – reduced to 5 months 	<ul style="list-style-type: none"> The waiting time for assessment at the end of the year was 12 months (2023/2024: 12 months) 	↓
<ul style="list-style-type: none"> Waiting time for resolution service pension complaints to be allocated reduced to 5 months 	<ul style="list-style-type: none"> The waiting time for resolution at the end of the year was 11 months (2023/24: 11 months) 	↓

Target	Performance	
<ul style="list-style-type: none"> Waiting time for adjudication pension complaints to be allocated reduced to 12 months 	<ul style="list-style-type: none"> The waiting time for non-specialist adjudication at the end of the year was 12 months (2023/24: 15 months) 	↑
Improve customer satisfaction and meet customers' expectations		
<ul style="list-style-type: none"> Providing you with a good service: 60% 	<ul style="list-style-type: none"> Providing you with a good service: 41% 	↓
<ul style="list-style-type: none"> Providing clear decisions: 65% 	<ul style="list-style-type: none"> Providing clear decisions: 54% 	↓
<ul style="list-style-type: none"> Providing clear information: 70% 	<ul style="list-style-type: none"> Providing clear information: 61% (see page 50) 	↓
Staff engagement		
<ul style="list-style-type: none"> Annual staff survey engagement score at or above the average of previous staff survey engagement scores 	<ul style="list-style-type: none"> 2024 annual staff survey engagement score was 66% (see page 56) 	↑
<ul style="list-style-type: none"> Annualised staff sickness rate (all types) – at or below the civil service rate 	<ul style="list-style-type: none"> 5.7 days lost per employee which equates to 2.2% of total work time compared with 7.8 days for the civil service (see page 84) 	↑

More information on our performance and definitions of the terms used above are included in the Performance report and analysis section.

Finance summary

In 2024/25 the organisation received £12.25 million grant-in-aid (2023/24: £17.48 million) and incurred net expenditure of £12.10 million (2023/24: £16.82 million). The significant decrease in expenditure from £16.82 million in 2023/24 relates to the expenditure on the cyber incident in 2023.

Both the grant-in-aid figure and the total expenditure figure include costs for the Pensions Dishonesty Unit (PDU).

The statement of financial position shows net assets of £1.60 million (2023/24: £1.45 million). The increase in net assets is due to a reduction in provisions for the year 2024/25 compared with 2023/24.

Going concern

The funding estimate for 2025/26 for TPO has been approved by DWP. The agreed budget for 2025/26 is £12.75 million (this includes funding to wind down the PDU). The PDU represents less than 5% of total business operations. Consequently, its closure does not affect TPO as a going concern.

We are satisfied that there are no proposals that give rise to a material uncertainty around the going concern status of TPO in the forthcoming 12 months from authorisation of these accounts and future periods. We will continue our operations and meet our liabilities as they fall due.

The accounts are prepared on a going concern basis.

Please refer to the Accounts section for further information about our finances.

Performance report: Analysis

The section provides information about TPO's performance during 2024/25. It includes analysis of casework statistics and performance against our strategic goals.



Casework review – Pensions Ombudsman

Performance overview

In the past year, we have seen a notable increase in casework volumes, driven by a variety of factors, including increased demand and the impact of external circumstances. Despite the growth in the number of cases, our team has risen to the challenge, demonstrating exceptional adaptability, efficiency, and dedication in managing this workload.

Achievements

Exceeding targets: Initially, our projections anticipated a 15% increase in casework volumes compared to the previous year. This took into account both a general increase in demand and some cases that would have reached us in the previous year but did not due to the cyber incident. The actual figures have exceeded forecasts by a significant margin, and we have seen a 39% increase, representing an additional 2,687 new cases this year compared to 2023/24.

We have also consistently surpassed our targets for case closures across the casework department resulting in a 42% increase in closures this year compared to last year.

Operating Model Review: Our OMR programme really started to deliver for us in 2024/25. Through strategic resource management and the implementation of streamlined processes, our team has successfully maintained high levels of productivity without compromising on quality.

Key successes from the OMR programme include:

- ▶ Making it a requirement for parties to have completed the IDRP or other appropriate complaint handling process before we will formally accept a complaint.
- ▶ Introducing Expedited Determinations resulting in earlier opportunities to formally resolve complaints thereby reducing waiting times by up to 18 months in some cases.
- ▶ Expanding the categories of complaint in which the Ombudsman uses his discretion not to investigate a matter.

See page 41 for more detailed information on the evaluation of the OMR programme.

Enhancing casework quality: In addition to meeting our closure targets, we remain dedicated to maintaining high standards of casework quality. We have consistently prioritised strong decision making and effective case administration, ending the year with a quality score of 85% in Q4. Although this falls slightly short of meeting our overall quality key performance indicator (KPI) for the past year, we have prioritised resource to ensure our team continues to deliver accurate, timely and professional results in the year ahead. We are rolling out a new Quality Assurance Framework in 2025/26, which will place an even greater emphasis on casework quality.

Team collaboration and innovation: The increase in casework volumes was met with a collaborative spirit across all TPO departments, with team members working closely to identify solutions, share knowledge and foster an environment of continuous improvement. While the volume of work has posed challenges, it has also provided valuable opportunities for professional growth. The team has shown incredible resilience, adapting quickly to evolving demands and showing a strong commitment to both personal and collective development.

Contacts

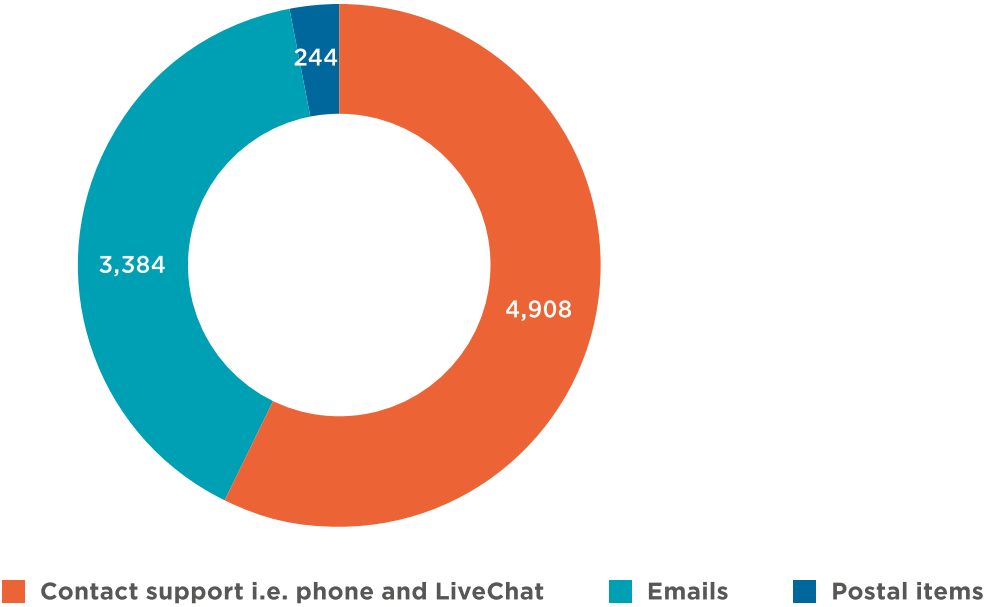
Our contact and support teams handle initial contacts to TPO by phone, LiveChat, email and post.

In dealing with these contacts our aim is to:

- ▶ Engage – we build trust with the customer and ask direct questions to discover what the problem is. This ‘engagement’ sets the tone for the remainder of the customer’s journey through the complaint process and paves the way for what might happen next
- ▶ Educate – we explain the options available to the customer including, but not limited to, the service provided by us. If TPO might be able to help, we will explain what happens next and what steps need to be taken
- ▶ Resolve – where we can provide an immediate solution, we will do so through talking to the customer.

In 2024/25, our contact and support teams handled 10,514 overall contacts (2023/24: 9,923), which include 8,531 new contacts.

How contacts were received



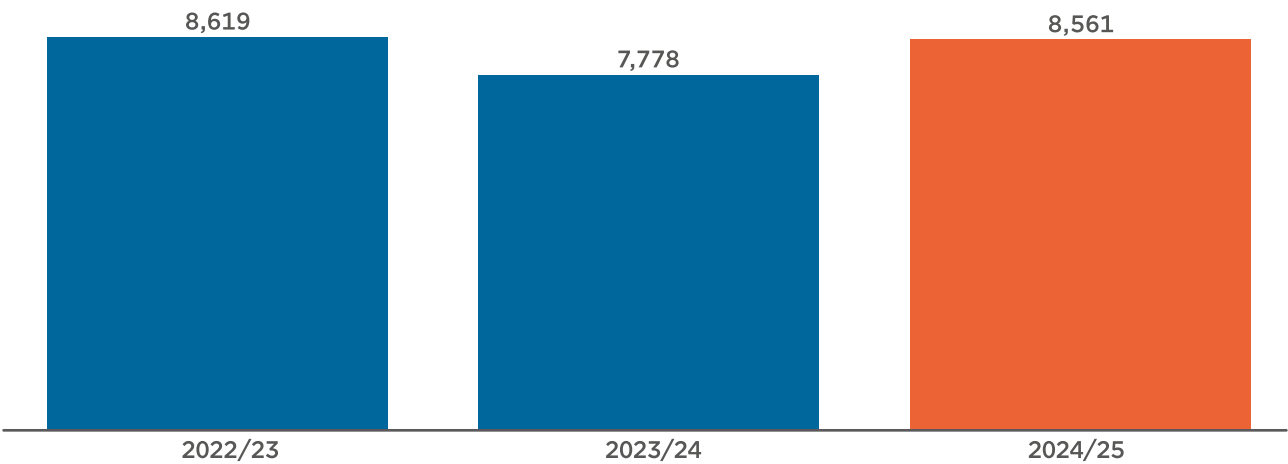
General enquiries

A number of contacts will progress to be general enquiries where the matter may not be dealt with in a single interaction and more involved work is required. As with contacts, our aim with general enquiries is still to engage, educate and resolve the issue, but this may take longer.

- We resolved 8,561 general enquiries during the year. 95% of these were resolved within four weeks.

See page 119 for an example of a more complex general enquiry.

Resolved general enquiries

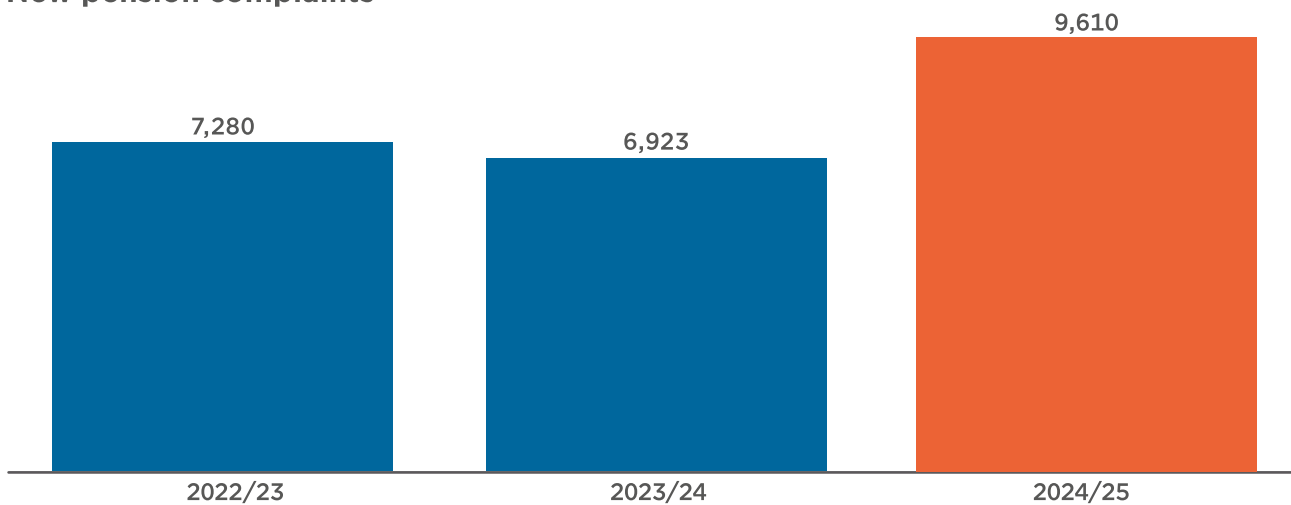


Pension complaints

New pension complaints

- We received 9,610 new complaints in 2024/25 – up from 6,923 the previous year. The reduction in demand in 2023/24 was due, at least in part, to issues that arose as a result of the cyber incident (for example, the switch from an online application to a PDF version).

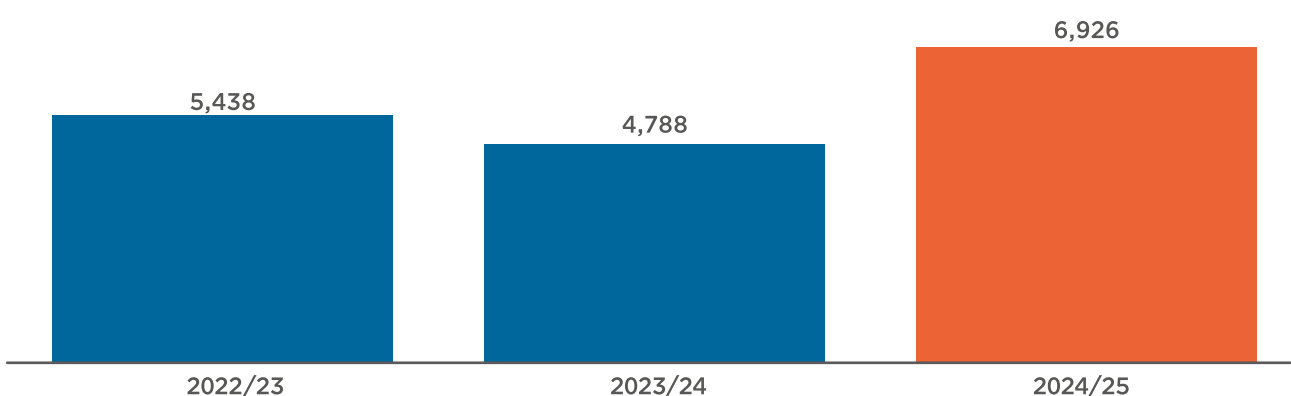
New pension complaints



Assessment of pension complaints

The first stage in our process is to assess the validity of the application which includes making sure that the scheme's internal complaint procedure has been completed and then to decide whether informal resolution or formal adjudication is the best route for valid pension complaints. If the application is invalid or lacking the information required to proceed with the complaint, it will be closed. Some of these pension complaints may re-open in the future. In 2024/25, we closed 6,926 pension complaints during our assessment stages (2023/24: 4,788).

Assessment closures



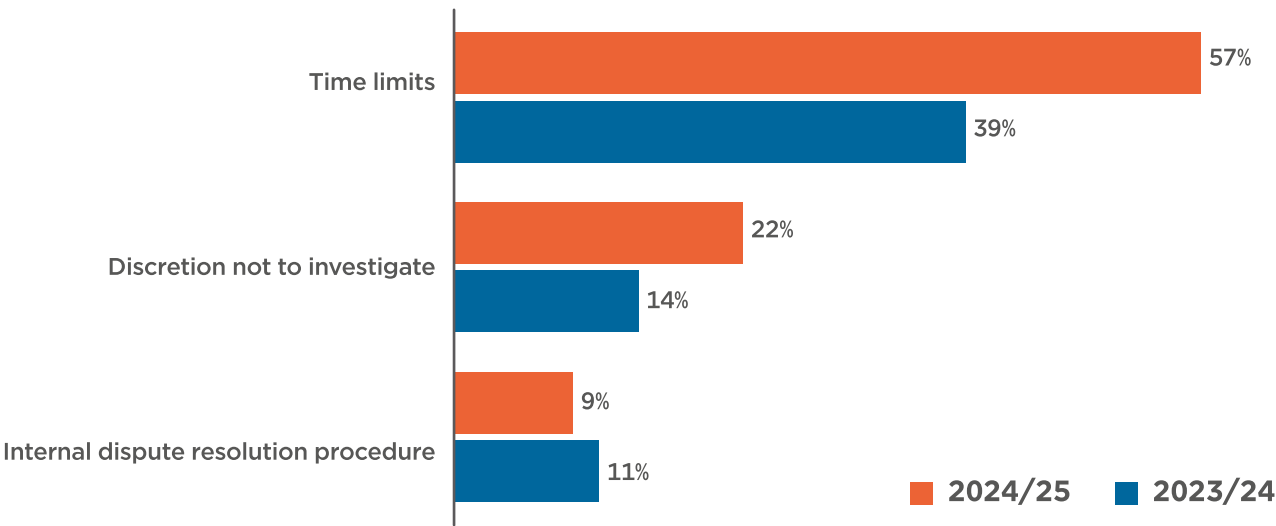
Of the 6,926 closures, around:

- ▶ 85% were due to the application being invalid
- ▶ 10% were due to a formal decision that the pension complaint was outside our jurisdiction for our formal powers to be used
- ▶ 3% were due to early engagement with the applicant to explain that a pension complaint was unlikely to succeed later in our processes
- ▶ 1% were due to no consent being received from the applicant for the matter to be resolved informally by our resolution service.

Of the complaints rejected as invalid, the reasons were because the customer had not provided us with any documentation, had not yet raised the matter with those being complained about or they needed to complete the scheme’s IDRP.

Complaints closed for being outside our formal jurisdiction were rejected for several reasons, the three main reasons are illustrated below:

Jurisdiction rejection reasons



- ▶ Time – a significant number of pension complaints, that were assessed during our formal jurisdiction, were outside of our time limits, as defined under Regulation 5 of the 1996 Regulations.
- ▶ Discretion not to investigate – the second most significant reason was that pension complaints could not be investigated, because either staleness/lack of evidence, or the pension complaint brought to us was about matters so significantly out of time, that the Limitation Act 1980 provided a complete defence to their complaint.
- ▶ IDRPs – the IDRPs were not completed, and it needed to be, to progress the matter to the adjudication service.

Valid applications that meet jurisdiction will be passed to either a Resolution Specialist in our informal resolution service or an Adjudicator in our formal adjudication service to investigate.

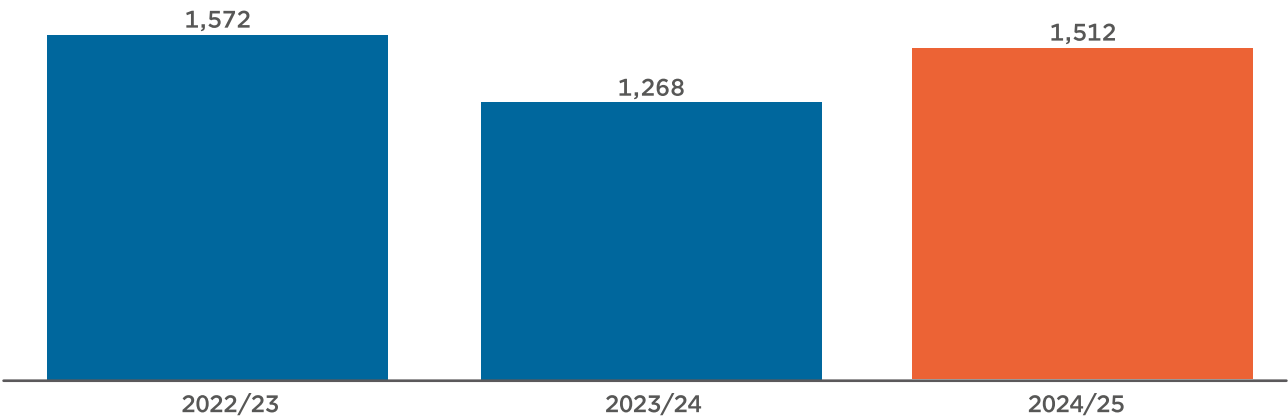
Resolution service and informal resolution

Since October 2024, applicants are required to exhaust a scheme's internal complaints process including IDRPs before bringing a complaint to TPO. This helps ensure that schemes are meeting their regulatory responsibilities around complaint handling and members are able to secure fair outcomes without the need to seek formal intervention from an alternative dispute resolution provider such as TPO.

In 2024/25, the resolution service handled 1,905 complaints with an aim of resolving at least 80% of these informally to the mutual satisfaction of both parties, ensuring that at least four of every five cases handled would not need to be escalated to a further stage of the TPO process or require formal Determination. This is in the best interest of all parties, and overall, the resolution service was able to help schemes and members achieve a mutually agreeable resolution in 81% of the complaints they were involved in. During 2024/25, the resolution service closed 1,512 cases (2023/24: 1,268). We expect the number of cases to decrease during 2025/26 as more straightforward cases are resolved by scheme's internal complaints processes leaving more complex, entrenched cases to be resolved by TPO.

TPO's team of volunteer advisers continue to focus on supporting scheme members pre-IDRP, with advisers having the opportunity to provide impartial support to members before internal complaints processes have been instigated or exhausted, again with the intention of bringing about more timely resolutions for all parties and preventing unnecessary pension complaints being formally escalated to TPO.

Resolution closures



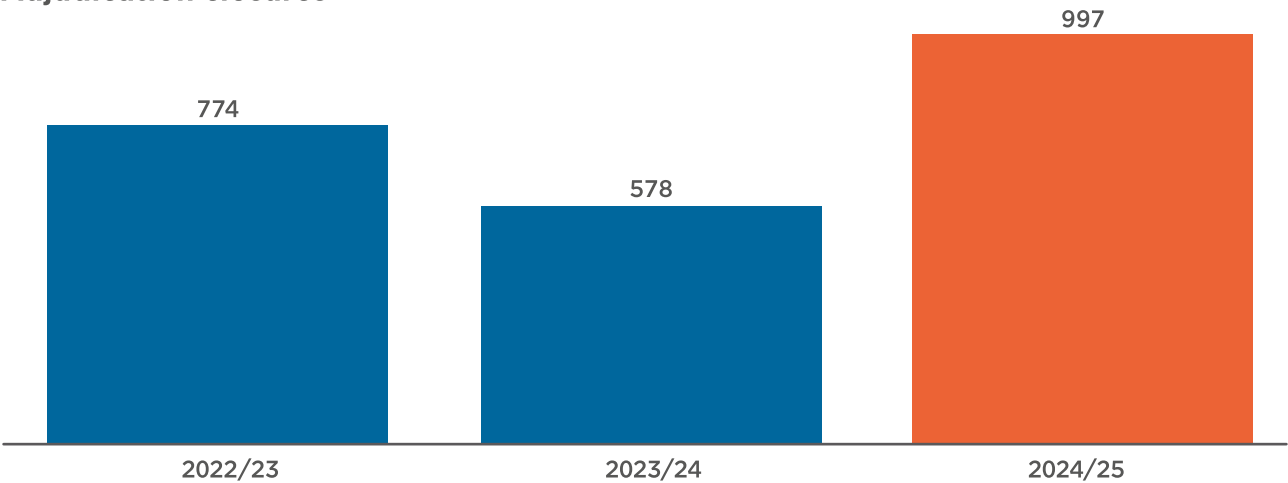
See page 120 for resolution service case studies

Adjudication service

In 2024/25, we closed 997 pension complaints through our formal adjudication service, up from 578 in the previous year. This includes those that were subsequently determined by the Pensions Ombudsman or the Deputy Pensions Ombudsman.

While increasing the number of closures, we also increased our capacity to resolve more complex cases which require suitably experienced adjudicators and are more time consuming to conclude. We closed 394 of these cases in 2024/25, compared to 156 in the previous year. These cases also take longer to allocate due to more limited capacity to investigate them, and so these are older cases within our caseload. Through upskilling our adjudicators we have been able to allocate these more quickly. This capacity is planned to increase further as we have been able to convert a number of fixed term contracts to permanent ensuring that valuable experience is not lost going forward.

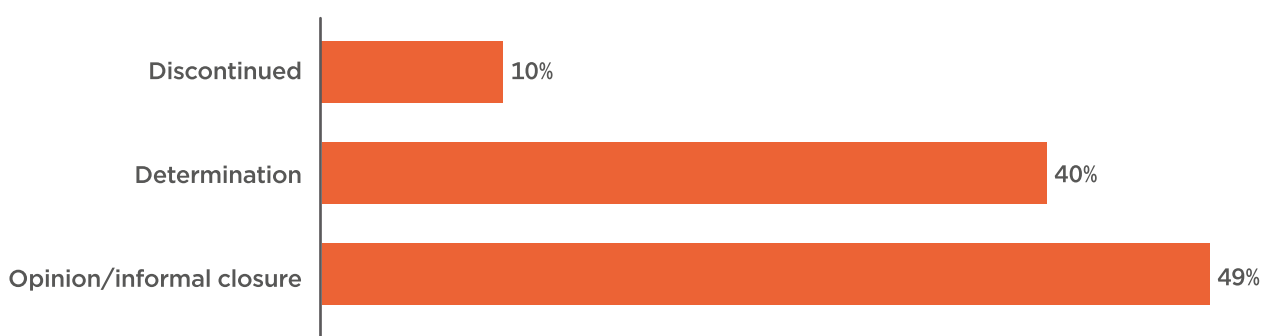
Adjudication closures



There are several ways in which a pension complaint can be concluded once it has been accepted by adjudication.

- ▶ **Discontinued** – an applicant may decide to drop the complaint or have reached a settlement directly with the provider. Alternatively, the Pensions Ombudsman may decide that the investigation into the complaint should not continue. Before discontinuing an investigation, we will tell all parties to the complaint why the investigation is likely to be discontinued and give them an opportunity to make representations.
- ▶ **Opinion or informal closure** – for cases where resolution may still be possible an Adjudicator may look to resolve the matter. Any agreement will be followed up by a written report issued to the parties involved in the complaint and the case will be closed. These cases are then discontinued.
- ▶ **Determination** – when some or all of the people involved in the complaint do not accept the Adjudicator's Opinion, the complaint is referred to the Pensions Ombudsman along with all the submissions made by the parties. The Pensions Ombudsman (or Deputy Pensions Ombudsman) will make their own decision, based on the evidence, and issue a Determination. Before making their final decision, the Pensions Ombudsman might decide to call for additional evidence or further investigation. A complaint may also be determined following the Pensions Ombudsman's preliminary decision – in some cases, the Pensions Ombudsman might issue a preliminary decision before making a Determination, for example, where the complaint is highly complex with many issues to be addressed.

Adjudication conclusions



The % figure in this graph is based on comparing the type of closure to adjudication closures where the decision type is populated. Previous Annual Reports published a % that compared the type of closure to all closed cases. Therefore the % comparisons are not directly comparable to previous years.

Determinations

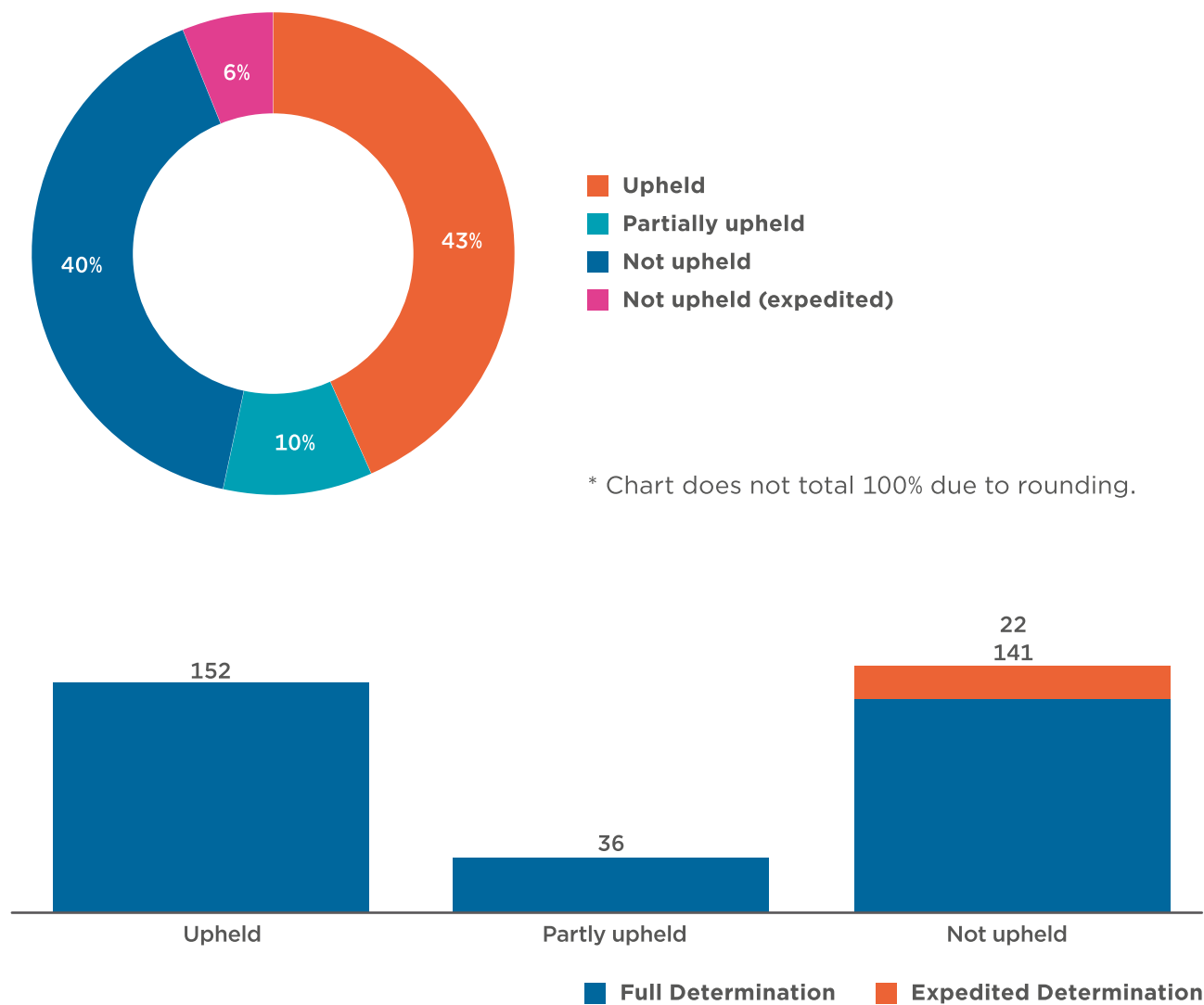
In 2024/25, a total of 351 pension complaints were closed by Determination. Determinations are decisions made by either the Pensions Ombudsman or the Deputy Pensions Ombudsman.

329 of these were cases progressed by our formal adjudication team, up from the figure of 245 in the previous year. However, while Determinations increased, the proportion of cases which required a Determination reduced from 42% in 2023/24 to 33%.

In 2024/25 (as detailed on page 30) we began using Expedited Determinations to bring cases that have a clear outcome to a close earlier in our customer journey. We issued 22 Expedited Determinations.

Only pension complaints by Determination can be said to have been upheld or not. In 2024/25, 188 cases of the 351 (53%) were upheld or partly upheld (2023/24: 96 or 39%). See page 124 for Determination case studies.

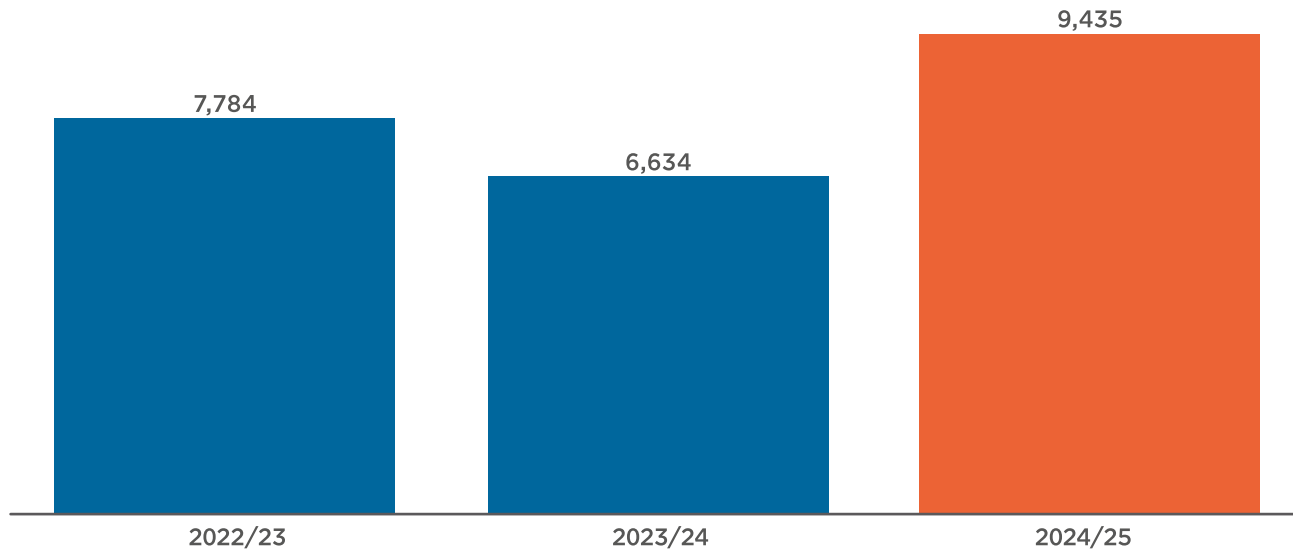
Outcome of Determinations*



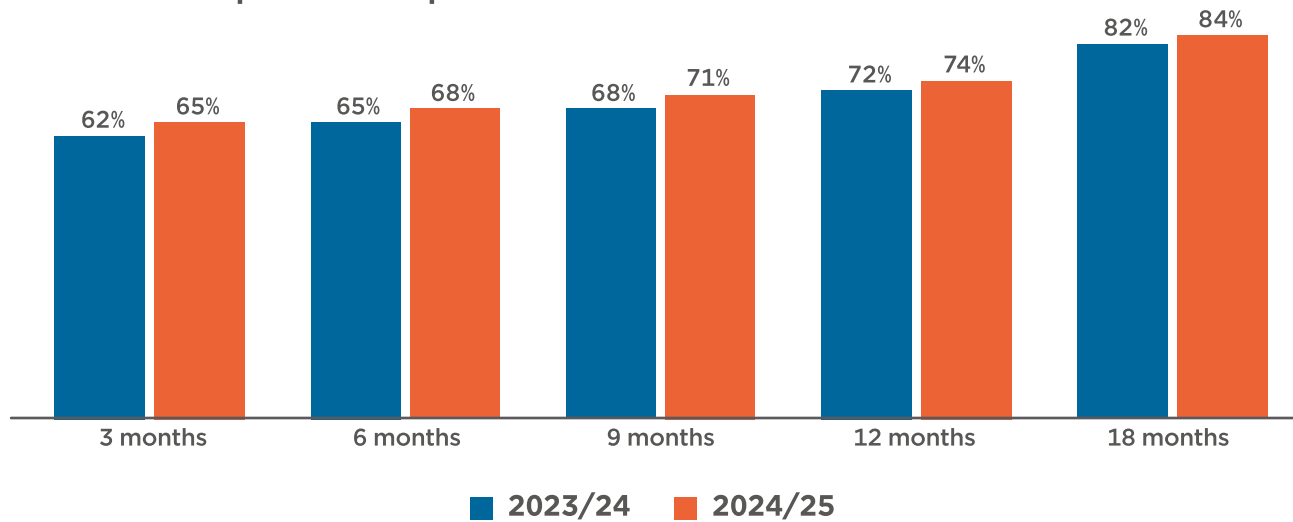
Total pension complaint closures

Overall, we closed a total of 9,435 pension complaints in 2024/25.

Total pension complaint closures



Timescales for pension complaint closures



We remain committed to delivering a fair, balanced and efficient service to customers at every stage of our customer journey. In 2024/25, our focus continued to be on reducing waiting times at key points and providing clear, relevant information as early as possible.

Our performance targets are measured from the receipt of a valid application through to case closure. In 2024/25, we closed 71% of pension complaints within nine months, exceeding our target of 55%. Additionally, 84% of cases were closed within 18 months, outperforming our target of 65%.

A key part of our approach is ensuring customers understand the steps they need to take to submit and progress a formal complaint with their pension provider. When we are unable to investigate a complaint, we explain this as early as possible and, where appropriate, signpost customers to other organisations that may be able to assist.

OMR programme initiatives introduced during the year contributed to an increase in earlier complaint resolution. These changes have helped us provide clarity on how and when we can assist, right from the outset of the customer journey.

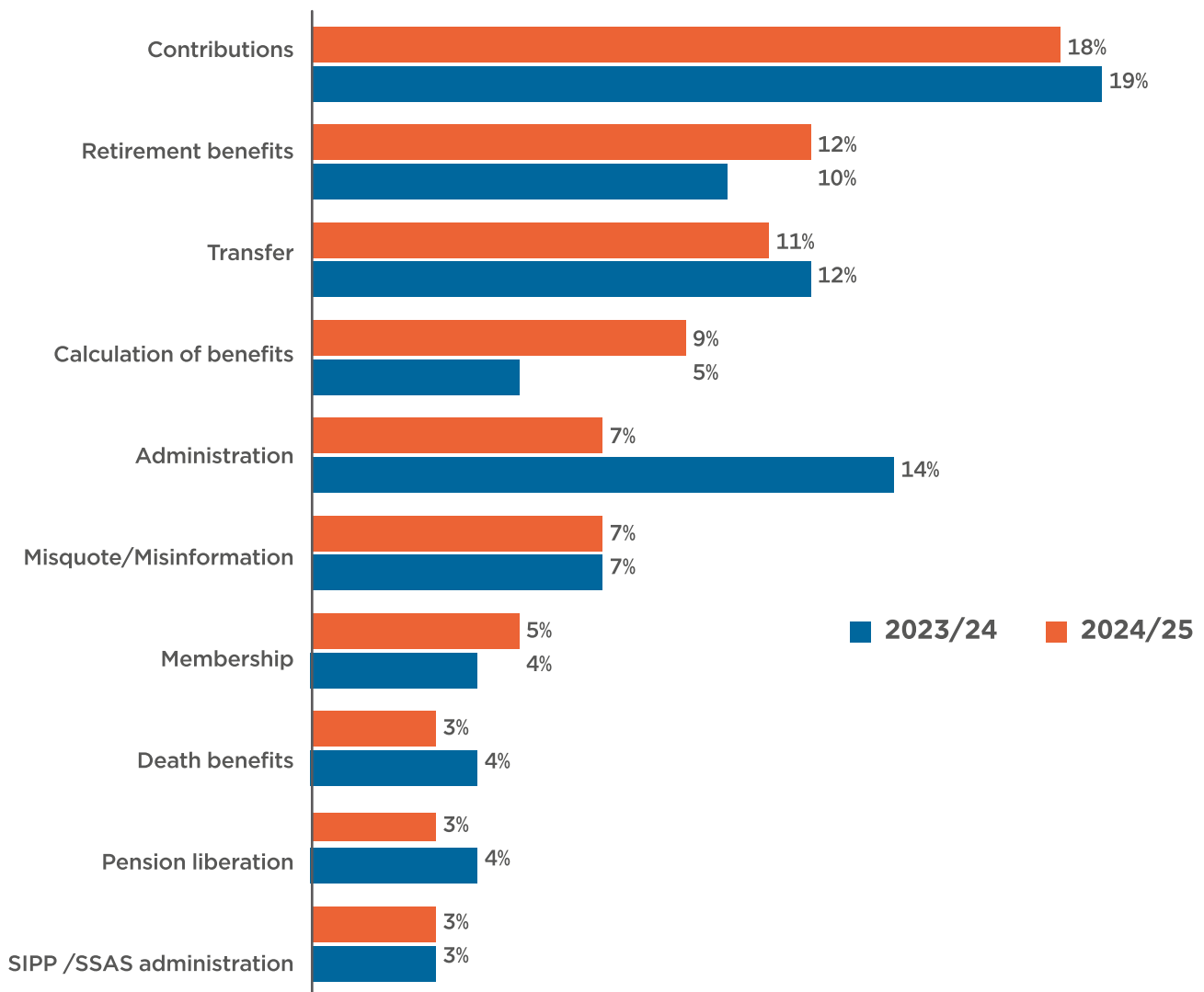
Despite our aim to reduce the number of active pension complaints aged over 18 months by 25%, we saw an increase of 3% in these cases. However, this is a considerable reduction on the previous year which saw a 23% increase in cases over 18 months. The smaller increase demonstrates our commitment to tackling these older, more complicated cases. These older cases represent our historical backlog and at the end of 2024/25 we had 2,219 active cases in adjudication, 87% of which were 18 months or older. Cases that are 18 months or older tend to be our more complex cases.

Our oldest cases are typically handled by our adjudication service and tend to involve complex or specialist matters which require more time to allocate and investigate and not all adjudicators have the knowledge and experience to investigate these complex cases. We are investing in upskilling these caseworkers and plan to build on this further in 2025/26.

We are also taking active steps to reduce the volume of cases reaching the adjudication service. For instance, one of the key OMR programme changes now requires parties to have exhausted the scheme's own formal complaint resolution process before we will accept a pension complaint. This allows for earlier resolution between the parties and reduces the number of formal complaints we need to investigate. Furthermore, the introduction of our Expedited Determination process led to 104 cases being resolved earlier in the process, without the need for further investigation by adjudication.

Looking ahead to 2025/26, our focus in adjudication will be on enhancing the expertise and capability of our teams to manage complex and specialist cases more efficiently. We will increase case allocations within these categories and continue our efforts to reduce both the volume and age of cases awaiting resolution.

Subject matter of closed pension complaints (top ten)



The chart above shows the 10 most common topics of pension complaints concluded by our assessment teams, resolution service, adjudication service and the Pensions Ombudsman in 2024/25. For comparative purposes, the corresponding figure for 2023/24 has also been included.

It is important to note that this shows the proportion of our overall closures from these topics each year, therefore it does not automatically follow that there has been an increase in the number of complaints we received about these topics.

Note: there has been a significant reduction in the proportion of cases categorised as relating to administration. This reflects our decision in September 2024 to discontinue use of this topic on the basis that it does not accurately capture the underlying issues within the complaint.

Casework review – Pension Protection Fund Ombudsman

This part of our report describes the small part of our work concerning the Pension Protection Fund (PPF) Ombudsman’s jurisdiction. Financial information is in note 1 of the accounts on page 106.

The work of the PPF Ombudsman covers:

- ▶ PPF maladministration – we can investigate and determine complaints of maladministration on the part of the PPF.
- ▶ PPF reviewable matters – we can review decisions made by the Board of the PPF, but only after they have been reviewed by the Board of the PPF and then considered by its Reconsideration Committee.
- ▶ Financial Assistance Scheme appeals – we have jurisdiction to determine appeals against decisions made by the PPF, as scheme manager of the Financial Assistance Scheme (FAS), relating to eligibility to receive compensation. FAS appeals can be subdivided further into two main categories: whether a scheme is eligible to be accepted by the FAS, and whether a member has received the correct entitlement.

PPF cases 2024/25

	In hand at 01/04/24	New/ re-opened matters	Completed investigations	In hand at 31/03/25
PPF maladministration	9	3	6	6
PPF reviewable matter	7	7	5	9
FAS appeal	5	3	3	5
Total	21	13	14	20

The overall number of PPF cases received is broadly similar to previous years.

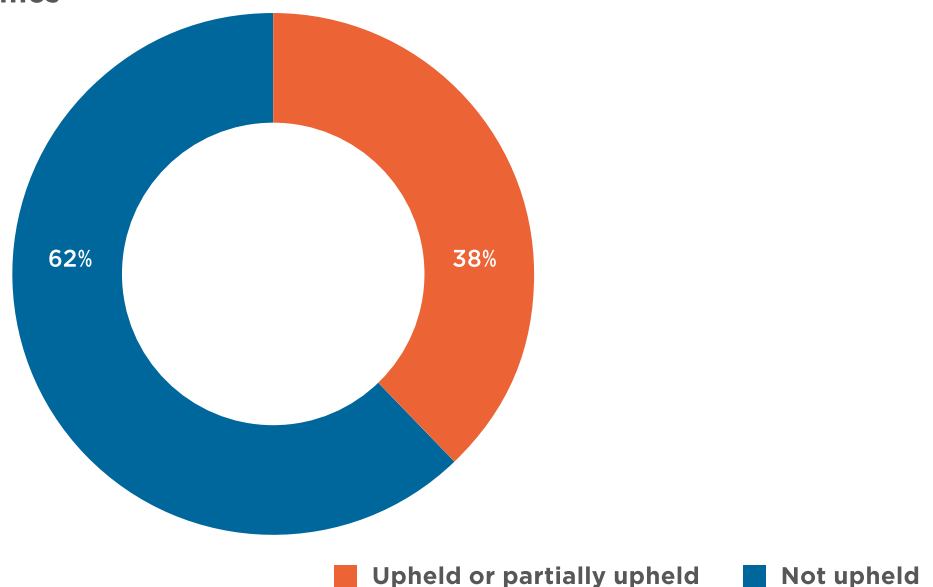
Complaints about our service

We are committed to providing a high standard of service and we will always strive to resolve any concerns at the earliest opportunity, before there is a need to raise a formal service complaint. Where this is not possible, individuals can submit a complaint to our customer service team. If they remain dissatisfied with our final response, they may refer the matter to the Parliamentary and Health Service Ombudsman (PHSO).

Service complaints relate to the standard of service we have provided and cannot be used to challenge the outcome of a pension complaint. Where customers are unhappy with a decision, alternative routes are explained at the appropriate stage of our process.

In 2024/25, our customer service team recorded 96 service complaints, accounting for less than 2% of our active caseload. While this was a slight increase from the 84 received in the previous year, our timeliness when responding to complaints remained consistent. We responded to complaints in an average of 16 working days, remaining within our internal KPI of 20 working days.

Service complaint outcomes



All service complaints are reviewed impartially, and the outcomes are used to identify learning and opportunities for improvement. This year, 38% of service complaints were upheld or partially upheld, a notable decrease from 57% in 2023/24. As in previous years, the most common themes include delays and waiting times, which accounted for 53% of all service complaints. Other themes included concerns about how we handled a case (23%), and disagreement with our processes (11%). In response to the complaints we have upheld, we have reinforced internal guidance around managing expectations and improving internal handovers. Handover points between teams have been identified as a key area for improvement and are being reviewed as part of our OMR programme during 2025/26. We also review departmental waiting times quarterly to ensure they accurately reflect our current position.

At the time of publication, the most recent PHSO data available details that in 2023/24, no complaints against TPO were accepted for detailed investigation.

The courts

This section provides details of appeals, judicial reviews and other interaction with the courts.

Appeals – overview

Pensions Ombudsman appeals in England and Wales 1 April 2024 to 31 March 2025

Outstanding at the start of the year	5
New	3
Heard/settled/withdrawn during the year	4
Remaining at year-end	4

Pensions Ombudsman appeals in Scotland 1 April 2024 to 31 March 2025

We received one appeal in Scotland. We decided not to state a case, and that decision was not challenged in the Court of Session by the Appellant (see below for details).

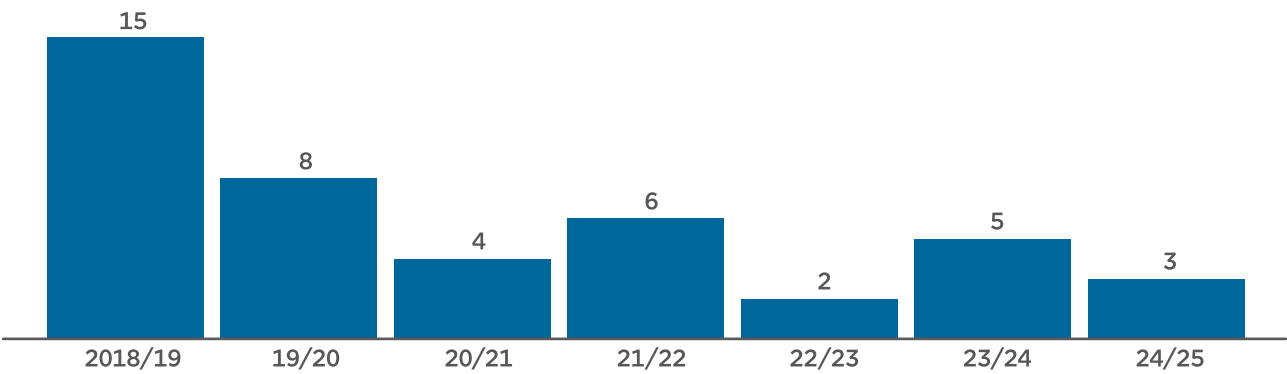
Pensions Protection Fund Ombudsman appeals 1 April 2024 to 31 March 2025

We did not have any appeals outstanding at the start of the year nor receive any new appeals during the year.

Appeal trends

This year there were fewer new appeals against Determinations, although still broadly in line with the modest levels of recent years. For judicial reviews (see page 40) there were no formal claims or Pre-action Protocol letters received by TPO this year. Given the low numbers, it is hard to identify any trends in these figures. However, the sustained low numbers of appeals and lack of judicial reviews suggest that TPO continues to achieve excellent standards in its Determinations and pre-Determination decisions.

New TPO appeals*



* Please note that from 2023/24 onwards, the total figure includes appeals in England and Wales, Northern Ireland and Scotland.

Appeals – in-depth review

England and Wales

During 2024/25 five applications for permission to appeal were made in the High Court (with three granted, one refused and one pending). Examples of these include:

Mr & Mrs S v Trustees of the Royal Mail Defined Contribution Plan – (CAS-45582-S0J0)

This case concerned the allocation of a lump sum death benefit upon the death of their son. The Court refused permission to appeal on the basis that the appellants had failed to establish any arguable basis that the Ombudsman had fallen into legal error. In refusing permission, the Judge stated that he was minded to certify the appellants’ application for permission to appeal as wholly without merit, but because of the unrepresented status of the appellants and their unfamiliarity with the English courts process (Mr and Mrs S were not resident in the UK) he did not do so.

Spirit (Legacy) Pension Trustee Limited v Alexis- Spirit Legacy Pension Scheme (CAS-29191-V6G7)

This case concerns a complaint to the Ombudsman by Mrs Alexis. Under the scheme, a supplement was payable until Mrs Alexis’ ‘State Pension Age’ (**SPA**). SPA was defined in the scheme rules by reference to the Pensions Act 1995 (the **1995 Act**). The issue before the Ombudsman was whether this referred to the 1995 Act as at the date of the Trust Deed or Rules or whether it needed to reflect subsequent changes in the 1995 Act. The Ombudsman determined that the correct approach was one that included subsequent changes to the 1995 Act.

On consideration of the appellant's grounds of appeal and skeleton argument, it became apparent that new arguments were being raised on appeal that had not been made before the Ombudsman and so were not addressed during the complaints process. As Mrs Alexis was unrepresented, TPO drew this to the attention of the Court. Nonetheless, permission to appeal was granted on all grounds because the Court considered the new points would not have had a material effect on the way that the Ombudsman proceedings were conducted. The appeal was heard in May 2025 (after the end of this financial year) and the judgment is awaited.

We are mindful that if the new points had been argued before the Ombudsman it would have given the Ombudsman the chance to consider and rebut them or be persuaded by them, possibly reducing the chance of an appeal. Moreover, in terms of equality of arms (ensuring all parties are able to properly present and argue their case), it is much more difficult for individuals to participate in appeal proceedings, whereas the Ombudsman process is free and does not require representation. This shows how important it is for respondents to put appropriate resources and effort into both IDRP and TPO's processes to ensure the matter comes to a conclusion at the earliest opportunity.

Appeals in Scotland

As mentioned above, we received one Scottish appeal.

Mr L v The PNPf Trust Company Limited (the Trustee) – Pilots' National Pension Fund (CAS-55231-T8P5)

This case concerned an incorrect illustration of a cash equivalent transfer value (CETV). The Deputy Pensions Ombudsman found that there had been maladministration for which a sum of £500 was awarded in respect of Mr L's distress and inconvenience. However, the Deputy Pensions Ombudsman also found that it was not reasonable for Mr L to have relied on the CETV illustration and so Mr L's substantive claim for financial loss was not upheld.

Mr L asked TPO to state a case on 10 proposed questions. Under Rule 41.10(1) (b) of the Rules of the Court of Session, TPO can refuse to state a case if the question a) does not arise, b) does not require to be decided for the purposes of the appeal, or c) is frivolous. The majority of points raised by Mr L were allegations of factual inaccuracy or procedural inadequacy that TPO refused to state a case on as they did not arise and were misconceived as points of law on which Mr L could appeal. The remaining questions were refused on the basis that they were frivolous. The refusal to state a case was not challenged by the appellant, Mr L.

Parity between Scotland and England & Wales

The case of Mr L gives a flavour of the nature of the questions often raised on Scottish appeals that would likely fail permission stage in England and Wales (E&W) on merits grounds. We continue to seek, through the Scottish Civil Justice Council, revisions to the procedure to bring it in line with E&W.

TPO also noted during the year that a Scottish applicant had difficulty enforcing a favourable Determination in Scotland. TPO does not have enforcement powers – legislation provides that Determinations may be enforced through the courts by applicants as if they were court orders. Whereas in E&W, enforcement is dealt with by the county court, in Scotland it is generally undertaken by a Sheriff Officer. The Sheriff Officer (wrongly) said he could not enforce the Determination and referred the applicant back to TPO. We supported the applicant in his dealings with the Sheriff Officer, providing details of the applicable legislation relating to enforcement of Determinations as well as providing information about the anonymisation of Determinations. As Determinations seldom have to be enforced, there appears to be a lack of awareness of their status in Scotland and highlights another unfortunate anomaly with the situation in E&W in respect of the enforcement procedure.

Judicial review

This year no formal applications were made by pre-action protocol or to court for judicial review of any TPO decision. Although three threatened challenges to TPO's decisions were made, which TPO robustly responded to, ultimately these were not progressed.

Key achievements against our Corporate Plan

The Corporate Plan 2024/25 sets out our strategic goals and the programme of work to support their delivery. This section summarises key activities undertaken last year against the three strategic goals set for 2024/25.

Looking ahead beyond 2024/25 and outside of the scope of this Annual Report, our new Corporate Strategy (2025-2028) sets out our strategic direction over the next three years and our Corporate Plan 2025/26 sets out our future goals and priorities for 2025/26.

Strategic goal one: Providing a customer-focused service, maintaining quality while reducing the time taken to resolve occupational and personal pension complaints.

Evaluating OMR programme changes delivered during 2024/25

In 2024/25, TPO made significant progress toward reforming its operating model, achieving a record number of complaint closures. We effectively responded to an increased demand for services and laid the groundwork for a sustained reduction in waiting times over the next three years. Our highly successful OMR programme, established at the start of 2024/25, has received widespread support both internally and externally and is well positioned to continue delivering impactful improvements as we move forward over the next two to three years.

The OMR programme involved a comprehensive, end-to-end evaluation of our processes to identify opportunities for reducing case progression times. The review focused on three key areas of improvement:

- ▶ reducing complaint volumes
- ▶ earlier decision making
- ▶ increased efficiency.

As a result of the changes that we have implemented and our wider focus on operational performance, we have delivered a major transformation in our performance as an organisation over the last 12 months, exceeding the total number of forecast closures that we set at the start of year by 25%, and achieving an overall closure rate that was 42% ahead of the previous year.

Key changes included in the OMR programme include:

- ▶ Making it a requirement for parties to have completed a scheme's formal complaint handling process before we will formally accept a complaint.
- ▶ Introducing Expedited Determinations resulting in earlier opportunities to formally resolve complaints.
- ▶ Expanding the categories of complaint in which the Ombudsman uses his discretion not to investigate a matter.

As a result of these key initiatives, over 1,870 additional complaints were closed this year.

Requirement to complete a scheme's formal complaint handling process

One of the ways we can reduce complaint volumes is to tighten up our requirements for new complaints coming to us. Following a successful pilot, since October 2024 we have required all applicants to have exhausted a scheme's formal complaint handling process before we will consider investigating a complaint. This reflects the requirements of our overriding legislation.

This empowers schemes to resolve complaints earlier without TPO's involvement benefitting both members and dispute resolution across the industry.

Spotlight: example of a response from a customer referred back to the scheme's IDR

"I write to inform you that following my submission of the IDR form as requested by yourselves, I can report back to you that the matter has been fully resolved and the funds paid out in full to myself as requested and due to me.

The matter is therefore fully resolved and closed.

Thank you for your assistance in this matter."

It also ensures that we make the most effective use of the time and expertise our volunteers generously afford us. The strategic use of volunteers earlier in proceedings supports and encourages delivery of the right outcomes to customers in a timely fashion. It can also help prevent the unnecessary escalation of complaints that might otherwise overwhelm teams with correspondence and linked complaints and even forestall the need for ministerial involvement.

Spotlight: Effective use of volunteers' time and expertise

Summary

A member of the respondent's Pension Plan approached TPO, alleging that he and other pension scheme members had been financially disadvantaged by the way in which their pension entitlement had been calculated by the trustees.

Background

The scheme member had previously raised a similar complaint, in relation to his own pension rights. On this occasion, he approached TPO claiming to represent a further 400 members of the scheme that he believed to have been correspondingly disadvantaged.

It was alleged that detriment had arisen as a result of:

- ▶ trustee decision made in respect of PCLS in 2011 and an alleged lack of information when providing retirement options, specifically around the fact that PCLS would be commuted from the element of pension that was subject to guaranteed pension increases
- ▶ trustee decisions not to award discretionary pension increases in 2022, 2023 and 2024.

Whilst the member had also raised his concerns with his MP, the matter had not been raised as a complaint with the trustee of the Plan via IDRP. As the scheme-level complaints process had not been exhausted, this meant that the complaints were not yet in a position to be formally progressed with TPO.

Mindful of the potential for TPO and the Plan to be inundated by a large influx of linked complaints, with the associated service and administrative challenges this would cause each party, TPO explored the possibility of treating the lead member's individual complaint as a 'lead case' and allocating an experienced volunteer adviser to provide impartial and objective support to the member in his correspondence with the scheme. This approach met with the approval of the lead member and his MP.

Outcome

Thanks to the excellent work of the volunteer, TPO was able to allay the member's concerns around the conduct of the scheme and the financial impact of the decisions complained about, demonstrating to the member's satisfaction that:

- ▶ the scheme had acted within the scope of its scheme rules
- ▶ there was no evidence of maladministration regarding its decision-making process
- ▶ no financial harm had been suffered as a result of the trustee's decisions.

Upon relaying these points to the other members, the lead member elected not to proceed with either the scheme-level IDRP or a further application to TPO.

As well as highlighting the wealth of technical pensions expertise that our volunteer network affords TPO and those that use our service, this case provides a good example of how the targeted use of our volunteers earlier in proceedings can help expedite a fair and timelier outcome for customers, whilst also reducing the need for lengthy, formal arbitration by TPO.

Expedited Determinations

Another key workstream has involved Expedited decisions or Determinations on cases assessed as having a clear outcome. For example, where a pension provider supplied an incorrect benefit statement, but it is clear no loss was caused by the error. In situations like these, an initial decision is issued to all parties setting out the caseworker's view. If any party disagrees, they can ask for the case to be referred to the Ombudsman who will issue a final and binding Determination if they agree with the caseworker.

These shorter Determinations bypass the adjudication process and are similar to summary judgments used by the courts.

Between September 2024 and March 2025, we closed 104 cases in this way. Of these, 22 were final and binding Expedited Determinations by an Ombudsman. Typical examples of the types of issues we have seen so far include cash equivalent transfer values and lifestyle investments – see case studies below.

This new process allows us to resolve disputes quicker, reducing the amount of time customers wait in our queues which enables us to focus our adjudication resources on complex cases requiring more in-depth investigation.

Spotlight: Expedited Determinations

CAS-102542-W9C8

Summary

The applicant complained that he received a lower cash equivalent transfer value (CETV) quotation in 2023 than previous CETV quotations he had received in 2022 and 2021. He claimed financial loss equal to the difference between the 2022 and 2023 quotations.

Background

The applicant was a member of a defined benefit pension scheme. In January 2021, the applicant received a CETV of £332,050.98. In January 2022, the applicant received another CETV of £368,722.62 (the 2022 CETV). In January 2023, the applicant received an updated CETV (the 2023 CETV) of £248,612.76, which was significantly lower than the previous CETVs. The applicant made a complaint to the scheme trustee under the IDRPs.

At IDRPs the trustee did not uphold the complaint, on the grounds that the 2023 CETV was calculated using the appropriate agreed factors in force at the time in question and a CETV was an estimate of the cost of providing the applicant's benefits.

The applicant complained that he would have acted differently had he known that the 2023 CETV would reduce, and claimed his loss as the difference between the 2022 CETV and the 2023 CETV. He also alleged that the trustee had manipulated the 2023 CETV to cut costs and liabilities, and that it was for the trustee to demonstrate that this was not the case.

Outcome – Not upheld

The Ombudsman found that the trustee had not provided any guarantee of the figures in the 2022 CETV beyond the statutory three-month guarantee period required by sections 95(1A) and 98 of the Pension Schemes Act 1993. The applicant's assertion that the 2023 CETV had been manipulated was entirely un evidenced.

CAS-95313-J4X1

Summary

The applicant complained that the Lifestyle programme applied by the respondent to the investments in his fund caused him to suffer financial loss.

Background

The applicant's fund was set up with a previous provider in 2014 and later acquired by the respondent. The fund was initially invested entirely in the previous provider's BlackRock (50:50) Global Equity Index fund, later the respondent's Pension BlackRock (50:50) Global Equity Index Tracker FP fund (the Equity fund). The fund was set up with a Lifestyle programme in 2014, which commenced transitioning the applicant's funds on 9 March 2018.

Each annual statement sent to the applicant from 2018 onwards included a section explaining that the Lifestyle programme was designed to gradually move investments into lower risk funds as retirement approached and to reduce exposure to fluctuations in the stock market. It also explained that there was no guarantee that the strategy would prove beneficial, that the value of investments, even in low-risk funds, could fall as well as rise, and included details of how to opt out of the strategy. Each statement recommended that the applicant take independent financial advice.

From 9 March 2018, the scheme's investment in the Equity fund was gradually reduced and invested in the respondent's Pension BlackRock Over 15 Year Gilt Index Tracker FP fund (the Gilt fund). The value of the scheme as at 31 August 2018 was £798.48.

The applicant complained that as a result of the shift from the Equity fund to the Gilt fund between August 2021 and August 2022, the value of his fund decreased by £150.29. The applicant asserted that he had not agreed to the reallocation of investment from the Equity fund to the Gilt fund.

Outcome – Not upheld

The Ombudsman found that the reallocation from the Equity fund to the Gilt fund was done in accordance with the Lifestyle programme communicated to the applicant, so did not amount to maladministration. The aim of the Lifestyle programme had been clearly communicated and appropriate warnings given that the strategy was not guaranteed to succeed. The respondent had also recommended that the applicant seek financial advice if he was unsure about the Lifestyle programme or its suitability for his circumstances.

Using discretion

Section 146 of the Pension Schemes Act 1993 (PSA 93), our governing legislation, provides that “*the Pensions Ombudsman may investigate and determine..*” pension complaints. This gives the Ombudsman a discretion whether to investigate a complaint brought to him. By placing specialist pension experts at the beginning of our complaints process, we’ve been able to identify complaints that would either be better placed at an alternative organisation or their complaint does not reach our threshold in some way, for example, there is no financial loss.

Spotlight: Using discretion – transfer delay

Delay in the transfer of a dividend payment – dismissed by Section 146 letter – CAS-134469-G9W1.

Summary

Mr N complained about a delay in the transfer of an additional dividend payment of £698.38 between two providers. For a relatively short period of time between 8 November 2024 and 25 November 2024, neither provider could locate this payment, which he says caused worry and inconvenience in having to follow this up with both providers.

Background

As part of the transfer, an additional dividend payment of £698.38 was due to be remitted, following the successful primary transfer payment of £513,859.26. The transferring provider claimed they sent the additional payment to the same account as the main transfer sum on 8 November 2024. The receiving provider claimed not to have received it until 25 November 2024. Neither provider has been able to identify a reason for the delay between the two dates. Both have referred to a miscommunication regarding the correct account for receipt of the funds, but neither party was clear as to how this affected the timescales.

Outcome

We decided not to accept the complaint for investigation as the injustice complained about did not surpass the materiality threshold for TPO to investigate.

We also noted that the complaint related to a relatively small sum of money (the short delay in transferring the £698.38) in the context of a transaction amount of over £500,000, for which the applicant claimed no financial loss. Furthermore, any loss would, in all probability, have been minimal as the £600 was only out of the market for around two weeks and there was no question as to the safe receipt of this additional sum. Although the complaint alleged non-financial injustice relating to a delay in payment of the additional sum, we considered any injustice suffered was insufficiently material to warrant an investigation into remedying it.

This meant the complaint was closed and no further steps taken in relation to it.

Lead cases

A standout success has been our ‘lead case’ approach, which we’re now using more than ever. When we identify an industry-wide issue or a scheme-specific issue affecting multiple members, we select a representative ‘lead case’ to accelerate through our processes. This allows us to set out our position clearly and quickly in a comprehensive Determination, which in turn supports the timely resolution of other complaints.

There are two ways we can achieve this:

1. The first is by taking on a single case while the others remain in the scheme’s own IDRP. An Ombudsman’s Determination then informs the trustee’s own IDRP cases. This is the approach we took in relation to a complaint against the NatWest scheme, where the trustee informed us that it had a large number of IDRP cases dealing with the same underlying issue.
2. The second applies when the cases have already completed a scheme’s formal complaints process and applications have been submitted to us. Where the material facts of a group of cases are very similar, in some circumstances the findings and directions in the lead case can be applied equally to all the linked cases. This was the approach we took in a number of recent decisions concerning Rowanmoor Trustees Limited’s role in making investment decisions in Small Self-Administered Schemes (SSAs).

Spotlight: Lead cases

Examples of the two different approaches

Summary

TPO cannot determine 'group cases' like the courts. However, we can investigate and determine one or more 'lead cases' about the same subject matter, to efficiently resolve a large cohort of similar cases. Two examples of this approach from the past year are below.

Rowanmoor

Applicants complained that Rowanmoor, as their Small Self-Administered Pension Scheme provider, had allowed them to invest in high-risk and/or illiquid investments, and that they had suffered financial loss as a consequence. We established that Rowanmoor Trustees Ltd (RTL) was a full co-trustee, but had failed to ensure that investment choices were appropriately made.

Following the Ombudsman's Determination in PO-25984, where the general principles and analysis were set out, we have been progressing four lead cases, each covering one of the four main categories of investments complained about by different applicants. Three of these lead cases have resulted in Determinations upholding the complaint, with one lead case still being investigated. Each of the three lead Determinations includes an appendix listing all of the other cases with equivalent investments, with the findings and directions in the Determination deemed to apply equally to them, and with RTL instructed to provide the appropriate remedy in each case. For example, in PO-28733, the Ombudsman found that RTL did not meet its responsibility to consider whether the investment into The Resort Group (relating to a hotel property in Cape Verde) was appropriate in the circumstances, and this caused the member financial loss. The other lead case Determinations are CAS-45541-T0B3 and CAS-78433-Y1Y8.

NatWest

We received eight individual complaints from applicants concerning the NatWest Group Pension Fund Trustee’s move to cap the annual pension increases at 3%, when increases of the lower of 5% and the increase in retail price index (RPI) had previously been applied. The trustee informed us that there were more complaints of this nature going through its own IDRP process.

The Ombudsman investigated one complaint and issued a detailed Determination, which covered the common elements raised by all applicants. This did not uphold the complaint, as the trustee is required to pay the pension increases specified in the Fund’s governing documentation and in accordance with pensions legislation.

Where an applicant has included additional issues in their complaint, those issues will be addressed in a separate short decision, which will refer to the existing published Determination for the common elements.

Customer survey

We use customer satisfaction surveys to gather feedback at key stages of the customer journey. This feedback plays a vital role in helping us monitor the quality of our service and identify areas for improvement.

Following the cyber incident and the system changes that followed, we were unable to run our customer satisfaction surveys during 2023/24. The number of responses we could have collected during that period would have been too limited to provide a meaningful or representative picture. We therefore paused our customer surveys and recommenced them for 2024/25.

In 2024/25, we issued a total of 11,622 surveys to customers, achieving an average response rate of 23%. The survey focuses on three core aspects of customer satisfaction, each linked to a corresponding KPI:

Measurement area	Target (KPI)	2024/25 Results
Providing a good service	60%	41%
Providing clear information	70%	61%
Providing clear decision making	65%	54%

While scores remain below our target, we saw gradual improvements throughout the year. Encouragingly, some feedback suggests that changes introduced through our OMR programme are beginning to have a positive impact on customer experience.

Themes and observations

A consistent strength highlighted in the feedback was the courtesy and professionalism of our staff. Despite concerns about waiting times, many customers shared positive comments about how they were treated throughout the process. Verbatim feedback regularly described staff as polite, respectful and helpful – even in cases where the complaint was not upheld or could not be investigated.

Customers also welcomed clear explanations of why their complaint could or could not be progressed. In cases where we were unable to progress a complaint, they appreciated the transparency of our reasons and the signposting to other avenues where appropriate.

Key areas identified for improvement included:

- ▶ reducing waiting times
- ▶ improving the clarity and accessibility of our website content
- ▶ providing more proactive communication during the complaints process.

We are committed to addressing these areas through targeted improvements, supported by the broader changes introduced via our OMR programme. Customer feedback and insight will remain central to shaping our priorities for 2025/26 and beyond.

Pensions Dishonesty Unit

During 2024/25, the PDU continued to investigate allegations of serious breaches of trust, misappropriation of pension funds and dishonest or fraudulent behaviour. Since November 2021, it has provided new ways to hold wrongdoers to account, enabling quicker redress and the recovery of funds that may otherwise not be achieved, either directly from the party at fault or through compensation schemes.

To date, it has issued Determinations in relation to 12 pension schemes involving more than 800 members and directed redress of over £40million.

Over the course of 2024/25 the PDU concluded the investigation of six pension schemes and issued Determinations. These Determinations related to a combined loss of approximately £19million of pension savings, affecting 446 individuals. Three other investigations (involving eight schemes) were progressed, including two oral hearings held with multiple parties in attendance. Of the cases that were determined in 2024/25, the [Ecroignard Determination](#) was notable for the scope of the investigation, uncovering a sophisticated

multinational investment structure, predominantly set up for the benefit of the individuals introducing members to the scheme. The director of the corporate trustee was found personally liable for £9.8million as a result of his actions amounting to a dishonest accessory to the breach of trust.

A separate investigation, involving three schemes administered by Brambles Administration Limited was also concluded. This continued TPO's consideration of pension schemes administered by Brambles Administration Limited, through which in previous years the [Focus Administration Limited Pension Scheme](#) was investigated and redress directed. The [2024/25 Determination](#) found the individual trustees and latterly sole directors of the corporate trustee companies to be personally liable for approximately £5million. In addition, the sole director of Brambles Administration Limited was found to have acted as a dishonest assistant to the breaches of trust. This was a first for TPO, demonstrating that where a pension scheme administrator assists in a breach of trust, the individual directors can be held to account.

Due to broader funding constraints, DWP funding for the PDU pilot ended on the 31 March 2025, with runoff funds available until October 2025 to complete specific investigations. TPO will continue to liaise closely with TPR, Independent Trustees and the Fraud Compensation Fund (FCF) to ensure that the pensions industry is effectively working together to support members that are victims of pensions dishonesty.

Strategic goal two: Supporting and influencing the pensions industry and the wider alternative dispute resolution sector to deliver effective dispute resolution

Stakeholder engagement

Throughout 2024/25, we expanded our stakeholder engagement programme to increase awareness of our work and involve industry partners in our evolving operating model. We have also maintained our focus on promoting insights from our casework, reflecting our commitment to driving improvements in pension administration and ultimately supporting quality outcomes for pension scheme members.

A highlight of our calendar was our annual Stakeholder Forum in June, which brought together representatives from across the pensions industry. As well as showcasing improvements to our operating model, the forum provided a platform for two-way dialogue on how the changes would affect the industry and improve complaint resolution.

In response to stakeholder feedback, we also ran two spotlight sessions focused on transfers and overpayment complaints. These are two areas of particular interest for the pensions industry, and it was great to have an opportunity to share and discuss some examples of both good practice and where improvements can be made.

In addition to our own events, we substantially increased our programme of speaking engagements, with a particular focus on extending our regional presence. This broader geographical presence has helped us expand our reach, reflecting our commitment to transparent, collaborative working with the pensions industry.

We also launched a regular blog series, establishing a new channel to communicate key changes to our operating model and showcase the early successes of our new approach. These blogs, authored by the Pensions Ombudsman and other senior colleagues, have received positive engagement, with many being quoted in and reshared by other publications.

Legal and Technical Forums

We held our long-standing annual Legal Forum in November 2024, and our second full-scale Technical Forum in February 2025. Both were very well attended, with over 40 pensions lawyers and over 100 pensions technical specialists respectively, representing both public and private sector schemes, as well as those working in-house or for a third-party provider.

Both events covered similar topics, including (a) our OMR programme and how it was impacting schemes, challenges facing schemes in relation to dispute resolution and how TPO might be able to help, and (b) our approach to two specific areas of complaint – overpayments and, for public sector schemes, McCloud.

These events are intended both to help attendees better understand TPO's processes and approach to decision making, and to help TPO better understand the particular issues schemes are facing, so we can support effective dispute resolution at scheme level.

Strategic goal three: Transforming and improving our services and processes

Quality assurance

During 2024/25, we completed 985 quality audits (2023/24: 557 – this figure is reduced as we were unable to run the programme over the whole year due to resourcing challenges and the cyber incident) and ended the year with an overall average quality score of 80% (2023/24: 87% based on three months of data) across all teams. This score is lower than we expected due to quality assurance only being fully reintroduced this year following a break due to the cyber incident, retraining and staffing issues. However, quality scores improved during the year and in Q4 we achieved an overall average of 85%.

During the year, we completed the review of our Quality Assurance Framework and a new scoring system, which will better reflect the impact on our customers, will be rolled out from Q1 2025/26. Additionally, we plan to introduce outcome-based quality assurance checks, which will be in addition to our existing quality control measures, and these will be piloted in 2025/26.

Our staff

People Strategy

In June 2024, a People Strategy based on the responses to the 2023 staff survey was agreed by the Corporate Board covering the following workstreams:

- ▶ wellbeing
- ▶ learning and development (L&D)
- ▶ recruitment, recognition and retention
- ▶ managing change
- ▶ collaboration
- ▶ culture

During 2024/25, work has included:

- ▶ embedding our in-person group induction programme
- ▶ using the performance process to encourage staff to undertake at least five development opportunities throughout the year
- ▶ initiating work to develop and deliver an in-house L&D programme to build pension expertise
- ▶ reviewing and strengthening staff benefits to include access to an online GP and counselling
- ▶ promoting the use of in-year and long service awards to celebrate exceptional work across teams
- ▶ delivering an all-staff event where we established the values and celebrated collaboration across the organisation
- ▶ using feedback from staff more effectively, including feedback from training and exit surveys.

Staff survey

In November 2024, we conducted the annual staff survey.

While not part of the civil service, we continue to use the civil service people survey methodology for the survey. This provides us with a technically robust survey and an opportunity to benchmark our results against the civil service.

This year our staff responded enthusiastically to the survey with 137 out of 154 eligible staff completing it, which is a response rate of 89% (2023 = 83%).

A summary of the high-level results, compared to both the 2023 results and the civil service survey:

Category	2024 Score	2023 Score	Difference against 2023 TPO survey	Difference against 2024 Civil Service survey
Employee engagement index	66%	67%	-1%	+2%
Leadership and managing change	63%	63%	0%	+11%
Learning and development	57%	61%	-4%	+1%
My team	79%	82%	-3%	-5%

Looking forward

For the 2025/26 strategy, our People Group, which is made up of staff from across the organisation, will come together to review the outputs from the 2024 staff survey and engage the broader organisation to develop the People Strategy. Building on the success of last year and reflecting the wider transformational change planned, the group have identified the following six areas for focus:

- ▶ well-being
- ▶ collaboration, team working and shared purpose
- ▶ change and management
- ▶ learning and development
- ▶ pay and reward

Delivery of the plan will be overseen by the HR team to ensure equality, diversity and inclusion actions are embedded in each strand.

Our volunteers

Our volunteers are drawn from a range of backgrounds and experience across the pensions sector, and their contribution to TPO's success continues to be significant.

476 cases were assigned to our volunteer network in 2024/25, with our volunteers contributing to the resolution of 408 cases. This helped ensure that the resolution service met its goal of informally resolving 80% of cases handled. In 2024/25, the resolution service, including volunteers, handled 1,905 cases and resolved 81%. In the year, the resolution service closed 1,512 cases.

Volunteers deal with a wide variety of cases but of note, they had great success in resolving complaints involving transfer delays, misquotes and/or misinformation, as well as broader maladministration cases. Typically, resolutions were achieved by helping members secure compensation from the respondent or by means of providing members with additional clarification and explanation.

Some notable achievements in our volunteer work include:

- ▶ Promoting TPO's volunteer programme and celebrating the invaluable contribution our volunteer advisers make during volunteer and pro-bono weeks by publishing a series of interviews and articles by volunteers, the Head of the resolution service and the Ombudsman. We also issued several posts and videos on LinkedIn to highlight what's involved in volunteering and how to sign up.
- ▶ Attending the Pensions Administration Standards Association Conference 2024 where we had a stand and gave a presentation on TPO's volunteers programme and encouraged delegates to sign up. This had a positive impact that resulted in several new volunteer appointments.
- ▶ Delivering introductory training for our new volunteers and technical training sessions for all volunteers which count towards their continued professional development hours.
- ▶ Keeping volunteers engaged and up to date through dedicated volunteer drop-in sessions in respect of the OMR programme, monthly email updates, and publishing legal and technical updates on the dedicated volunteer website.
- ▶ Appointing 26 new volunteer advisers.

The volunteer programme continues to be an attractive proposition for employed and retired pension professionals who want to give back and make a difference in the lives of others. This is evident by the 85.7% increase in new volunteer appointments. Our volunteers also continue to make an invaluable contribution in helping TPO resolve cases with a 7.4% increase in cases assigned to volunteer advisers, and 3% increase in cases they were able to help resolve during the 2024/25 period.

Looking forward, we plan to grow our volunteer network through the launch of our updated Volunteer Strategy during 2025/26. This looks to set expectations around volunteer caseloads whilst creating greater opportunity for informal resolution by enabling volunteers to become party to complaints much earlier in the process. We will also be using volunteers to provide targeted support to vulnerable customers to ensure that all applicants are fairly and easily able to access alternative dispute resolution.

Accountability Report

The Accountability Report details information relating to our corporate functions such as governance, risk, audit, sustainability and remuneration.



Corporate governance report

Directors' report

Leadership

This section details the composition of the management board.

Executive:

Pensions Ombudsman	Dominic Harris
Chief Operating Officer	Robert Loughlin
Legal Director	Claire Ryan
Deputy Chief Operating Officer (Corporate Services)	Amy Barron (10 May 2023 – 23 October 2024) Claire Eadington (2 December 2024 – ongoing)
Deputy Chief Operating Officer (Casework)	Jennifer Ryans

The Executive is responsible for the strategic leadership of TPO. It is the principal mechanism for directing the day-to-day business and decision making within TPO, ensuring action plans are in place for delivering against the Annual Report and Corporate Plan, and implementing strategies set by the Corporate Board.

It meets monthly and all meetings were quorate in 2024/25.

Corporate Board:

Interim Chair – Anthony Arter*
Non-Executive Director (NED) – Emir Feisal
NED – Myfanwy Barrett
NED – Robert Branagh
Pensions Ombudsman – Dominic Harris
Chief Operating Officer – Robert Loughlin
Legal Director – Claire Ryan

* Anthony Arter was appointed Interim Chair with effect from 1 January 2024 to 31 December 2024. This appointment was extended to 30 June 2025 and the new Chair, Deborah Evans started on 1 July 2025.

The Board convenes on at least a quarterly basis. All meetings were quorate in 2024/25. The Corporate Board's role and purpose is to:

- ▶ take decisions in line with the framework within which public bodies must operate
- ▶ establish the vision, mission and values of TPO, determining how these will be promoted within the organisation
- ▶ set the strategic direction of TPO to maximise value for its customers, selecting strategies to be pursued, and receiving updates and assurance on the implementation by the Executive
- ▶ hold the Executive to account and provide support and challenge as appropriate
- ▶ determine the governance arrangements for TPO, as recommended by the Executive
- ▶ ensure the Executive provides a clear organisational approach to equality, diversity and inclusion in line with TPO's values
- ▶ hold the Executive to account in ensuring appropriate arrangements and resources are in place to monitor and achieve the organisation's equality, diversity and inclusion plans and targets.

In May 2024, the Board carried out its effectiveness review. The results were mainly positive with no major gaps identified. There is confidence that the Accounting Officer is supported well and challenged appropriately, and that the governance arrangements and board composition are appropriate for an organisation of TPO's size. Areas identified for further consideration include more opportunities to engage with staff and external stakeholders, succession planning, and a review of the forward planner.

Register of interests

The register of disclosable interests for the Corporate Board, Audit and Risk Committee members and the Executive is regularly reviewed and published on our website (<https://www.pensions-ombudsman.org.uk/publication/register-interests-202425>). Where potential conflicts are identified, robust procedures have been put in place.

Committees' attendance for the year ended 31 March 2025

	Board	Audit and Risk Committee
Anthony Arter	6/6 C	1/1
Myfanwy Barrett	6/6	4/4 C
Robert Branagh	6/6	
Emir Faisal	5/6	3/4
Dominic Harris	6/6	
Robert Loughlin	6/6	
Claire Ryan	6/6	

C = Chair

Statement of Accounting Officer's responsibilities

Under Section 145(8) of the Pension Schemes Act 1993 and Section 212A(1) of the Pensions Act 2004, the Pensions Ombudsman and Pension Protection Fund Ombudsman are required to prepare a statement of accounts in respect of each financial year. The Secretary of State for Work and Pensions (with the consent of HM Treasury) has directed the Pensions Ombudsman and Pension Protection Fund Ombudsman to prepare the statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of The Pensions Ombudsman and The Pension Protection Fund Ombudsman and of its income and expenditure, Statement of financial position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- ▶ observe the Accounts Direction issued by the Secretary of State for Work and Pensions, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- ▶ make judgments and estimates on a reasonable basis
- ▶ state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed and disclose and explain any material departures in the accounts
- ▶ prepare the accounts on a going-concern basis
- ▶ confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

The Accounting Officer of DWP has designated the Pensions Ombudsman as Accounting Officer of TPO. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding TPO and PPF Ombudsman's assets, are set out in the non-departmental public bodies Accounting Officers' Memorandum and in Managing Public Money issued by HM Treasury.

So far as the Pensions Ombudsman is aware, there is no relevant audit information of which the auditors are unaware, and the Pensions Ombudsman has taken all the steps that he ought to have taken to make him aware of any relevant audit information and to establish that the auditors are aware of that information.

The Pensions Ombudsman confirms that the Annual Report and Accounts as a whole is fair, balanced and understandable and takes personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

Governance statement

We are committed to maintaining the highest standards of governance. This statement sets out our governance and risk management controls in place throughout 2024/25 and up until the Annual Report and Accounts are formally signed off by the Audit and Risk Committee in July 2025.

The statutory role of the Pensions Ombudsman is primarily determined by Part X of the Pension Schemes Act 1993 and Part X of the Pension Schemes (Northern Ireland) Act 1993.

The statutory role of the Pension Protection Fund Ombudsman is primarily determined by sections 209 to 218 of the Pensions Act 2004.

The Pensions Ombudsman and Pension Protection Fund Ombudsman are statutory commissioners appointed by the Secretary of State for Work and Pensions and not corporate bodies.

We are not wholly bound by HM Treasury's Corporate Governance Code, but we adhere to the principles and best practice of corporate governance, as set out in our Framework Document with DWP.

There were no Ministerial Directions affecting TPO within the reporting period.

Framework Document with DWP

TPO is subject to the 'Framework Document' between TPO and DWP (effective from 27 April 2020). The Framework Document has been reviewed in 2024/25 and HMT approval is in process. DWP continues to hold quarterly accountability meetings where TPO provides assurance on finance, performance and risk.

The Public Bodies Review (formerly Tailored Review), mentioned in last year's Annual Report did not take place during 2024/25, as the new Government considers its review process.

Risks and mitigation

TPO is committed to a proportionate approach to risk that is in line with government best practice. The Strategic Risk Register is central to this approach, with risks reviewed on an annual basis and their likelihood, impact and mitigating actions reviewed at least quarterly.

The **Audit and Risk Committee** (ARC) provides assurance to the Board and Accounting Officer by exercising oversight of the appropriateness and effectiveness of TPO's risk management, risk governance, oversight of the Annual Report and Accounts and planned internal and external audit activity.

Chair – Myfanwy Barrett
NED – Emir Feisal

Other NEDs may attend from time to time to ensure the meeting remains quorate.

ARC attendees

The Pensions Ombudsman
Chief Operating Officer
Deputy Chief Operating Officer (Corporate Services)
Deputy Chief Operating Officer (Casework)
DWP partnership team nominee
Representative from National Audit Office
Representative from Government Internal Audit Agency

At each substantive ARC meeting, there is a standing agenda item for a deep dive relating to a specific risk on the Strategic Risk Register which may be of particular concern. In 2024/25 the committee undertook deep dives on the case management system, OMR and funding.

TPO's risk appetite has been reviewed and agreed as part of the review of the Strategic Risk Register. Collaborative work has been undertaken with the DWP Risk Directorate to review and refresh TPO's risk management and a TPO representative attends the regular DWP arms-length bodies risk forum.

Strategic risks and the risk environment are reported into the Executive, Corporate Board and ARC.

The table below outlines the top three strategic risks over 2024/25, together with details of the mitigating actions taken and scoring.

Strategic risk	Mitigation	Score
Funding Operational failure and reputational damage (to TPO and DWP) if there is a failure to secure sufficient long-term sustainable funding (TPO is funded by DWP, primarily from the General Pensions Levy)	<ul style="list-style-type: none"> Regular data-driven engagement with DWP including at Ministerial and Director level Tight controls including recruitment freeze for part of the year and monthly reporting against forecasts OMR programme established to deliver substantial operational improvements and demonstrate value for money Successful funding bid for additional baseline funding for 2025/26, including improved delivery of complex cases and conversion of some staff fixed-term contracts (FTCs) to permanent 	Initial risk score: 25 Likelihood: Very high Impact: Very high Score after mitigation: 20 Likelihood: Very high Impact: High Target score: 12 Likelihood: High Impact: Moderate
Recruitment and retention Failure to recruit and retain sufficient staff to deliver our service at current levels and effectively deliver change	<ul style="list-style-type: none"> Secured maximum pay remit Regular review of non-pay benefits Improved learning and development offer Having secured baseline funding, conversion of some FTCs to permanent completed by March 2025 	Initial risk score: 25 Likelihood: Very high Impact: Very high Score after mitigation: 20 Likelihood: Very high Impact: High Target score: 16 Likelihood: High Impact: High

Strategic risk	Mitigation	Score
Data protection Significant data breach causing reputational damage, Information Commissioner Office's (ICO) intervention and/or disruption to TPO operations	<ul style="list-style-type: none"> Investment in in-house specialist capabilities Government Internal Audit Agency (GIAA) audit Q2 Continued engagement with DWP/National Cyber Security Centre /Cabinet Office, including assistance from DWP specialists in preparation to complete GovAssure in 2025/26 Regular training for staff on data-related topics Multiple pen tests 	Initial risk score: 20 Likelihood: High Impact: Very high Score after mitigation: 16 Likelihood: High Impact: High Target score: 12 Likelihood: Moderate Impact: High

The system of control is designed to manage risk to a reasonable level to achieve policies, aims and objectives. It is based on an ongoing process designed to identify and prioritise risks. It also allows us to evaluate the likelihood of those risks being realised, the impact should they occur and to manage them efficiently, effectively, and economically. It is in accordance with HM Treasury guidance.

Taking into consideration the size and relatively straightforward functions of our organisation, we manage risks proportionately to ensure value is added to our objectives. We manage risks that fulfil our functions effectively and efficiently to maintain public confidence.

We continually carry out robust assessments of the principal risks facing TPO, including those that would threaten our business model, future performance, solvency or liquidity.

The effectiveness of the systems that generate the financial and performance data contained within the report is evidenced through internal and external audit results.

Our approach includes:

- ▶ using thematic analysis to identify key risks to the achievement of strategic and/or business delivery, aims, objectives and targets being identified and assigned to named individuals as well as the causes and consequences of those risks identified
- ▶ applying a consistent scoring system for the assessment of risks on the basis of likelihood and impact. We determine appropriate controls and activities to mitigate the risks identified, having regard to the amount of risk deemed to be tolerable and justifiable
- ▶ regular monitoring and updating of risk information to ensure new and emerging risks are captured
- ▶ ongoing deployment of risk appetite and risk target scoring
- ▶ deep dives of risks presented to ARC.

I am confident that the quality of the data used by the Executive and Corporate Board is reliable.

Information security

TPO has a designated Data Protection Officer, supported by an Information Governance Manager, overseeing our responsibilities under the Data Protection Act 2018 and HMG Security Framework, under the direction of the Deputy Chief Operating Officer (Corporate Services) who acts as Senior Information and Risk Officer (SIRO). There is a monthly Information Governance meeting attended by the SIRO, Data Protection Officer and Information Governance Manager, complemented with immediate reporting of any potential data breaches in the interim.

The GIAA Information Management audit that took place in Q2 received a moderate rating and actions to remedy identified areas for improvement are on track to be implemented.

Incidents related to personal data

There were no incidents related to personal data during 2024/25 requiring formal reporting to the ICO.

Whistleblowing policy

It is important that our staff know what to do and how to ‘blow the whistle’ if they have any concerns about issues such as breaches of the law, misconduct, health and safety issues, or financial malpractice.

The Executive and the ARC are committed to maintaining high ethical standards and taking concerns seriously. TPO’s Whistleblowing policy encourages employees to speak up about genuine concerns, and it describes how those concerns will be handled, and where employees can go if they are not satisfied with the action taken.

We encourage staff to speak up about genuine concerns they have in relation to wrongdoing in the workplace. This includes any criminal activity, a breach of a legal obligation (including negligence, breach of contract, or breach of administrative or other law), miscarriage of justice, danger or damage to health and safety or the environment, and the cover up of any of these wrongdoings in the workplace. We are committed to ensuring that any staff concerns about such matters will be taken seriously and properly investigated. The reporting of wrongdoing under this policy may be covered by the law concerning protected disclosures of information. The policy has therefore been written with reference to the Public Interest Disclosure Act 1998, which offers protection to those who ‘blow the whistle’ in certain circumstances.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. I have also completed the Managing Public Money training for Accounting Officers.

I am satisfied that the arrangements described above are fit for purpose and effective, having themselves been subject to appropriate review during the year.

My review of the effectiveness of our internal controls is informed by regular progress reports throughout the year from the GIAA, together with their Annual Opinion Report and the National Audit Office Management Letter.

The ARC assesses and provides guidance concerning the effectiveness of internal control and continuous improvement plans.

The GIAA carried out four internal audit reviews in 2024/25.

- Pensions Dishonesty Unit – we received a Moderate rating and all recommendations have been implemented.

- ▶ Data Management – we received a Moderate rating and all recommendations have been implemented or are on track to be implemented on time.
- ▶ Casework Management Information – we received a Moderate rating and all recommendations have been implemented.
- ▶ OMR programme – we received a Moderate rating and all recommendations have been implemented or are on track to be implemented on time.

Based on the opinions from the above four reviews and GIAA's observation of other related TPO or third line activity, the overall governance, risk management and control arrangements throughout the year have provided a **MODERATE** assurance. The definition of a Moderate opinion is that 'there are some improvements required to enhance the adequacy and effectiveness of the framework of governance, risk management and control'. Whilst this opinion is unchanged from recent years, GIAA is satisfied that good progress is being made.



Dominic Harris

Pensions Ombudsman

Pension Protection Fund Ombudsman

14 July 2025

Environment performance review

Since 2021/22, TPO must meet reporting requirements in relation to the Greening Government Commitment (GGC).

TPO offices are situated within the Government Property Agency (GPA) hub based at South Colonnade, Canary Wharf. The building houses several public and arms-length bodies. The overall responsibility for energy consumption across the building falls to GPA which employs a dedicated manager responsible for the energy management and reduction. As a small organisation and as a sub-tenant within a GPA hub there are limitations to our ability to report granular data on our progress, despite our commitment to sustainability. TPO has been unable to establish a 2017/18 baseline and provide the required minimum three years of data as required by the GGC in this year's report, but will undertake work this year in order for this data to be available in future. TPO will also undertake the work required to report on figures for expenditure on energy over the required reporting period.

There is a [Government Property Sustainability Strategy](#) in place and GPA has a key strategic objective to contribute to the achievement of Net Zero carbon by 2050 including contributing to meeting the Government commitment to a 50% reduction in carbon emissions across the Public Estate by 2032. To support this objective GPA has established a Net Zero Programme for the whole Government Office Portfolio.

TPO remains committed to ensuring it operates in a sustainable way. As a tenant within a GPA hub, there are limitations on available data, and energy consumption calculations are a proportion of overall energy costs reflecting TPO's 1.2% share of the building. TPO has not increased its office footprint despite an increase in headcount, so environmental impacts per FTE have decreased. Similarly, water usage is calculated on building share, and figures show TPO has played its part in reducing this in the reporting period. Further analysis will be possible in future when TPO's data has improved through the remediation work mentioned above.

Table 1 below provides a summary which includes an overview of the energy use for TPO in 2024/25. This is calculated as a proportion of building usage, using the percentage floor area apportioned to TPO.

TPO is committed to government initiatives to reduce its carbon footprint, although many of these are delivered through GPA due to TPO being a tenant in 10 South Colonnade, including for example the targets relating to Consumer Single Use Plastics. TPO representatives regularly attend the 10 South Colonnade sustainability monthly meetings where GPA regularly shares emission data, and take part in the DWP sustainability forum. TPO has continued to promote sustainability to staff and especially its aim to minimise printing wherever possible. Paper consumption is reported quarterly to DWP and averaged 78 reams in the reporting period (up 95%). This disproportionate increase on 2023/24 is due to the cyber incident where technical issues impacted the ability to undertake essential printing for an extended period.

There was no air travel undertaken as part of TPO business in 2024/25. TPO does not own or lease vehicles. Where possible staff are encouraged to use public transport for external events and in total the expenditure on travel was £1,425.73 (2023/24: £1,219) for the year. This rise reflects a renewed commitment to engaging with external stakeholders across the pensions sector.

We recycle all food waste, paper and cardboard, cans and toner and only use environmentally friendly cleaning products. We use recyclable stationery where possible. We have been operating hybrid working arrangements since 2018 which reduces CO2 emissions and will continue to encourage the use of virtual meetings and other good working practices. To encourage safe and sustainable travel to the office by staff, we continue to offer staff both a cycle to work and electric car scheme, both of which have uptake.

We reuse IT equipment by wiping and rebuilding wherever possible when staff leave and donate cleaned hardware to charities when products no longer meet TPO standards.

TPO does not routinely undertake any construction or building activities and has not done so during the reporting period.

Sustainable procurement

TPO undertakes procurement in line with government frameworks, including the need to consider sustainability. This is the case for purchases made in the reporting period and there is no evidence to suggest services or items that have been procured would have a detrimental impact on sustainability.

Climate change adaptations

In addition to its sustainability commitments above, TPO is aware of the need for organisations to be aware of Climate Change Adaptation, and so TPO's Business Continuity Plans allow for the organisation to respond to serious incidents caused by extreme weather where there is an impact on our ability to undertake our business-as-usual work.

Greenhouse gas emissions

Greenhouse gas emissions ²	2023/24	2024/25
Scope 2 – gas and electricity (tonnes CO₂e)		
Gas	0.7	0.3
Electricity – total	25.53	33.54
Scope 3 – water and waste (tonnes CO₂e)		
Water	0.10	0.05 (218m ³)
Recycled waste	0.01	0.006
General waste (incinerated)	0.01	0.003
General waste (landfill)	0	0
Scope 3 – business travel		
Private vehicle	£144.09	£1.80
Car hire	£0.00	£0.00
Taxis	£6.00	£60.60
Air	£120.08	£0.00
Rail	£949.18	£1,363.33
Total business travel	£1,219.35	£1,425.73
Scope 3 – paper		
Paper	40 reams	78 reams

² TPO is unable to allocate the electricity costs and usage to green and brown electricity based on the information supplied by centralised estates management.

Remuneration and staff report

We set out here our remuneration policy for the Pensions Ombudsman, Deputy Pensions Ombudsman and Corporate Board. This is fundamental to how we demonstrate transparency and accountability.

Pensions Ombudsman remuneration policy

In accordance with Sections 145 and 145A of the Pension Schemes Act 1993, the current and future remuneration of the Pensions Ombudsman and the Deputy Pensions Ombudsman is determined by the Secretary of State for Work and Pensions.

The current and future remuneration of the Pension Protection Fund Ombudsman and Deputy Pension Protection Fund Ombudsman is determined by the Secretary of State in accordance with Sections 209(4) and 210(6) of the Pensions Act 2004.

The Chief Operating Officer's and Legal Director's salary ranges are determined by TPO pay scales.

Appointment of Non-Executive Directors (NEDs)

The Minister appointed Anthony Arter as Interim Chair with effect from 1 January 2024 following the sad passing of Caroline Rookes in October 2023. Deborah Evans was appointed as TPO's new permanent Chair, effective 1 July 2025. The Chair's remuneration is determined by the Secretary of State for Work and Pensions and is non-pensionable. The remuneration for the three NEDs, who started on 1 May 2021, is also determined by the Secretary of State for Work and Pensions and the posts are non-pensionable.

Pensions Ombudsman service contracts

The Pensions Ombudsman and Deputy Pensions Ombudsman are appointed by the Secretary of State. The length of service contracts is determined by the Secretary of State for Work and Pensions.

Dominic Harris was appointed as Pensions Ombudsman and Pension Protection Fund Ombudsman for five years on 16 January 2023.

Pensions Ombudsman

Name	Date of appointment	Date of expiry	Unexpired term as of 31/03/25	Notice period
Dominic Harris	16 January 2023	15 January 2028	2 years 9 months	3 months from employee

The Secretary of State appointed Anthony Arter as Interim Deputy Pensions Ombudsman and Deputy Pension Protection Fund Ombudsman on 16 January 2023. The appointment was extended until the 8 December 2024. On 9 December 2024, Camilla Barry was appointed Deputy Pensions Ombudsman and Deputy Pension Protection Fund Ombudsman for a period of four years.

Name	Date of appointment	Unexpired term as of 31/03/25	Notice period
Camilla Barry	9 December 2024	3 years 8 months	3 months from employee
Anthony Arter	16 January 2023	0 months	3 months from employee

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Pensions Ombudsman and Corporate Board.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2025.

The information in this table is subject to audit.

Single total figure of remuneration										
Officials	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £'000) ^a		Total (£'000)	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Caroline Rookes ^b	0	10-15 ^d 20-25 ^e	0	0	0	0	0	0	0	10-15
Myfanwy Barrett	5-10 ^c	5-10 ^c	0	0	0	0	0	0	5-10	5-10
Robert Branagh	5-10 ^c	5-10 ^c	0	0	0	0	0	0	5-10	5-10
Khan Emir Feisal	5-10 ^d	5-10 ^c	0	0	0	0	0	0	5-10	5-10
Anthony Arter ^g	20-25	5-10 ^d 20-25 ^e	0	0	0	0	0	0	20-25	5-10
Dominic Harris	165-170	155-160	0	0	0	0	44	65	210-215	220-225
Alex Robertson ^h	0	65-70 ^d 110-115 ^e	0	0	0	0	0	46	0	115-120
Claire Ryan	95-100 ^d 110-115 ^f	90-95 ^d 100-105 ^f	0-5	0-5	0	0	60	7	150-155	105-110
Robert Loughlin ⁱ	115-120	15-20 ^d 110-115 ^e	0	0	0	0	45	8	160-165	25-30

a Cells in this column which were not available in 2023/24 have been updated

b Period of service finished 15/10/2023

c Annual remuneration

d Actual salary

e Annual salary

f Full time equivalent salary

g As Interim Chair from 01/01/2024

h Leaving date 14/11/2023

i Start date 29/01/2024

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights.

There have been no off-payroll engagements of members of the Corporate Board.

Bonuses

Bonuses are based on performance levels attained and are made as part of the performance review process. The Pensions Ombudsman and Deputy Pensions Ombudsman are not entitled to receive a bonus. Bonuses relate to the performance in the previous year. The bonuses paid in 2024/25 relate to performance in 2023/24.

Pay multiples

The information in this section is subject to audit.

	2024/25 (£'000)	2023/24 (restated)* (£'000)
Highest paid office holder's total remuneration	165-170	155-160
Average salary and allowances for employees as a whole	49.87	46.76
Average performance pay and bonuses	0.38	1.42
25th percentile pay ratio	4.6:1	4.4:1
Median pay ratio	3.7:1	3.6:1
75th percentile pay ratio	3.1:1	3.1:1

* 2023/24 has been restated to include the NEDs' remuneration.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid office holder in their organisation and the lower quartile, median and upper quartile of the organisation's workforce.

The banded remuneration of the highest-paid office holder in TPO in the financial year 2024/25 was £165-170k (2023/24: £155-160k). The percentage change from the previous financial year is 6.3%. This was 3.7 times (2023/24: 3.6 times) the median remuneration of the workforce which was £44,862 (2023/24: £44,089). The average percentage change in salary and allowances from the previous financial year in respect of the employees taken as a whole was 6.65%.

The average percentage change in performance pay and bonuses from the previous financial year in respect of the employees taken as a whole was -73.41%. The change is negative as a result of the cost-of-living bonus of £1,500 paid to eligible staff in 2023/2024 which was not repeated in 2024/25.

The median pay ratio is consistent with the pay, reward and progression policies for employees taken as a whole. This is evidenced by the increase in median pay ratio year on year in line with approved pay increases.

In 2024/25 no employees (2023/24: none) received remuneration in excess of the highest-paid office holder. Remuneration bands ranged from £5-10k to £165-170k (2023/24: £5-10k to £155-160k). (Prior period has been restated to include the NEDs' remuneration).

Percentage change from 2023/24	Salary and allowance	Performance pay and bonus payable
Highest paid office holder	6.3%	0%
All employees	6.65%	-73.41%

	2024/25 (£) Total pay and benefits	2024/25 (£) Salary component
25th percentile	36,441	35,961
50th percentile	44,862	44,382
75th percentile	53,902	53,422

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Pension benefits – MyCSP

The information in this table is subject to audit.

Single total figure of remuneration					
	Accrued pension at age 65 as at 31/03/25 (£'000)	Real increase in pension at age 65 (£'000)	CETV at 31/03/25 (£'000)	CETV at 31/03/24 (£'000)	Real increase in CETV (£'000)
Dominic Harris	20-25	10-12.5	327	170	30
Claire Ryan	25-30 plus a lump sum of 60-65	2.5-5 plus a lump sum of 2.5-5	629	548	52
Alex Robertson	0	0	0	633	0
Robert Loughlin	0-5	2.5-5	46	6	31

Accrued pension benefits for directors were not included in this table for 2023/24 due to an exceptional delay in the calculation of these figures following the application of the public service pensions remedy but have now been updated³.

³ www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

Cash equivalent transfer values (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2025. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2024/25 CETV figures.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 switched into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the CETVs shown in this report – see above). All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service.

Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of

pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Further staff cost disclosures are included in note 2 of the notes to the accounts. The financial disclosures within the remuneration report are subject to audit.

Pension arrangements

For 2024/25, employers' contributions of £1,910,873 were payable to the PCSPS (2023/24: £1,803,012) at a single rate of 28.97% of pensionable earnings, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £46,811 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £1,739 (0.5% of pensionable pay) were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Staff report

The information in this table is subject to audit.

Staff numbers at year end	2024/25	2023/24 (restated)*
Full time equivalent (FTE)	148.02	160.44

* 2023/24 has been restated to include the NEDs’ remuneration.

Staff costs at year end	2024/25	2023/24
Staff costs	£10,012,976	£10,201,337

In addition, we incurred costs of £5,115 for agency staff (2023/24: £0). A breakdown of staff costs between employees with an employment contract with TPO and agency staff is contained in Note 2 of the accounts on page 107.

There are no senior civil servants employed by TPO. There was no contingent labour in 2024/25 (2023/24: nil).

Exit packages

The information in this table is subject to audit.

Exit package cost band	Number of exit packages by cost band 24/25	Number of exit packages by cost band 23/24
<£10,000	0	0
£10,000-£25,000	0	0
£25,000-£50,000	0	0
£50,000-£100,000	0	0
Total resource cost/£’000	0	0

Pay

We are bound to follow Cabinet Office pay remit guidance for the public sector, so the maximum consolidated increase in total payroll allowed was 5%. For non-consolidated awards we were able to use up to an equivalent percentage to the performance pot from the year before.

To be eligible for an award in 2024/25 staff needed to have been in post on 1 July 2024.

Consultants engaged on the objectives of the entity

The table below shows all off-payroll engagements as at 31 March 2025, for more than £245 per day and lasting longer than six months:

Number of existing engagements as at 31 March 2025 of which, the number that have existed for:	1
less than one year at time of reporting	1
between one and two years at time of reporting	0
between two and three years at time of reporting	0
between three and four years at time of reporting	0
four or more years at time of reporting	0

The table below shows all new off-payroll engagements, or those that reached six months in duration, between 1 April 2024 and 31 March 2025, for more than £245 per day and lasting longer than six months:

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025 earning £245 per day or greater	
Number of these engagements to which the off-payroll legislation does not apply	0
Number of these engagements to which the off-payroll legislation does apply and which were assessed as within the scope of IR35	0
Number of engagements to which the off-payroll legislation does apply and which were assessed as not within scope of IR35	1
Number of engagements that were reassessed for consistency/assurance purposes during the year	0
Number of these engagements that saw a change to IR35 status following the assurance review	0

The table below shows engagements of Board members and/or senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025.

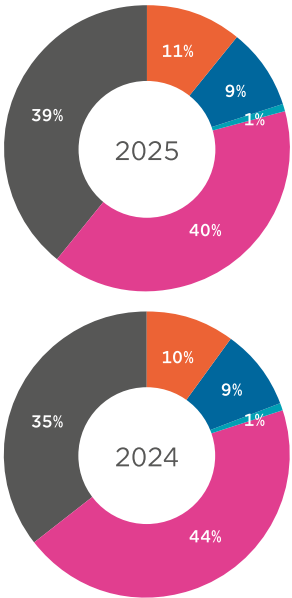
Engagements of Board members, and/or senior officials with significant financial responsibility*	
Total number of individuals on-payroll and off-payroll that have been deemed 'Board members, and/or senior officials with significant financial responsibility' during the financial year. The figure includes both on-payroll and off-payroll engagements.	7

*All Board members with significant financial responsibility are on-payroll.

The total consultancy spend for the year was £19,800 (2023/24: £26,400). Consultancy spend includes fees paid to our payroll provider and other sundry amounts.

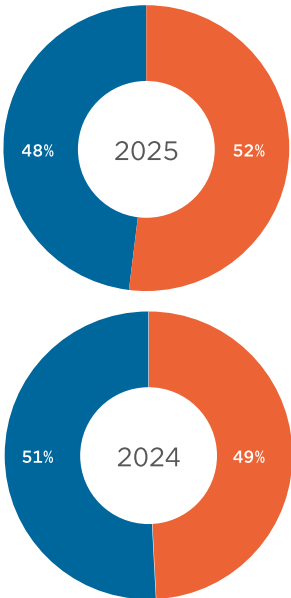
Staff diversity profile (as at 31 March 2025)*

Ethnicity



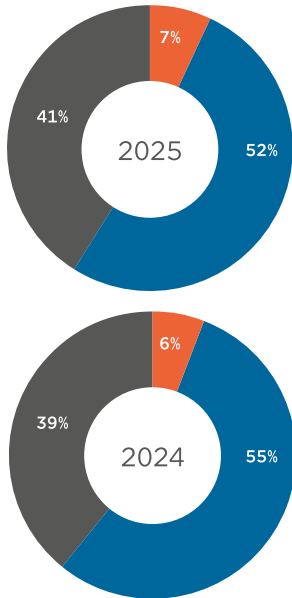
- Asian
- Black
- Mixed ethnicity
- White
- Prefer not to say/undeclared

Gender



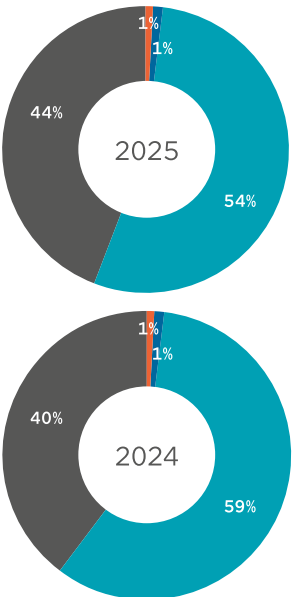
- Female
- Male

Disabled



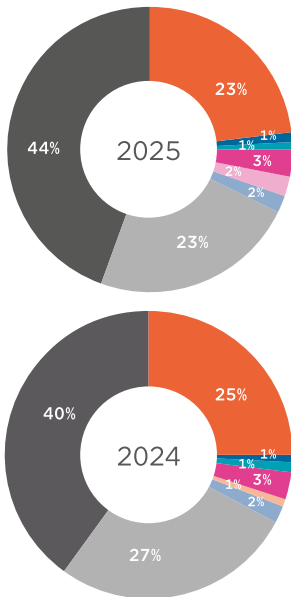
- Yes
- No
- Prefer not to say/undeclared

Orientation



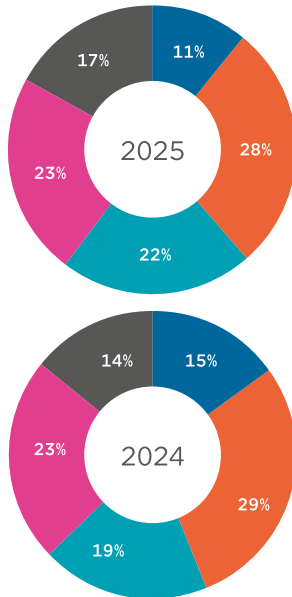
- Bisexual
- Gay/lesbian/other
- Heterosexual/straight
- Prefer not to say/undeclared

Religion



- Christian
- Hindu
- Jain
- Muslim
- Other religions
- None
- Prefer not to say/undeclared
- Sikh

Age profile



- 20-29
- 30-39
- 40-49
- 50-59
- 60+

* Some charts do not total 100% due to rounding.

Gender of our staff

	As at 31/03/25		As at 31/03/24		As at 31/03/23	
	Male	Female	Male	Female	Male	Female
Chair	1	0	1*	0	0	1
Ombudsmen	1	1	1	0	2	0
Directors incl. COO	1	1	1	1	1	1
Deputy COO	0	2	0	2	1	1
Managers**	14	16	13	14	12	11
Other employees	56	58	66	62	56	60
Total	73	78	82	79	72	74

* The interim Chair was also the Deputy Pensions Ombudsman

** Managers are classified as those below Deputy COO level who have direct line management of others

Equality, Diversity and Inclusion

Equality, Diversity and Inclusion is central to all our HR policies and processes. Our HR policies are fully inclusive of all staff regardless of age, working pattern, disability or long-term health conditions, sex, sexual orientation, pregnancy and maternity, race, religion or belief, gender identity, expression or reassignment, or relationship status; marriage (including equal/same sex marriage) and civil partnership.

Staff policies for disabled persons

We give full and fair consideration to applications for employment, both internal and external, made by disabled persons, having regard to their particular aptitudes and abilities.

All recruitment is carried out using fair and open competition, and selection at all stages is fair, objective and based on merit. In all recruitment exercises, we take into account the legal requirement to make reasonable adjustments for applicants so they can overcome the practical effects of a disability.

We adhere to the Guaranteed Interview Scheme whereby applicants with a disability only need to meet the minimum qualifying criteria at the application and selection testing stages of the recruitment process and are then automatically invited to the final stage. We are accredited as a member of the Disability Confident scheme.

Managers always ensure we proactively consider adjustments at all stages of a staff member's employment whether they declare a disability when they join, disclose a disability during their employment or become disabled while working.

Managers will also consider whether they need advice from the occupational health service on any underlying health conditions or disabilities. This will be taken into account in considering reasonable adjustments to the job, working environment and working patterns, including attendance. These are kept under review.

Managers will agree realistic objectives with staff members taking account of a person's experience, working pattern and any reasonable adjustments made for a disability.

We support the learning and development of our staff in accordance with our aims and values. As part of our appraisal system, staff agree their learning and training needs for the year with their managers and we encourage five learning opportunities each year, taking into account their particular aptitudes and abilities.

Sickness

The average absence for 2024/25 per employee was: 5.67 days (2023/24: 6.02 days) which equates to 2.2% of total work time compared with 7.8 days for the civil service.

The average absence per FTE in 2024/25 was 4.75 days (2023/24: 4.66 days)

Turnover

Turnover for the year amongst permanent staff: 14.53% of headcount, 14.53% of FTE (2023/24: 14.65% of headcount, 14.41% of FTE).

Other

There have been no issues relating to social matters, respect for human rights, anti-corruption, anti-bribery or health and safety matters and therefore there is nothing to disclose. TPO has a trade union recognition agreement with the Public and Commercial Services Union (PCS). There have been no formal consultations with staff during 2024/25.

Parliamentary accountability and audit report

The Parliamentary accountability and audit report outlines the statutory framework that TPO operates within and includes key documents demonstrating our accountability to Parliament in relation to this Annual Report and Accounts. It comprises of:

- ▶ Accounting and audit
- ▶ Government Functional Standards
- ▶ Provision for liabilities
- ▶ Contingent liabilities
- ▶ Remote contingent liabilities
- ▶ Regularity of expenditure
- ▶ Fees and charges
- ▶ Sustainability

The Pensions Ombudsman is a statutory commissioner appointed by the Secretary of State for Work and Pensions under section 145 of the Pension Schemes Act 1993. The jurisdiction and powers of the Pensions Ombudsman are derived from Part X of the Pension Schemes Act 1993 and regulations thereunder.

The Ombudsman for the Board of the Pension Protection Fund (the Pension Protection Fund Ombudsman) is a statutory commissioner appointed by the Secretary of State for Work and Pensions under section 209 of the Pensions Act 2004. The jurisdiction and powers of the Pension Protection Fund Ombudsman are contained in sections 209 to 218 of the Pensions Act 2004 and regulations thereunder.

The respective legislation also provides for the appointment, by the Secretary of State for Work and Pensions, of one or more Deputy Pensions Ombudsmen and one or more Deputy Pension Protection Fund Ombudsmen.

At present the postholder of Pensions Ombudsman also holds the post of Pension Protection Fund Ombudsman. Similarly, the Deputy Pensions Ombudsman also holds the post of Deputy Pension Protection Fund Ombudsman.

Other interests

The Pensions Ombudsman had no significant external interests that conflicted with his management responsibilities.

Accounting and audit

The accounts have been prepared under a direction issued by the Secretary of State for Work and Pensions in accordance with section 145(8)-(10) of the Pension Schemes Act 1993 and section 212A of the Pensions Act 2004 as inserted by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2008.

The auditors did not receive any remuneration for non-audit work.

Government functional standards

All government functional standards applicable to TPO are reviewed annually. The most recent review took place in early 2025. All applicable requirements have been met and one area of further improvement has been identified.

Provisions for liabilities

There are no provisions for liabilities included in 2024/25. This is subject to audit.

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within TPO's control. TPO has identified an unquantifiable liability as a potential judicial review in the Northern Ireland Court. TPO has identified an unquantifiable liability as potential court cases. This is subject to audit.

Regularity of expenditure

There have been no individual losses or special payments over £300,000 in 2024/25 (2023/24: nil). Total losses and special payments do not exceed £300,000 in 2024/25 (2023/24: nil). This is subject to audit.

Fees and charges

There were no fees or charges during the year (subject to audit).

Further Parliamentary accountability disclosures

None to report for 2024/25. This information is subject to audit.

So far as the Pensions Ombudsman is aware, there is no relevant audit information of which the auditors are unaware, and the Pensions Ombudsman has taken all the steps that he ought to have taken to make him aware of any relevant audit information and to establish that the auditors are aware of that information.

The Pensions Ombudsman confirms that the Annual Report and Accounts as a whole is fair, balanced and understandable. The Pensions Ombudsman also takes personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.



Dominic Harris

Pensions Ombudsman

Pension Protection Fund Ombudsman

14 July 2025

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Pensions Ombudsman and Pension Protection Fund Ombudsman for the year ended 31 March 2025 under the Pensions Schemes Act 1993 and the Pensions Act 2004.

The financial statements comprise the Pensions Ombudsman and Pension Protection Fund Ombudsman's

- ▶ Statement of Financial Position as at 31 March 2025;
- ▶ Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- ▶ the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- ▶ give a true and fair view of the state of the Pensions Ombudsman and Pension Protection Fund Ombudsman's affairs as at 31 March 2025 and its net operating expenditure for the year then ended; and
- ▶ have been properly prepared in accordance with the Pensions Schemes Act 1993, the Pensions Act 2004 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Pensions Ombudsman and Pension Protection Fund Ombudsman in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Pensions Ombudsman and Pension Protection Fund Ombudsman's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pensions Ombudsman and Pension Protection Fund Ombudsman's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Pensions Ombudsman and Pension Protection Fund Ombudsman is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Performance and Accountability Reports, but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Pension Schemes Act 1993 and the Pensions Act 2004.

In my opinion, based on the work undertaken in the course of the audit:

- ▶ the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Pension Schemes Act 1993 and the Pensions Act 2004; and
- ▶ the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Pensions Ombudsman and Pension Protection Fund Ombudsman and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- ▶ adequate accounting records have not been kept by the Pensions Ombudsman and Pension Protection Fund Ombudsman or returns adequate for my audit have not been received from branches not visited by my staff; or
- ▶ I have not received all of the information and explanations I require for my audit; or
- ▶ the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or

- ▶ certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- ▶ the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- ▶ maintaining proper accounting records;
- ▶ providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- ▶ providing the C&AG with additional information and explanations needed for his audit;
- ▶ providing the C&AG with unrestricted access to persons within the Pensions Ombudsman and Pension Protection Fund Ombudsman from whom the auditor determines it necessary to obtain audit evidence;
- ▶ ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ▶ preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Pension Schemes Act 1993 and the Pensions Act 2004;
- ▶ preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Pension Schemes Act 1993 and the Pensions Act 2004; and
- ▶ assessing the Pensions Ombudsman and Pension Protection Fund Ombudsman's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Pensions Ombudsman and Pension Protection Fund Ombudsman will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Pension Schemes Act 1993 and the Pensions Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- ▶ considered the nature of the sector, control environment and operational performance including the design of the Pensions Ombudsman and Pension Protection Fund Ombudsman's accounting policies.
- ▶ inquired of management, the Pensions Ombudsman and Pension Protection Fund Ombudsman's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Pensions Ombudsman and Pension Protection Fund Ombudsman's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Pensions Ombudsman and Pension Protection Fund Ombudsman's controls relating to the Pensions Ombudsman and Pension Protection Fund Ombudsman's compliance with the Pension Schemes Act 1993 and the Pensions Act 2004 and Managing Public Money.

- ▶ inquired of management, the Pensions Ombudsman and Pension Protection Fund Ombudsman's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- ▶ discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Pensions Ombudsman and Pension Protection Fund Ombudsman for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Pensions Ombudsman and Pension Protection Fund Ombudsman's framework of authority and other legal and regulatory frameworks in which the Pensions Ombudsman and Pension Protection Fund Ombudsman operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Pensions Ombudsman and Pension Protection Fund Ombudsman. The key laws and regulations I considered in this context included the Pension Schemes Act 1993 and the Pensions Act 2004, Managing Public Money, employment law and pensions legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- ▶ I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- ▶ I enquired of management, the Audit and Risk Committee and legal counsel concerning actual and potential litigation and claims;
- ▶ I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and

- ▶ I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

14 July 2025

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Accounts

Statement of comprehensive net expenditure

For the year ended 31 March 2025

	Note	For the year ended 31 March 2025 £	For the year ended 31 March 2024 £
Income			
Operating income	3	9,729	0
Expenditure			
Staff costs	2	(10,018,091)	(10,201,337)
Rent and rates	4	(350,114)	(418,756)
Computer expenses	4	(860,014)	(1,043,791)
Finance costs	4	(17,300)	(19,877)
Depreciation – right of use asset	4	(297,337)	(297,337)
Other expenditure	4	(570,722)	(4,841,152)
Total operating expenditure		(12,113,578)	(16,822,250)
Net operating expenditure		(12,103,849)	(16,822,250)

The notes on pages 99-117 form part of these accounts.

Statement of financial position

As at 31 March 2025

	Note	As at 31 March 2025 £	As at 31 March 2024 £
Non-current assets			
Property, plant and equipment	5	136,795	209,761
Right of use assets	6a	2,155,686	2,453,023
Intangible assets	7	547,059	733,700
Assets under construction	7	56,467	-
Trade and other receivables	8	-	-
Total non-current assets		2,896,007	3,396,484
Current assets			
Trade and other receivables	8	266,347	95,326
Cash and cash equivalents	9	927,336	874,360
Total current assets		1,193,683	969,686
Total assets		4,089,690	4,366,170
Current liabilities			
Trade and other payables	10	792,642	715,302
Lease liability	6b	226,805	224,671
Total current liabilities		1,019,447	939,973
Non-current liabilities			
Provision for charges and liabilities	14	0	278,300
Lease liability	6b	1,467,223	1,694,028
Total non-current liabilities		1,467,223	1,972,328
Assets less liabilities		1,603,020	1,453,869
Capital and reserves			
General reserve	11	1,603,020	1,453,869

The financial statements on pages 95-98 were approved on 14 July 2025 and signed by:



Dominic Harris

Pensions Ombudsman

Pension Protection Fund Ombudsman

14 July 2025

The notes on pages 99-117 form part of these accounts.

Statement of cash flows

Year ended 31 March 2025

	Note	2024/25 £	£	2023/24 £	£
Cash flows from operating activities					
Operating income	3	9,729		-	
Total operating expenditure		(12,113,578)		(16,822,250)	
Depreciation	5	72,966		71,456	
Amortisation	7	188,585		112,811	
Depreciation – right of use asset	6a	297,337		297,337	
Use of provision	14	(278,300)		36,476	
(Increase)/decrease in trade and other receivables	8	(171,021)		(4,640)	
Increase/(decrease) in trade and other payables	10	77,340		391,323	
Net cash outflow from operating activities		(11,916,942)		(15,917,487)	
Cash flows from investing activities					
Purchase of non-current assets		(58,411)		(701,340)	
Net cash outflow from investing activities		(58,411)		(701,340)	
Cash flows from financing activities					
Grants from sponsor department		12,253,000		17,480,000	
Payments for lease liability		(224,671)		(212,612)	
Net cash inflow from financing activities		12,028,329		17,267,389	
Net increase/(decrease) in cash and cash equivalents in the period		52,976		648,561	
Cash and cash equivalents at the beginning of the period		874,360		225,799	
Cash and cash equivalents at the end of the period		927,336		874,360	

The notes on pages 99-117 form part of these accounts.

Statement of changes in taxpayers' equity

Year ended 31 March 2025

	General reserve £
Balance at 31 March 2023	796,119
Comprehensive net expenditure for the year	(16,822,250)
Grants from sponsoring department	17,480,000
Balance at 31 March 2024	1,453,869
Comprehensive net expenditure for the year	(12,103,849)
Grants from sponsoring department	12,253,000
Balance at 31 March 2025	1,603,020

The notes on pages 99-117 form part of these accounts.

Notes to the accounts

Year ended 31 March 2025

1. Accounting policies

1. Accounting policies

1.1. Basis of accounting

These financial statements have been prepared in accordance with the 2024/25 *Government Financial Reporting Manual (FReM)* issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Pensions Ombudsman for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Pensions Ombudsman are described below. They have been applied consistently in dealing with items that are considered material to the accounts. These accounts have been prepared under a direction issued by the Secretary of State for Work and Pensions (with the consent of HM Treasury) under section 145(8) of the Pension Schemes Act 1993 and Section 212A of the Pensions Act 2004.

International Financial Reporting Standards Amendments and Interpretations effective in 2024/25

No Amendments or Interpretations that have been issued but are not yet effective, and that are available for early adoption, have been applied by the Pensions Ombudsman in these financial statements.

TPO has adopted IFRS 16 with effect from 1 April 2022.

IFRS 17 Insurance Contracts (effective from 1 April 2023). The International Accounting Standards Board (IASB) has issued IFRS 17 (Insurance Contracts) which replaces IFRS 4 (Insurance Contracts). It has been effective since 1 January 2023, following IASB decisions to defer the effective date.

The date of initial application of IFRS17 in central government will be 1 April 2025 however, early adoption will be permitted with the permission from the relevant authority. There will be no material impact on TPO financial statements as TPO does not accept insurance risk from another party by compensating the policyholder.

Notes to the accounts

Year ended 31 March 2025

1. Accounting policies (*continued*)

1.2. Going concern

Future financing of TPO will be met by grant-in-aid from DWP, as TPO's sponsoring department. It has accordingly been considered appropriate to adopt the going concern basis for the preparation of these financial statements. Following Cabinet Office spending review exercise, DWP has agreed funding for 2025/26.

1.3. Grant-in-aid

Grant-in-aid received is used to finance activities that support the statutory and other objectives of the entity. Grant-in-aid is credited to the General Reserve, treated as financing. This is because grant-in-aid is regarded as contributions from a controlling party. Grant-in-aid is accounted for on a cash basis.

1.4. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

1.5. Other income and expenditure

Other income and expenditure is recognised on an accruals basis.

Notes to the accounts

Year ended 31 March 2025

1. Accounting policies (*continued*)

1.6. VAT

TPO was not registered for VAT during the financial year 2024/25. All costs are inclusive of VAT.

1.7. Property, plant and equipment

Property, plant and equipment are accounted for on a depreciated historic cost basis as a proxy for fair value where assets have a short useful life or are of relatively low value. This applies to most IT hardware and furniture and fittings. Depreciated historic cost is used as a proxy for fair value as the useful life for IT hardware, furniture and fittings is a realistic reflection of the life of the assets and the depreciation method used is a realistic reflection of the consumption of the assets.

Non-current assets are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds TPO's capitalisation threshold of £500 for each individual item.

1.8. Depreciation

Depreciation is calculated so as to write off the carrying value of an asset, less its estimated residual value, over the useful economic life of that asset. Depreciation is calculated from the date an asset is brought into use until the date it has either been fully depreciated or disposed. Depreciate rates are as follows:

- ▶ Hardware – Straight line over 5 years
- ▶ Office furniture – Straight line over 5 years

1.9. Intangible assets

Whether we acquire intangible assets externally or generate them internally, we measure them initially at cost, with subsequent measurement at fair value. Revaluation for the year ended 31 March 2025 was not material and consequently a revaluation has not been recognised. HM Treasury conducted a review on the valuation approach in place for all non-investment assets. The changes are to be implemented in 2025/26. Intangible assets will be valued at historical (deemed) cost. This approach will take the value at 31 March 2025 and will use it as the cost as at 1 April 2025. Any subsequently recognised intangibles will be valued at cost.

Notes to the accounts

Year ended 31 March 2025

1. Accounting policies (*continued*)

Non-current assets are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds the Ombudsman's capitalisation threshold of £500 for each individual item.

1.10. Amortisation

Amortisation is calculated so as to write off the carrying value of an asset, less its estimated residual value, over the useful economic life of that asset. Amortisation is calculated from the date an asset is available for use until the date it is has either been fully amortised or disposed of. Amortisation rates are as follows:

- Intangible assets – Straight line over 5 years

1.11. Leases

TPO accounts for leases under IFRS 16 (Leases) which sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that leases and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

IFRS 16 (Leases) requires recognition of all qualifying leases on the balance sheet. The result is the recognition of a right to use asset, measured at the present value of future lease payments, with a matching lease liability.

For leases previously treated as operating leases, the right of use assets have been measured at the present value of the remaining lease payments, adjusted for any prepayment or accrual balances in respect of the lease payments. TPO has taken advantage of the exemption for low value leases.

TPO does not have any onerous leases.

IFRS 16 (Leases) defines a lease as a contract that 'conveys the right to control the use of an identified asset for a period of time in exchange for consideration.' This definition applies both to lessees and lessors, therefore, in order to contain a lease, a contract must:

Notes to the accounts

Year ended 31 March 2025

1. Accounting policies (*continued*)

- ▶ depend on the use of an identified asset and
- ▶ provide the customer with the right to control the use of that identified asset.

IFRS 16 defines the lease term as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both i) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and ii) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HMT. The HMT discount rates were 0.95% for leases entered into prior to 31 December 2022, 3.51% for leases entered into prior to 31 December 2023 or 4.72% after 1 January 2024.

The lease payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in TPO's estimates of the amount expected to be payable under a residual value guaranteed, or if TPO changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- ▶ fixed payments, including in-substance fixed payments
- ▶ variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date
- ▶ amounts expected to be payable under a residual value guarantee
- ▶ the exercise price under a purchase option that TPO is reasonably certain to exercise, lease payments in an optional renewal period if TPO is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless TPO is reasonably certain not to terminate early.

Notes to the accounts

Year ended 31 March 2025

1. Accounting policies (*continued*)

When the lease liability is re-measured, a corresponding adjustment is made to the right of use asset or recorded in the SoCNE if the carrying amount of the right of use asset is zero.

Right of use asset

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and cost related to restoration at the end of a lease.

The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant, and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use of fair value for this lease (consistent with the principles for subsequent measurement of property, plant, and equipment).

The right of use asset is depreciated using the straight-line method from the commencement date to the end of the lease term.

On transition to IFRS 16, TPO recognised £2.4m of right of use assets and £2.4m of lease liabilities.

When measuring the lease liability, TPO elected to discount lease payments using the HMT discount rates (0.95% 2022, 3.51% 2023).

1.12. Pension arrangements

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes but TPO is unable to identify its share of the underlying assets and liabilities. TPO recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees’ service by payment to the PCSPS of amounts calculated on an accruing basis. Employer contributions for the financial year to 31 March 2025 were £1,959,041. Liability for the payment of future benefits is a charge on the PCSPS.

Notes to the accounts

Year ended 31 March 2025

1. Accounting policies (*continued*)

The scheme actuary valued the PCSPS as at 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024/25 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

1.13. Financial instruments

TPO determines the classification of financial assets and liabilities at initial recognition. They are derecognised when the right to receive cash flows has expired or when it transfers the financial asset and the transfer qualifies for derecognition.

It is, and has been, TPO's policy that no trading in financial instruments is undertaken.

TPO does not face the degree of exposure to financial risk that commercial businesses do. In addition, financial assets and liabilities generated by day-to-day operational activities are not held in order to change the risks facing TPO in undertaking its activities. TPO relies upon DWP for its cash requirements, having no power itself to borrow or invest surplus funds and TPO's main financial assets and liabilities have either a nil or a fixed rate of interest related to the cost of capital (currently 3.5%).

The short-term liquidity and interest rate risks are therefore slight. Therefore, the liquidity, interest rate and foreign currency risks facing TPO are not significant.

TPO assesses at each statement of financial position date whether there is objective evidence that financial assets are impaired as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the statement of financial position date and whether such events have had an impact on the estimated future cash flows of the financial instrument and can be reliably estimated.

Notes to the accounts

Year ended 31 March 2025

1. Accounting policies (*continued*)

Interest determined, impairment losses and translation differences on monetary items are recognised in the statement of comprehensive net expenditure.

The fair values of TPO's financial assets and liabilities for both the current and comparative year do not differ materially from their carrying values.

1.14. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. We consider there to be no areas of critical judgement used in applying the accounting policies.

There are no significant sources of estimation uncertainty.

1.15. Operating segments

The Pensions Ombudsman only reports one operating segment to management for the entire organisation. As such there is no additional analysis requiring disclosure in the accounts.

1.16. Pension Protection Fund (PPF) Ombudsman element of costs

PPF Ombudsman activity continues to be of relatively limited scale. An informal time recording arrangement is in place to support the split of costs. During the year ending 31 March 2025, 9 PPF Ombudsman cases (2023/24: 8 cases) and 988 TPO cases (2023/24: 578 cases) were closed. Approximately 1% (2023/24: 1.4%) of expenditure and total net liabilities (corresponding to £121,038 for the year ended 31 March 2025) is deemed attributable to the PPF Ombudsman (2023/24: £325,511).

No further analysis of costs is made between PPF Ombudsman and TPO cases and these costs are not separately reported to management. Therefore, TPO is considered to only have one operating segment and as such there is no additional segmental analysis requiring disclosure in the accounts.

Notes to the accounts

Year ended 31 March 2025

1. Accounting policies (*continued*)

1.17. Provisions

It is TPO's policy to recognise and disclose any provisions in accordance with IAS 37.

TPO recognises provisions in accordance with IAS 37 (Provisions, contingent liabilities and contingent assets). Provisions are valued using the best estimate of the expenditure required to settle the obligation.

2. Staff costs

			Year ended 31 March 2025	Year ended 31 March 2024
	Permanently employed staff £	Temporary staff costs £	Total £	Total £
Wages and salaries	7,250,862	5,115	7,255,977	7,516,222
Social security costs	802,690	-	802,690	826,500
Other pension costs	1,959,424	-	1,959,424	1,858,615
	10,012,976	5,115	10,018,091	10,201,337

The average number of staff employed during the year was 159 (2023/24: 168). Compensation of £0 on early retirement or for loss of office was paid during the year (2023/24: £0).

We have presented the full staff and related expenditure disclosure in the remuneration and staff report on page 72-84.

Notes to the accounts

Year ended 31 March 2025

3. Income

	Year ended 31 March 2025 £	Year ended 31 March 2024 £
Interest received	9,729	0
	9,729	0

The full cost of the monthly payroll is transferred to the bank account of our payroll provider in time to cover staff salary payments. The remaining amounts due to HMRC and pensions schemes are placed on deposit until paid around 19th of each month. Owing to an increase in bank interest rates in recent years a small amount of interest has accrued on these deposits.

Notes to the accounts

Year ended 31 March 2025

4. Other expenditure

	Note	Year ended 31 March 2025 £	Year ended 31 March 2024 £
Rent and rates		350,114	418,756
Computer expenses		860,014	1,043,791
Legal and professional fees		54,495	4,052,878
Subscriptions		118,058	112,444
Staff recruitment		40,485	101,502
Printing, stationery and postage		11,339	18,018
Auditors' remuneration		62,000	62,000
Internal audit fees		43,202	43,944
Sundry expenses		82,309	76,670
Staff training		33,237	65,050
Accountancy fees		19,782	26,400
Travel and subsistence		5,513	31,578
Hire of equipment		3,114	4,566
Telephone		13,034	19,757
Business continuity		1,758	2,766
Insurance		3,245	2,836
IFRS 16 interest		16,985	19,100
Bank charges		315	777
Non-cash items			
Amortisation	7	188,585	112,811
Depreciation	5	72,966	71,456
ROU asset depreciation	6a	297,337	297,337
Loss on disposal	5	-	-
(Decrease)/increase in provision for liabilities	14	(182,400)	36,476
		2,095,487	6,620,913

Payroll services are provided by MacIntyre Hudson at a cost of £19,782 (2023/24: £26,400). The National Audit Office, who perform our statutory audit, did not conduct any non-audit services nor receive remuneration for such services (2023/24: £Nil). A significant proportion of the decrease in non-staff costs from 2023/24 is due to the cost of the cyber incident in 2023.

Notes to the accounts

Year ended 31 March 2025

5. Property, plant and equipment

	Hardware £	Office furniture £	Total £
2024-25			
Valuation			
At 1 April 2024	350,621	48,263	398,884
Additions	-	-	-
At 31 March 2025	350,621	48,263	398,884
Depreciation			
At 1 April 2024	154,267	34,856	189,123
Charge for the year	64,075	8,891	72,966
At 31 March 2025	218,342	43,747	262,089
Carrying amount			
At 31 March 2025	132,279	4,516	136,795
At 31 March 2024	196,354	13,407	209,761
2023-24			
Valuation			
At 1 April 2023	325,350	48,263	373,613
Additions	25,271	-	25,271
At 31 March 2024	350,621	48,263	398,884
Depreciation			
At 1 April 2023	92,300	25,367	117,667
Charge for the year	61,967	9,489	71,456
At 31 March 2024	154,267	34,856	189,123
Carrying amount			
At 31 March 2024	196,354	13,407	209,761
At 31 March 2023	233,050	22,896	255,946

Notes to the accounts

Year ended 31 March 2025

6a. Right of use asset

	Right of use asset £	Total £
2024-25		
Valuation		
At 1 April 2024	3,047,692	3,047,692
Additions	-	-
At 31 March 2025	3,047,692	3,047,692
Depreciation		
At 1 April 2024	594,669	594,669
Charge for the year	297,337	297,337
At 31 March 2025	892,006	892,006
Carrying amount		
At 31 March 2025	2,155,686	2,155,686
At 31 March 2024	2,453,023	2,453,023
2023-24		
Valuation		
At 1 April 2023	3,047,692	3,047,692
Additions	-	-
At 31 March 2024	3,047,692	3,047,692
Depreciation		
At 1 April 2023	297,332	297,332
Charge for the year	297,337	297,337
At 31 March 2024	594,669	594,669
Carrying amount		
At 31 March 2024	2,453,023	2,453,023
At 31 March 2023	2,750,360	2,750,360

Notes to the accounts

Year ended 31 March 2025

6b. Lease liability

Lease liability, measured at the present value of future lease payments relating to the offices at 10 South Colonnade are shown below.

	31 March 2025 £	31 March 2024 £
Not later than one year	226,805	224,671
Later than one year and not later than five years	928,974	920,232
Later than five years	538,249	773,796
Present value of obligations	1,694,028	1,918,699

Notes to the accounts

Year ended 31 March 2025

7. Intangible assets

	Information Technology £	Total £
2024-25		
Valuation		
At 1 April 2024	1,007,121	1,007,121
Additions	1,944	1,944
Assets under construction (additions)	56,467	56,467
At 31 March 2025	1,065,532	1,065,532
Amortisation		
At 1 April 2024	273,421	273,421
Charge for the year	188,585	188,585
At 31 March 2025	462,006	462,006
Carrying amount		
At 31 March 2025	603,526	603,526
At 31 March 2024	733,700	733,700
2023-24		
Valuation		
At 1 April 2023	529,647	529,647
Additions	676,070	676,070
Disposal	(198,596)	(198,596)
At 31 March 2024	1,007,121	1,007,121
Amortisation		
At 1 April 2023	359,206	359,206
Charge for the year	112,811	112,811
Amortisation on disposals	(198,596)	(198,596)
At 31 March 2024	273,421	273,421
Carrying amount		
At 31 March 2024	733,700	733,700

Of the £603,526 total carrying amount at 31 March 2025, £490,263 is the carrying amount of an individual intangible asset. This is the rebuild of the IT estate which took place in 2023/24. The remaining amortisation period for this asset is 41 months.

Notes to the accounts

Year ended 31 March 2025

8. Trade and other receivables

	31 March 2025 £	31 March 2024 £
Due after more than one year		
Lease premium	-	-
	-	-
Due within one year		
Staff loans	1,281	1,248
Prepayments	265,066	94,078
	266,347	95,326

9. Cash and cash equivalents

	31 March 2025 £	31 March 2024 £
Balance brought forward	874,360	225,799
Net change in cash and cash equivalent balances	52,976	648,561
Balance carried forward	927,336	874,360

10. Other payables

	31 March 2025 £	31 March 2024 £
Trade payables	510,560	174,128
Accruals	282,082	541,174
	792,642	715,302

Notes to the accounts

Year ended 31 March 2025

11. General reserves

This reserve is used to record the accumulated grant-in-aid received and expenditure realised during the course of the year. The general reserve stood at £1,603,020 at 31/03/2025 (£1,453,869 at 31/03/2024).

12. Other financial commitments

The future minimum payments under the TPO IT contract are given below, analysed according to the period in which the payments fall due:

Information Technology

	31 March 2025 £	31 March 2024 £
Not later than one year	810,000	239,911
Later than one year and not later than five years	573,750	
Later than five years	-	-
	1,383,750	239,911

13. Related party transactions

TPO is a non-departmental public body of DWP. DWP is regarded as a related party.

DWP is the Sponsor Department for TPO and, as such, grant-in-aid is allocated by DWP. The amounts received are disclosed in the statement of changes in taxpayers' equity. There are also immaterial non-grant-in-aid transactions with DWP.

In addition, TPO has had various transactions with other government departments and central government bodies. This includes material transactions (£578,954) with Cabinet Office (including the Government Property Agency) in respect of the lease arrangement for 10 South Colonnade, and immaterial transactions (£47,456) with the Government Internal Audit Agency (invoiced by HM Treasury). At the end of the period there was an outstanding balance of £43,202 to the Government Internal Audit Agency. All of these amounts were invoiced with normal terms and conditions of payment including 30 days credit.

Notes to the accounts

Year ended 31 March 2025

No board member, key manager or other related parties has undertaken any material transactions with TPO during the year.

Details of remuneration for key management personnel can be found in the Remuneration and staff report within the Accountability report.

14. Provisions for liabilities and charges

	31 March 2025 £	31 March 2024 £
Balance at 1 April	278,300	241,824
Provided in year	0	136,476
Utilised in year	(95,900)	(98,342)
Change in discount rate	-	-
Provisions not required written back	(182,400)	(1,658)
Balance at 31 March	0	278,300

Expected future costs relating to the internal repairs for the space occupied by TPO under a Memorandum of Terms of Occupation have been identified as not being a liability for TPO. Consequently, there is no provision for dilapidations recognised.

In 2023/24 TPO was granted permission to participate and appeal the High Court judgment (in which we were not involved) to the Court of Appeal concerning CMG Trustees. TPO did not participate in the appeal. TPO agreed to pay the trustees' costs for participating in the appeal. The total was estimated at around £125,000. In the event, trustees' costs were £95,900 which were paid and the remaining £29,100 provision written back.

Details of the treatment of pension liabilities in the accounts can be found in the Remuneration report, in the accounting policies and Note 1. This is subject to audit.

Notes to the accounts

Year ended 31 March 2025

15. Contingent liabilities disclosed under IAS37

TPO has not entered into any unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort.

From time to time, we will be subject to legal challenge and judicial review of decisions made in the normal course of our business. Legal judgments could give rise to liabilities for legal costs, but these cannot be quantified as the outcome of proceedings would be unknown and there is therefore considerable uncertainty as to the nature and extent of any subsequent liability. TPO has identified an unquantifiable liability requiring to be disclosed under IAS37 as a potential judicial review in the Northern Ireland court. TPO has responded to a pre-action letter. To date there has been no response. TPO has identified an unquantifiable liability requiring to be disclosed under IAS37 as potential court cases which may lead to possible obligations.

16. Events after the reporting date

No material events have occurred since the reporting date that have an effect on the accounts or on the users of the financial statement.

The Accounting Officer authorised these financial statements for issue on the same date as the Certificate and Report of the Comptroller and Auditor General.

Appendix: Casework in-depth case studies

This appendix contains case studies on some key decisions and Determinations made through the year. More case studies can be found on our website at pensions-ombudsman.org.uk/case-studies



General enquiry case study

Summary

The enquiry involved an ongoing pension consultation between the employer and a small group of employees regarding the proposed closure to future accrual of the employer's defined benefit occupational pension scheme.

Background

The potential applicant joined the company in 2001 and enrolled in the Defined Benefits (DB) pension scheme. This was subsequently closed to new members around 2008, and new employees join a Defined Contribution (DC) scheme which has significantly lower benefits. The company had decided to embark on consultation with the 11 remaining active members of the DB scheme to close it and move them to the DC scheme for future accrual.

The potential applicant wanted to know if the employer could enforce such a significant reduction in their overall benefits and to what extent the DB scheme forms part of their terms and conditions as it was part of the attraction to the job over 23 years earlier.

Response

Our general enquiries specialist, while flagging that TPO could not advise the individual, took him through the sort of issues that he may want to consider in deciding whether there was a legitimate complaint. As a first step, whether the employer can close the DB scheme and place the potential applicant in the DC scheme for future accrual would depend on the rules of the DB scheme. For example, does the employer have the unilateral power to close the DB scheme to future accrual, or do they need the written consent from the scheme trustees? Have both the employer and trustees exercised their powers correctly as per the scheme rules?

It will also have to be determined if there is any contractual right to continued benefit accrual in the DB scheme (which will depend on the wording of the potential applicant's own employment contract).

We then advised on next steps, including the need to raise the issue with the potential respondent first, if they wanted to submit a formal complaint. This response enabled the individual to consider whether they did have a legitimate complaint before embarking on TPO's formal process.

Resolution case studies

CAS-109309-V1R5

Summary

The applicant was concerned about the calculation and tax treatment of her drawdown income, complaining that too much tax had been deducted by her pension scheme administrator (the respondent). The applicant believed this had resulted in financial detriment to her Self-invested Personal Pension (SIPP).

Background

The applicant had requested a drawdown payment of £5,000.00 net from the respondent's SIPP. To realise the net amount based on the PAYE tax code provided by HMRC, a gross payment of £7,165 was deducted from the SIPP, with £2,165 being paid across to HMRC in tax. The applicant complained that the tax deduction was £1,000 too much and that she had been incorrectly treated as a higher-rate taxpayer, when she was in fact only a basic-rate taxpayer. Whilst the respondent accepted that a refund of tax might be due where no further income was drawn down, it stated that it had acted in accordance with HMRC's PAYE requirements and tax tables; adding that any overpayment arising would be refunded via HMRC through either an in-year coding adjustment or an HMRC assessment. The applicant did not accept this explanation and escalated her complaint to TPO.

Outcome

The case was initially handled by a caseworker in the first stage of our resolution service. The caseworker tried to resolve matters informally by explaining to the applicant how HMRC's PAYE tax tables worked; explaining there was no evidence of maladministration or detriment because the respondent had acted in compliance with HMRC requirements. The applicant did not accept the explanation and opinion provided by the caseworker and requested that the complaint be escalated to the next stage of TPO's process for a formal Determination.

As the application was of a straight-forward nature with a single point of complaint that hinged on a verifiable technical point, it was earmarked for review via TPO's new *Expedited Decision* process (followed by an Expedited Determination if either of the parties disagreed with that decision). This ensured that the complaint was still subject to a further, formal review by an experienced Resolution Specialist, but that it would be dealt with more expediently, and without having to join the queue for adjudication.

A formal decision letter was issued, with the Resolution Specialist concluding that:

- ▶ the complaint should not be upheld
- ▶ no act or omission by the respondent amounted to maladministration
- ▶ no further action would be required of the respondent.

Whilst it was acknowledged that a refund of tax was ultimately due – and whilst the sequence of events was undoubtedly frustrating for the applicant – this was solely down to the nature of the PAYE system rather than any error or omission on the part of the respondent. The applicant subsequently received a refund via HMRC and has since accepted the TPO decision.

Not only did this Expedited Decision letter provide a more timely outcome for both parties in this particular case, it also helped ensure that TPO’s adjudication service remained free to deal with more complex applications, which helped support better and more timely customer outcomes overall.

CAS-131798-K7L8

Summary

In her capacity as a member of a workplace pension scheme, the applicant had requested a *Serious Ill Health Lump Sum* (“SILS” payment) from the Fund. Owing to the serious failings experienced by the applicant during this process – which saw the entitlement to SILS being initially misquoted – she and her husband raised a complaint against the Fund and its administrators. The applicants claimed that they should be entitled to receive the higher SILS amount originally quoted (£92,341.83) rather than the revised amount of £39,430.00 later quoted.

Background

Although the applicant had raised a complaint, this was not via the Scheme’s IDRP, meaning the application was rejected as being invalid due to TPO’s requirement for applicants to have exhausted a scheme’s own complaints process before bringing a complaint to TPO.

In their complaint response, the respondent apologised for the incorrect calculations originally provided and explained how the error arose, reiterating that:

- ▶ The basis of a SILS payment is a cash equivalent transfer value (CETV), minus the CETV of the spouse’s pension. In the applicant’s case, this should have been £94,858.88 minus £55,428.88, leaving a SILS of £39,430.00.

- ▶ However, the SILS was incorrectly quoted as £92,341.83 because the original calculation was based on the £94,858.88 CETV minus £2,517.05, which was the spouse's *annual pension* rather than their CETV.
- ▶ Whilst sorry for the shock and disappointment caused by overstating the SILS entitlement initially, the trustee can only pay benefits to which a member is entitled under the scheme rules and an error does not confer the right to a higher level of benefits.

To reflect the very poor service provided and the distress and frustration caused during what was a very difficult time for the applicant personally, the respondent did however offer a goodwill payment of £2,000 in contrition, as well as an undertaking to reimburse up to £5,000 in advisor fees where it was necessary for the applicant to seek further financial advice regarding her Fund retirement benefits. The respondent reiterated that the revised calculations remained correct, and that the member was not entitled to SILS benefits over and above the amount of £39,430.00. The Fund's complaint response explained that this offer was made in full and final settlement of the complaint.

Outcome

Given the serious and time-sensitive nature of the complaint, the applicant was deemed to be a *vulnerable customer* who was especially susceptible to harm as a result of her personal circumstances. Therefore whilst the application could not be considered by TPO's resolution or adjudication services until the IDRPs had been completed, the case was earmarked as one where impartial support could be provided by one of TPO's volunteer network, assuming consent was granted by the applicants.

Upon receipt of a completed *Form of Authority*, the case was fast-tracked to a volunteer adviser who immediately contacted the applicant and her husband, ensuring that targeted and early support was provided at point of application rather than the case having to await allocation from the team queue. As well as corresponding via email, the volunteer spoke with the applicant and her husband via telephone to provide assurance that the volunteer was on hand to support, and to ensure a full understanding of events and material factors was gleaned.

Having reviewed all of the relevant correspondence and documentation, the volunteer explained to the applicant that:

- ▶ The offer of compensation in respect of non-financial injustice seemed reasonable and at least in line with TPO guidance.
- ▶ That after reviewing the evidence provided by the Fund's administrators, the benefits appear to have been correctly re-calculated.

- ▶ The applicant would only be entitled to receive her correct and due benefits under the scheme rules.
- ▶ To receive compensation for the notional loss of entitlement, one of the crucial tests would require robust proof that irreversible financial decisions had been made on the basis of the incorrect figures.

After speaking with the volunteer, the applicant decided to accept the compensation offered and despite their understandable and continuing disquiet about the way in which the SILS request had been handled, she and her husband accepted that the revised calculations were correct and that there was little prospect of receiving benefits over and above the actual entitlement. As such, the applicant decided to draw a line under matters and the complaint was recorded as having been resolved.

As a direct result of the volunteer adviser's early intervention and the impartial support and advice he was able to offer, TPO was able to provide clarity to the applicant and her husband, helping them to achieve closure and a fair outcome at a difficult time, even where this may not have been the outcome they might have originally sought.

Pensions Dishonesty Unit case study

Trustee Dishonesty – Upheld Determination – PO-16266

Summary

Following an investigation into two occupational pension schemes, the Uniway Systems Limited Retirement Benefit Scheme and the Genwick Limited Retirement Benefit Scheme (the Schemes), it was found that Ecoignard Trustees Ltd (Ecoignard), the appointed corporate trustee of the Schemes, was responsible for multiple breaches of trust and acts of maladministration. These acts caused the loss of scheme funds and severely impacted scheme members' pensions. A former director of Ecoignard and sole director at the time the investments were made, Mr Ankur Vijaykumar Shroff, was found personally liable for the losses suffered and was ordered to pay over £9.7m into the Schemes.

Background

The Pensions Ombudsman received several complaints from members of the Schemes and from Dalriada Trustees Limited, an Independent Trustee appointed by The Pensions Regulator, about the lack of information about their pension funds, the inability to access benefits or transfer away, and the investment decision making of Ecoignard.

The Schemes were established in August 2013, with Ecoignard as trustee, and Deuten Services Limited as administrator. Between 2013 and November 2015, the Schemes received, and Ecoignard invested, £13.5m in respect of 212 individuals. The individuals were in many cases introduced to the Schemes by an unregulated introducer which had directorial crossover with several of the investments.

Despite Mr Shroff's significant investment experience, with over 10 years' at a UK authorised firm as an investment and asset manager, there was no evidence that in making these investments Ecoignard had sought financial advice. The investments made by the Schemes were high risk, overseas investments and were linked to a network of regulated and unregulated introducers which had arranged transfers into the Schemes.

In 2016, Ecoignard arranged for the trusteeship of the Schemes to be transferred to a different corporate trustee, by which point the majority of the investments were severely impaired. In the following years, members sought to access or transfer their funds, but because of the illiquidity of the investments and loss of value, this was denied, prompting members to complain about the security of their funds and lack of information.

As the complaints related to a possible breach of trust and dishonesty, the cases were referred to the PDU for investigation. Dalriada's complaint against the former trustee, on behalf of the wider membership of the Schemes, was also accepted for investigation, allowing it to make direct representations about the investment decisions made by Ecoignard.

Outcome

In October 2024, following an oral hearing which Mr Shroff chose not to attend, the Deputy Ombudsman upheld the complaints, finding that the Schemes were established with the primary intention of channelling money into specific predetermined investments selected by the network of unregulated introducers. By facilitating this arrangement, Ecoignard had committed acts of maladministration and multiple breaches of trust, including: failing to have regard to relevant investment regulations; failing to adequately avoid being in a position of conflicting interests; and, acting in breach of the duties imposed on it by Part 1 of the Pensions Act 1995 and case law.

Due to Mr Schroff's position as sole director of Ecoignard at the time of these breaches, and for his key role in allowing the investments to proceed, he was found to be a dishonest accessory to Ecoignard's multiple breaches of trust.

The Deputy Ombudsman directed Mr Shroff to repay £9,776,035.99 into the Schemes for the benefit of all members and to pay each Applicant £5,000 in recognition of the exceptional distress and inconvenience each has suffered.

Learning

This investigation demonstrates the extensive reach of TPO, finding the director of a corporate trustee ultimately responsible for the actions of a corporate entity. Although an example of extreme disregard for the members of the Schemes, the case also highlights the responsibility of trustees to protect members' funds through appropriate management of conflicts of interest, undertaking due diligence on investments and, where required, seeking financial advice.

Overpayment of Pension Sharing Order – Not upheld

Determination – PO-16266

Summary

Mr R complained that Teachers' Pensions (**TP**) had sought to recover an overpayment of pension paid to him during the implementation period of a Pension Sharing Order (**PSO**). Mr R's position was that the overpayment should not be recovered. The complaint was not upheld and the Ombudsman concluded that subject to Section 91(6) of the Pensions Act 1995, it could be recovered.

Background

Mr R's divorce was declared absolute in June 2019 and a PSO was issued in respect of his 'in payment' benefits from the Teachers' Pension Scheme. The PSO directed that 55.5% of the pension be transferred to his former spouse, with the effective date being 28 days from the date of the PSO.

At the same time an Ancillary Relief Order (**ARO**) was granted by the Court which required Mr R to continue to pay his former spouse monthly payments of £650 per month, which would end on the implementation of the PSO.

Prior to the granting of the PSO, TP had written to Mr R explaining that where a PSO is made against a pension which is in payment, then an overpayment would arise and that TP would seek recovery. The overpayment period would run from the date of the PSO to the date it is fully implemented.

TP received the PSO for implementation in August 2019. Over the following months there were exchanges between Mr R and TP. In November 2019, Mr R advised TP that he could not afford the implementation costs and highlighted that he was continuing to pay his former spouse £650 per month under the ARO. In response, TP agreed to deduct the charges from the pension, but that the payment of the ARO was a private matter between Mr R and his former spouse which TP was not involved in.

In February 2020, TP wrote to Mr R to confirm that the PSO had been implemented with an effective date in July 2019. On completion of the implementation, the requirement of the ARO that Mr R pay his former spouse £650 per month ceased.

The effective date meant that Mr R's pension had been reduced from that date and that the pension between July and February 2020 had been overpaid to him by £4,600, approximately £760 per month. In effect, the amount that Mr R's pension was reduced by was paid to his former spouse from July 2019 under the ARO. TP proposed a monthly repayment schedule between April 2020 and March 2022.

Mr R disputed TP's actions to recover the alleged overpayment, saying that he was being required to double pay his former spouse and that she had received more than her entitlement. He asserted that TP should seek the overpayment from his former spouse and that if he had not adhered to the ARO over the period he would have been at risk of a fine or being found in contempt of court.

TP maintained that it must recover overpayments of public funds in line with guidance issued by HM Treasury on 'Managing Public Money'.

Outcome

The Ombudsman considered the case and concluded that TP had the right to recover the overpayment. TP had warned Mr R prior to the implementation of the PSO that an overpayment could occur between the effective date of the PSO and the implementation date, and that it would seek to recover the overpayment.

As TP was not a party to the ARO, it was up to Mr R to raise it with his legal representatives or his former spouse, and the Ombudsman could not interfere with a legally binding document presided on by a Court. The matter of the ARO was outside of the Ombudsman's jurisdiction.

The complaint was not upheld, and TP was entitled to recover the overpayment subject to section 91(6) of the Pensions Act 1995. The Ombudsman noted that as TPO was not a competent court for the purposes of Section 91(6), TP would require the order of a competent court before making recovery.

The Ombudsman did note wider comments regarding this scenario made in a Report by the Pensions Advisory Group in July 2019, which was endorsed by the President of the Family Division of the High Court, saying:

"F.16 An even greater problem can occur where the pension holder is required to pay interim maintenance to the pension claimant ex-spouse either until a Pension Sharing Order has taken effect or until it has been implemented. It should be noted that there can be a dramatic time difference between these two events, and lawyers drafting consent orders should give careful consideration to which is intended. If interim maintenance is to be paid until the pension sharing has been implemented, then not only is the pension holder likely to suffer a clawback situation., but the pension holder will suffer a clawback from those very payments that are allowing the maintenance to be paid."

Learning

This was an unfortunate case where the applicant was caught between a court order to make payments to his former spouse, and TP's legal entitlement to seek recovery. It highlights the importance of being clear in such circumstances where an overpayment might foreseeably arise (such as TP were in this case) and how there can be inconsistencies between the requirements of the Courts and Pension Scheme Rules which the industry should seek to reduce.

Olivetti UK Limited Pension and Life Assurance Scheme

Interpretation of scheme rules – Upheld Determination – CAS-50353-Y4X5

Summary

The complaint concerned a pension scheme member (Mr H) who transferred to the Olivetti UK Limited Pension and Life Assurance Scheme, with promises that his benefits would “mirror” those from his previous scheme.

The case, which was upheld in favour of Mr H, examined whether the promises made 18 years previously – particularly in relation to pension increases – could be enforced, and who carried the responsibility to ensure the right benefits were paid.

Background

Following the transfer to the new scheme in 1998, the common understanding was that mirror benefits, including increases in payment to his pension at the rate of inflation with a 5% cap, would be provided to Mr H. Although no steps were taken to document these formally, evidence of contemporaneous discussions and assurances to Mr H was presented to the Ombudsman. For example, the employer’s agent, following a meeting with Mr E, confirmed that on transferring, “your accrued and future Pensionable Service benefits would mirror those that would have been available under [the Previous Scheme]”. Mr H had also received an early leaver statement showing the mirrored increases, and at retirement in 2014 he was provided with a quotation showing the increases. The benefits were put into payment on the mirrored basis.

In 2015, the trustees took advice from counsel on the correct application of the scheme rules. On receipt of the advice the trustees decided to stop payment of increases on the more generous basis Mr H was entitled to, believing that the lack of documentation meant they had no power to pay them. It was not clear that the advice had been provided with the benefit of information on the position of all members, including Mr H.

Outcome

The Pensions Ombudsman found maladministration and breach of contract by the employer in failing to properly document Mr H’s contractual entitlements for almost 18 years after promising to mirror his previous scheme benefits and

procure their payment through the scheme.

The Pensions Ombudsman also found the Trustee was in breach of trust by failing to administer the scheme in accordance with the scheme rules, including its own transfer-in provisions. There was however no maladministration as the Trustee had taken advice. It was therefore the responsibility of both the Trustee and employer to ensure the right benefits were paid.

As a result of these findings, the Pensions Ombudsman determined Mr H's correct pension entitlement and directed:

- ▶ Back payments with interest must be paid to Mr H to address historical underpayments.
- ▶ His future pension increases must be calculated correctly.
- ▶ The employer must pay £1,000 compensation for serious distress and inconvenience.

This case is noteworthy as:

- ▶ Unusually, the Ombudsman found that the documentation issued to Mr H at the time of transfer, and the actions of the parties, were sufficiently clear to give rise to a continuing contractual obligation.
- ▶ The employer could not avoid liability by relying on a limitation defence, because (a) there was a continuing breach of contract and (b) limitation does not apply to an order for specific performance.
- ▶ Despite no formal amendment being made to the Scheme Rules, the benefits were granted under the transfer-in rule, allowing the member to enforce this right directly against the trustees without a limitation period applying in respect of past underpayments.

Learning

This case provides important lessons for pension schemes about the importance of properly documenting benefits promised on transfers in and on scheme mergers.

BIC – Most of overpayments not recoverable

Overpayment – Upheld Determination – CAS-55100-G3W9

Summary

Mr E complained that the trustees should not be permitted to recover overpayments of pension benefits amounting to £90,934 which had built up over a period of 24 years. The Pensions Ombudsman concluded that it would be equitable to permit the full recovery of that amount which meant that only a portion of the overpayment could be recovered.

Background

The overpayments had arisen because of a legally ineffective attempt to document a decision made in 1991 by the then trustees and employer of the BIC UK Pension Scheme to grant increases to pensions in payment equal to RPI capped at 5%. Court action before the Determination covered pre-6 April 97 benefits: the High Court held in 2018 that Pre 97 increases were validly granted, but the decision was reversed by the Court of Appeal in *BIC v Burgess*⁴ (**BIC (CA) Decision**). The trustees of the Scheme then sought to recover the overpayments from members by recouping the overpayments from future pension payments.

Following the BIC (CA) Decision, a number of complaints were made to TPO. Mr E accepted that the trustees had to reduce the pension payments going forward, but complained that the past overpayments should not be recouped.

Outcome

The Pensions Ombudsman considered whether Mr E had any defences to recoupment of the overpayments, noting that the case of *Re Musgrave*⁵ recognised that equitable recoupment was not available if it was inequitable to rely on it as a remedy, and that recoupment should be used in a just and equitable manner. The Pensions Ombudsman also noted that limitation was not a defence to recovery of an overpayment under principles of equitable recoupment.

4 *BIC v Burgess* [2019] 051 PBLR (026)

5 *Re Musgrave* [1916] 2 Ch 417

In assessing whether recouping was equitable, the Pensions Ombudsman applied analogous principles to the defences available to repayment of an overpayment – for example, a ‘change of position’ defence. He explained that to demonstrate a change of position, it is generally necessary to show:

- (1) **Good faith** — The recipient of the overpayment must be acting in good faith
- (2) **Detriment** — Their circumstances must have changed detrimentally and irreversibly as a result of the overpayment or in anticipation of receiving it
- (3) **Causation** — There must be a causal link between the change of position and receipt of the overpayment (as a minimum it is necessary to show at least that “but for” the mistake the applicant would not have acted as they did)

Good faith test – To show a recipient has acted in good faith it is generally necessary to show that he did not have actual or “Nelsonian” knowledge that he was overpaid. If the recipient had good reason to believe that he was being overpaid but did not check the position with the trustees or administrators, this will amount to bad faith. However, good faith does not require the member to make inquiries which a reasonable person would have realised should be made, but the actual recipient did not realise. Mere carelessness or negligence is not enough to establish bad faith.

The Pensions Ombudsman looked at the issue of whether Mr E was acting in good faith. In February 2013 the trustees had advised members that the trustees and BIC UK had received conflicting legal advice concerning the right to the Pre 97 increases. Consequently, there was uncertainty as to whether pension levels were correct. The February 2013 announcement explained that further increases would be suspended until the matter had been resolved and sought to reserve the trustees’ position to make deductions at a future date “for the increases already applied”. However, the Pensions Ombudsman concluded it was unclear what the implications were of the reference to “increases already applied”. Although no further increases were granted, the existing level of pension payments (including past increases) continued to be paid. This resulted in a significant further build-up of overpayments. There was no explicit warning that these might have to be recovered or that money should be set aside in anticipation of a future claim for recovery.

Given this, the Pensions Ombudsman concluded that Mr E acted in good faith both before and after February 2013, as the implications of the error were not effectively communicated until March 2020.

Detriment and causation – In relation to the issue of whether Mr E sustained detriment and whether but for the overpayments Mr E would have spent the money, the evidence that the Pensions Ombudsman had (several years of bank statements), was that Mr E lived prudently up to his means. Up until 1 August 2019, Mr E had spent the overpayments irreversibly on general living

expenses and started to reduce his spending about three months after the date of the BIC (CA) Decision when faced with the uncertainty related to his future pension. Accordingly, the Pensions Ombudsman concluded that, but for the overpayments, he would not have spent up to the level of his pension payments until 1 August 2019.

Estoppel – The Pensions Ombudsman also considered whether similar equitable principles to that of estoppel by representation or estoppel by convention may apply in determining whether it was equitable to recoup the overpayments.

Having considered the three classic requirements of unconscionability set out in *Steria*⁶, in relation to the period up to February 2013 the Pensions Ombudsman concluded that estoppel by representation would arise. For the period after February 2013, given the announcements about the overpayments issue, there was not a sufficiently unequivocal representation for an equitable estoppel to arise.

The Pensions Ombudsman also considered in more general terms whether it was appropriate to deny equitable recoupment under general equitable principles and acknowledged that the analogous defences of estoppel by representation and change of position produced different results; the estoppel defence rendered overpayments before February 2013 unrecoverable, whereas change of position extended that period to 1 August 2019. The key reason for the difference depended on the effectiveness of the February 2013 announcement. The Pensions Ombudsman considered it was poorly drafted and did not adequately warn members that they were building up further overpayments which they might also have to repay in addition to the overpayments that had built up before the February 2013 announcement was issued.

Accordingly, the Pensions Ombudsman concluded that in all the circumstances it was equitable to deny recoupment both in respect of the period up to, and following, the February 2013 announcement up until 1 August 2019.

Laches

The Pensions Ombudsman then went onto consider whether the defence of laches applied. Broadly, laches is a defence to an equitable claim of recovery on the basis that the scheme has delayed asserting its right to reclaim the overpayments and, because of this delay, it is no longer entitled to recover. It generally requires knowledge of the relevant facts on the part of the claimant; and either (a) acquiescence on the claimant's part; or (b) prejudice or detriment on behalf of the defendant.

6 *Steria v Hutchison* [2006] 64 PBLR (CA) at [91] to [93]

The Pensions Ombudsman noted that recent case law indicates that a broad approach should be adopted when establishing whether it is unconscionable for the party concerned to be permitted to assert his beneficial rights. Mere delay is never a bar in itself to equitable relief; it must be coupled with circumstances which make it inequitable to enforce the claim.

The Pensions Ombudsman concluded that the trustees had knowledge that there was a potential issue in 2011 even though it was not conclusively proved there was a mistake until much later. Given it took over six years from date of identification of the issue until a ruling of the court was obtained and that Mr E had sustained prejudice as a result of overpayments continuing to build up, the Pensions Ombudsman considered that it would be unconscionable for the trustees to be permitted to recover the overpayments that built up in the period from the date of issue of the February 2013 announcement to 31 July 2019.

Directions

The Pensions Ombudsman found as a matter of law that the trustees could only recoup £6,554 of the total overpayments of £90,934. The recoverable amount could be recouped at the rate of £200 a month and Mr E should be paid £1,000 for the distress and inconvenience caused, which he could agree to set off against the £6,554 amount.

The Pensions Ombudsman has confirmed that he regards the BIC case as a lead overpayment case where the principles of recoupment are at play, and he intends to take a similar approach to recoupment in future trust-based overpayment disputes.



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ISBN: 978-1-5286-5526-2
E03306194 07/25