



**The
Pensions
Ombudsman**

Pensions Ombudsman
Pension Protection Fund Ombudsman

Annual Report and Accounts 2025/26

HC 405

Pensions Ombudsman
Pension Protection Fund Ombudsman

Annual Report and Accounts 2025/26

For the period 1 April 2025 to 31 March 2026

Pensions Ombudsman's Annual Report and Accounts presented to Parliament pursuant to section 145 (6)–(9) of the Pension Schemes Act 1993.

Pension Protection Fund Ombudsman's Annual Report and Accounts presented to Parliament pursuant to sections 212 and 212A of the Pensions Act 2004.

Ordered by the House of Commons to be printed 9 July 2026.

HC 405

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ISBN: 978-1-5286-6425-7
E03592185 07/26

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 purpose

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:

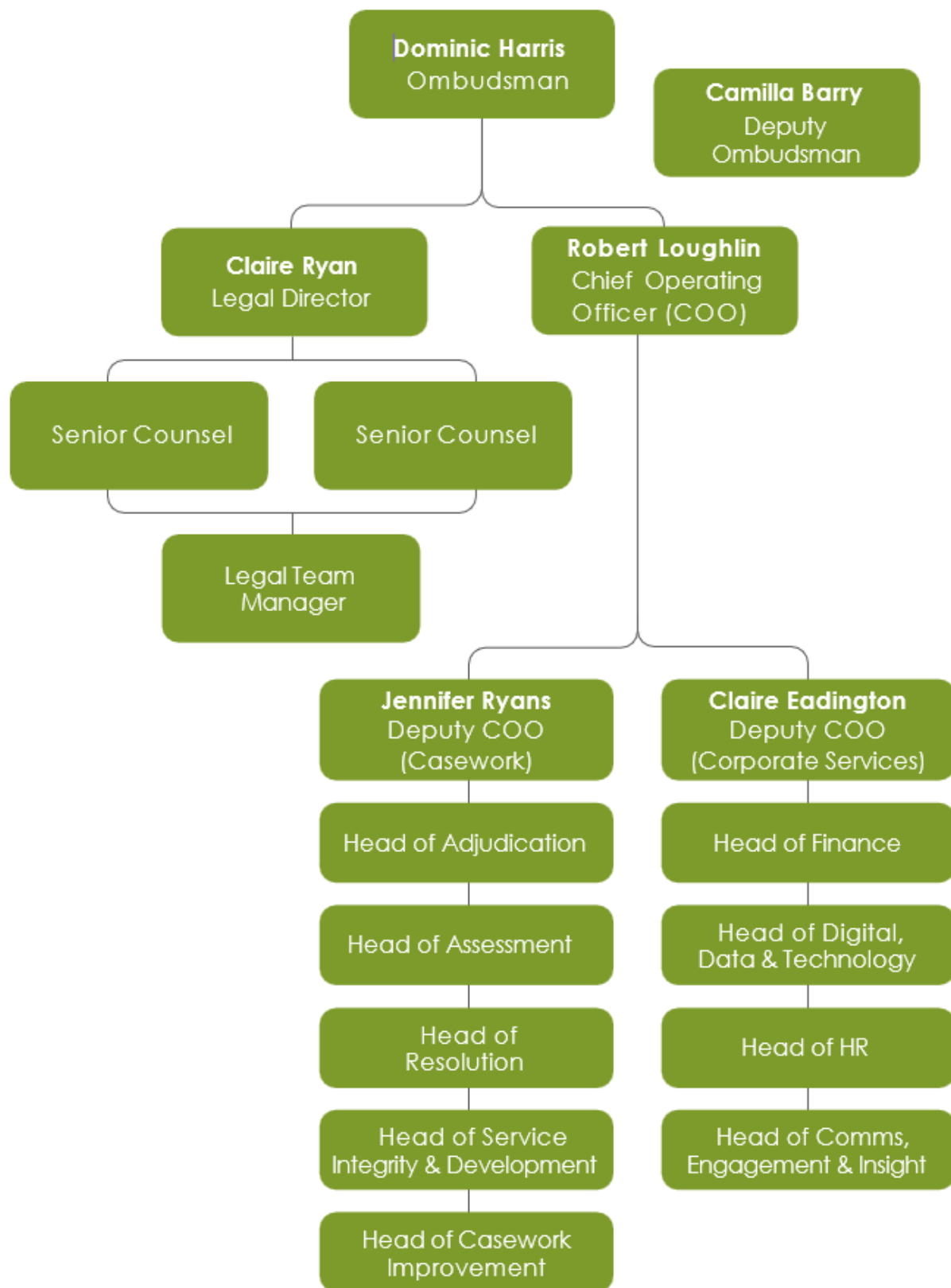
- We work together effectively
- We share our knowledge
- We embrace diversity and inclusion

Excellence

This means:

- We drive continuous improvement
- We learn from experience
- We take ownership of our own development

How we are structured (as at 31 March 2026)



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 Chair on the performance of the organisation in 2025/26, our performance against our key performance indicators, and a summary of our financial position

Ombudsman's introduction

I am pleased to introduce the annual report for the year ending 31 March 2026 – the third year of my tenure as Pensions Ombudsman.

Historical context

In previous reports, I have set out the challenges we face as an organisation: notably the growing demand for our important service and the limited capacity we have to deal with the number of pension complaints we receive. This means that customers and respondents alike have sometimes had to wait too long for a conclusion to their case.

I also described the actions we were taking to deal with that challenge – the centrepiece of which was our Operating Model Review (the **OMR**). The OMR looked to make our own processes more efficient, while also encouraging and facilitating more complaints being resolved before reaching TPO (thus reducing the demand for our service).

The OMR is proving successful. In the last report, for the year ending 31 March 2025, I set out how we had resolved 42% more cases than in the previous year. However, at the same time demand also increased by 39%, and so our overall caseload remained broadly static.

Nonetheless, the benefits of the changes we had made in our OMR were clear – and so we sought to scale-up the successful elements of it in our three-year Corporate Strategy and embed them in the way we work.

Continued improvement

Our new way of working continues to make a difference. In 2025/26, we resolved 10,793 cases. This represents an increase of 14% on the previous year – which was, at the time, our most productive year ever.

This means that, since the implementation of our OMR, we have increased the number of cases closed each year by 63%.

My team, both those who are employed by TPO and the wonderful cadre of volunteers who give their time and expertise for free, should be proud of their work in achieving this result and the difference it makes to those who use our service.

Many of the changes we have implemented are set out in the following pages, and so I will not describe all of the improvements we have made in this introduction. However, as you will see as you continue through this report, it is clear it is a genuine team effort, with all parts of TPO contributing to the progress we have made.

But continued growth in demand

However, while we have resolved more pension complaints than ever before, we have also received a record number of applications.

In 2025/26, we received 10,944 new applications. This is also an increase of 14% on last year (and by 58% over the previous two years).

Clearly, this growth in demand limits our ability to reduce the pre-existing caseload – and so our work in reducing waiting times will accordingly take longer than we had hoped. Increasing caseload volumes is one of our top three strategic risks – you can find out further details of these risks and mitigating action taken on page 125 of this report.

Looking to the future

While we are proud of these results, the numbers only tell part of the story. Each case represents an individual and a respondent trustee or manager looking for a timely and accurate conclusion to an outstanding pension complaint.

Those who use our service are at the forefront of our mind, and we are continuing to consider ways to reduce our historical backlog and waiting times, all without sacrificing accuracy.

Therefore, in tandem with the OMR, we have also been pressing the case for additional funding with our colleagues in DWP. The improvement in our own results and the evidence of substantial and continuing increases in demand supported that argument – and has unlocked additional funding over the next three years. We are pleased and grateful for the confidence shown in us by DWP and the Minister for Pensions. The additional funding will allow us to grow our frontline team of caseworkers. Once they are fully trained, this will provide us with greater capacity and, with the foundations we have already put in place, should enable us to make a meaningful improvement in waiting times over the next three years.

Of course, much depends on whether demand continues to grow at its present rate. We have put in place strategies to limit demand – for example, ‘lead cases’ (a single case dealing with an issue that affects many members of a single scheme, and discussed in more detail at page 93), ‘significant decisions’ (dealing with common issues across the industry, and described at page 101) and producing more commentary and guidance (such as our overpayment factsheet, mentioned on page 97).

However, with complaints arising from the *McCloud* remedy and the issues affecting the Civil Service

Pension Scheme causing a recent and sustained spike in pension complaints it is clear that, even with proactive engagement with stakeholders, we are likely to see the demand for our service continue to grow.

Nonetheless, with the changes we have already made and the benefit of an increase in our funding, we move into the next financial year with momentum and enthusiasm to continue our transformation – to the benefit of all who use our service.



Dominic Harris

Pensions Ombudsman

Pension Protection Fund Ombudsman

6 July 2026

Chair's foreword

This is my first Annual Report as Chair of TPO and I am pleased to be introducing it at a time when the organisation has so much to be proud of — while remaining clear about the work still to do.

I joined TPO in the same month that our Corporate Strategy 2025–2028 was published. This gave me an immediate sense of an organisation thinking seriously about its future with a clear three-year vision, providing the strategic framework within which the Board, the Executive and our teams could plan and deliver with confidence. The 2025/26 Corporate Plan translated this vision into concrete priorities, and this Annual Report demonstrates the strength of that approach and the great strides we are making against our strategic goals.

It has been a demanding year. Rising complaint volumes and ongoing transformation programmes have asked a great deal of everyone at TPO. I want to express my sincere thanks to our staff, our volunteers and the Executive for the commitment and professionalism they have brought to that challenge.

A Board's primary responsibility is to look ahead, and much of our work this year has been exactly that. We

have considered carefully how TPO needs to evolve to serve a growing and increasingly complex caseload. The ongoing OMR programme has been the lynchpin for that thinking, and the Board has maintained close oversight of its implementation, ensuring the changes it has driven are purposeful and aligned with our longer-term ambitions rather than simply reactive to short-term pressures.

Equally important has been our investment in our people. In June 2025, the Board agreed a refreshed People Strategy outlining the priorities for the coming year. The priorities are based on results from the Staff Survey along with feedback from the People Group and covered pay and reward, learning and development, wellbeing, change management and collaboration. This reflects a genuine conviction that organisational culture — how people are supported, developed and valued — is itself a strategic asset. At a December staff event, I was delighted to experience a 'Dragon's Den' initiative where staff were invited to put forward their ideas and suggestions, aligned with TPO's values, to improve the customer journey both in the short and medium term. I was incredibly impressed with the input staff made and look forward to seeing those ideas developed. The exercise exemplified the

passion that TPO staff have for the work they do and the kind of culture we are working to build: one that trusts and empowers colleagues at every level.

TPO's role extends beyond resolving individual complaints, and the Board has been attentive to the organisation's second strategic goal as an authoritative voice for improvement in the pensions sector. As well as TPO hosting highly successful stakeholder events, I was pleased to be able to contribute by building positive relationships with people from within the government, industry, and regulatory spheres. What has been clear is how much our strategic partners value the insights and expertise TPO can offer. I understand that our sector works best when we collaborate closely, and I am committed to making that happen.

TPO delivers against cross-government priorities by providing excellent public services, improving outcomes for citizens, and maintaining trust in the pensions system. The improvements made through our OMR programme reflect a commitment to efficient, proportionate delivery that makes best use of public resources.

The foundations are solid, the strategy is clear, and the people delivering it have shown throughout this year that they are more than equal to the challenge. I look forward to building on that in the year ahead.

Deborah Evans
Chair

The year in summary

Key facts and figures

Pensions Ombudsman

We received 13,998 contacts by phone, LiveChat, email and post from people who thought we might be able to help them	
We resolved 8,675 general enquiries	
We received 10,944 new pension complaint	We closed 10,793 overall pension complaints

Out of the above...

We closed 8,274 pension complaints at the assessment stages This includes 227 cases closed through Expedited decisions	We resolved 1,551 pension complaints informally through our resolution service
We resolved 968 pension complaints through our adjudication service	Of our overall closed pension complaints, we closed 377* through formal Determinations by the Pensions Ombudsman and Deputy Pensions Ombudsman

Pensions Protection Fund Ombudsman

We received 19 new or reopened PPF cases	We completed 19 PPF investigations
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*This includes 72 Expedited Determinations (*see page 80*)

Key performance indicators

Target	Performance	
General enquiries		
• % of total general enquiries responded to within 28 days of first contact is above 90%	• 95% were resolved within four weeks (28 calendar days) (see page 37)	
Pension complaints		
• % of total pension complaints closed within 9 months is above 55%	• 72% were closed within 9 months	
• % of total pension complaints closed within 18 months is above 65%	• 86% were closed within 18 months	
• 90% of complaints closed at initial validation within 1 month	• 94% were closed at initial validation within 1 month	

<ul style="list-style-type: none"> • 55% of valid complaints closed within 18 months 	<ul style="list-style-type: none"> • 56% of valid complaints were closed within 18 months 	
<ul style="list-style-type: none"> • Close more valid cases that are older than 18 months from valid application than the previous year 	<ul style="list-style-type: none"> • We closed 1,697 cases older than 18 months – an increase of 3.2% (see page 52 for timescales) 	
<ul style="list-style-type: none"> • Average number of pension complaint closures per month is above 720 	<ul style="list-style-type: none"> • On average we closed 899 complaints per month (see page 52) 	
Providing a good service		
<ul style="list-style-type: none"> • Average overall scores from the Quality Assurance Framework are above 85% 	<ul style="list-style-type: none"> • Average overall Quality Assurance score was 87% (see page 35) 	
Staff satisfaction		
<ul style="list-style-type: none"> • Annual staff survey engagement score at or above the 	<ul style="list-style-type: none"> • 2025 annual staff survey engagement score was 69% 	

average of previous staff survey engagement scores	(see page 110)	
<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"> 5.3 days lost per employee which equates to 2.2% of total work time compared with 8.2 days for the Civil Service (see page 164) 	

Finance summary

In 2025/26 the organisation received £13.41 million grant-in-aid (2024/25: £12.25 million) and incurred net expenditure of £13.46 million (2024/25: £12.10 million). The organisation is funded solely from the general levy.

The statement of financial position shows net assets of £1.55 million (2024/25: £1.60 million). The increase in net assets from 2024/25 is primarily due to a drop in current liabilities, particularly trade and other payables which has fallen from £790,000 to £730,000.

Our budget is invested to deliver our Corporate Strategy, with expenditure focused on the operational activities required to resolve pension complaints effectively and efficiently for the people who need us. TPO is considered to only have one operating segment and as such there is no additional segmental analysis requiring disclosure in the accounts. No significant issues have arisen in the financial year that require additional disclosure beyond the information already presented within this Performance Report.

Going concern

The funding estimate for 2026/27 for TPO has been approved by DWP. The agreed budget for 2026/27 is £15.70 million.

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 2025/26. It includes analysis of casework statistics and performance against our strategic goals.

Casework review – Pensions Ombudsman

Performance overview

Achievements:

Our work in resolving pension complaints contributes to the UN Sustainable Development Goals, most notably SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities), by helping ensure individuals receive the pension entitlements they are owed and supporting their long-term financial security. Comparative data for the prior financial year has been provided throughout this Performance Report to enable meaningful assessment of our performance over time.

Strong casework delivery and increased closures

This year marked another period of strong performance in Casework. Despite a further increase in overall case volumes, we achieved a higher number of closures than in the previous year. This is a significant accomplishment and reflects the continued dedication, adaptability and effectiveness of our teams in managing growing demand while maintaining momentum.

Demand remained strong, with new applications increasing by 14% year on year which was matched by a 14% rise in closures. While we had anticipated that the number of active cases would grow by 498, the actual increase was 398. This reflects a positive shift in our continued focus on managing demand more effectively.

Our Contact and Support teams successfully managed the rise in incoming applications, at times showing great resilience under pressure. Our Assessment teams have continued to deliver expedited decisions while also driving improvements through key OMR workstreams including Smart Jurisdiction and the Formal Response pilot – see page 75 for more details.

The Resolution team has also delivered an increase in informal closures compared to last year alongside a renewed focus on cases that are post IDRP. Our volunteer engagement has been a standout success this year as we recruited a record number of volunteers strengthening our capacity. Importantly, volunteers are now involved earlier in the process, providing meaningful support to customers at a critical stage as they navigate IDRP – see page 112 for more information on our volunteers.

Adjudication delivered another exceptional year, achieving a high volume of formal closures with 305 cases determined. Together with Assessment this resulted in an overall total of 377 Determinations (2024/25: 373).

Our OMR programme has enabled more cases to be resolved and closed at earlier stages. Adjudication has increasingly focused on progressing older and more complex cases. Despite this added complexity, the numbers of unassigned cases waiting to be investigated has remained stable.

However, despite all of this hard work we recognise that waiting times are currently longer than we would like and we understand the importance of timely access to our services. We are actively taking steps to address this and are committed to reducing delays, improving efficiency and ensuring a better experience for those who rely on us.

Sustained quality and continuous improvement

Following a further year of embedding our Quality Assurance (QA) Framework we are pleased to report that quality scores have consistently remained above our KPI target. We completed 1,082 quality audits and

achieved an average score of 87% over the year. This demonstrates the effectiveness of our robust quality assurance approach, ensuring high standards are consistently applied across all areas of Casework. This year we also saw continued collaboration between the QA team and the Casework teams ensuring that standards in case administration and customer service were maintained and strengthened.

Overall, this year has been a year of both achievement and progress. We have not only delivered strong operational results but also introduced meaningful improvements that position us well for continued success.

Contacts

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

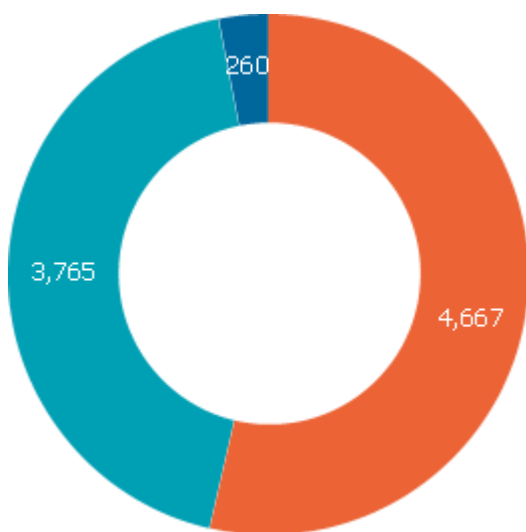
In dealing with these contacts our aim is to:

- 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 2025/26, our contact and support teams handled 13,998 overall contacts (2024/25: 10,514), which include 8,692 new contacts.

How contacts were received



■ Contact support i.e. phone and LiveChat

■ Emails

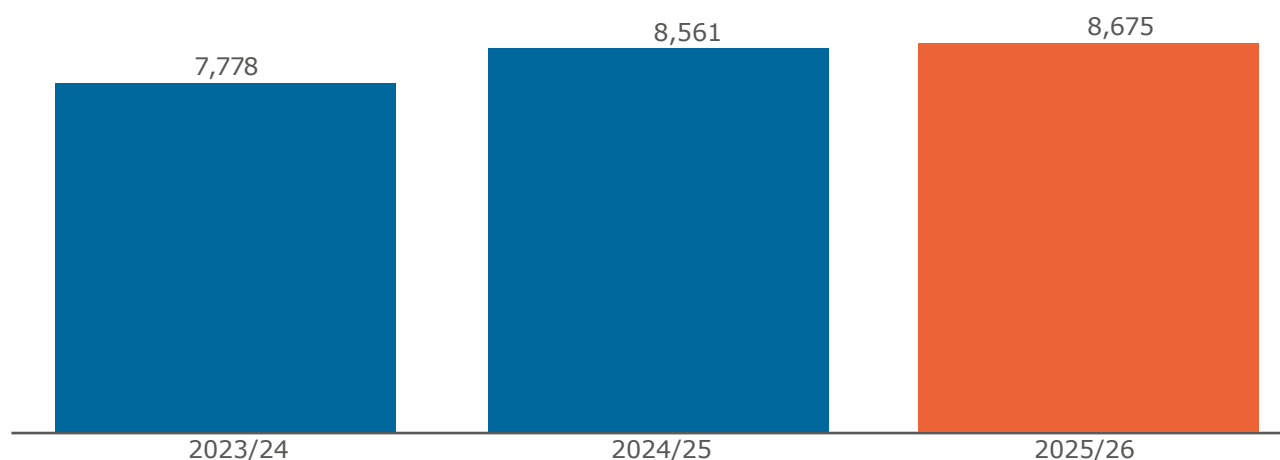
■ Postal items

General enquiries

- ▶ General enquiries do not count towards the number of complaints we receive and are often an example of how early engagement can deal with an issue before it becomes a complaint.
- ▶ 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 8,675 general enquiries during the year. 95% of these were resolved within four weeks.

See page 226 for an example of a more complex general enquiry.

Resolved general enquiries

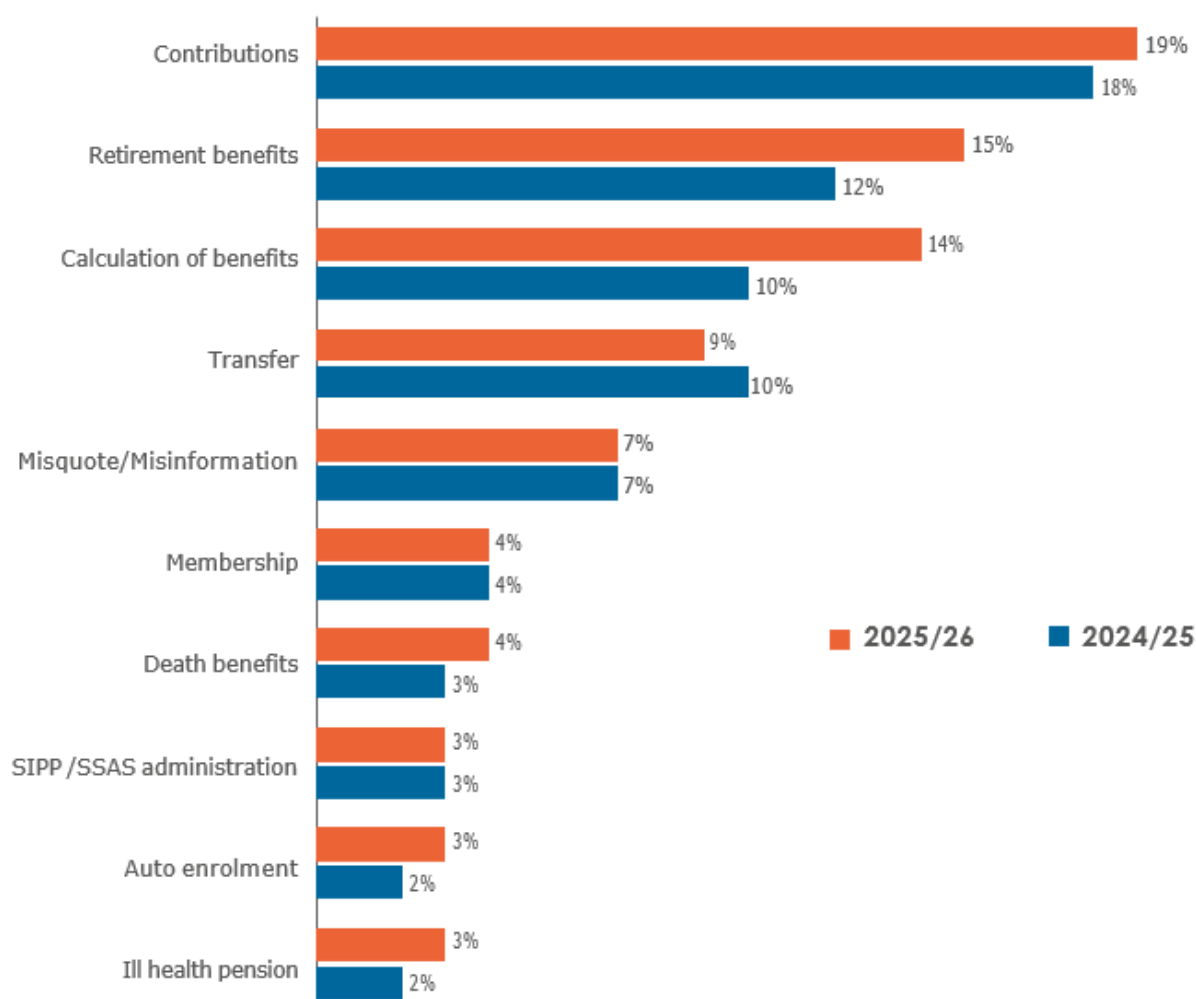


Pension complaints

New pension complaints

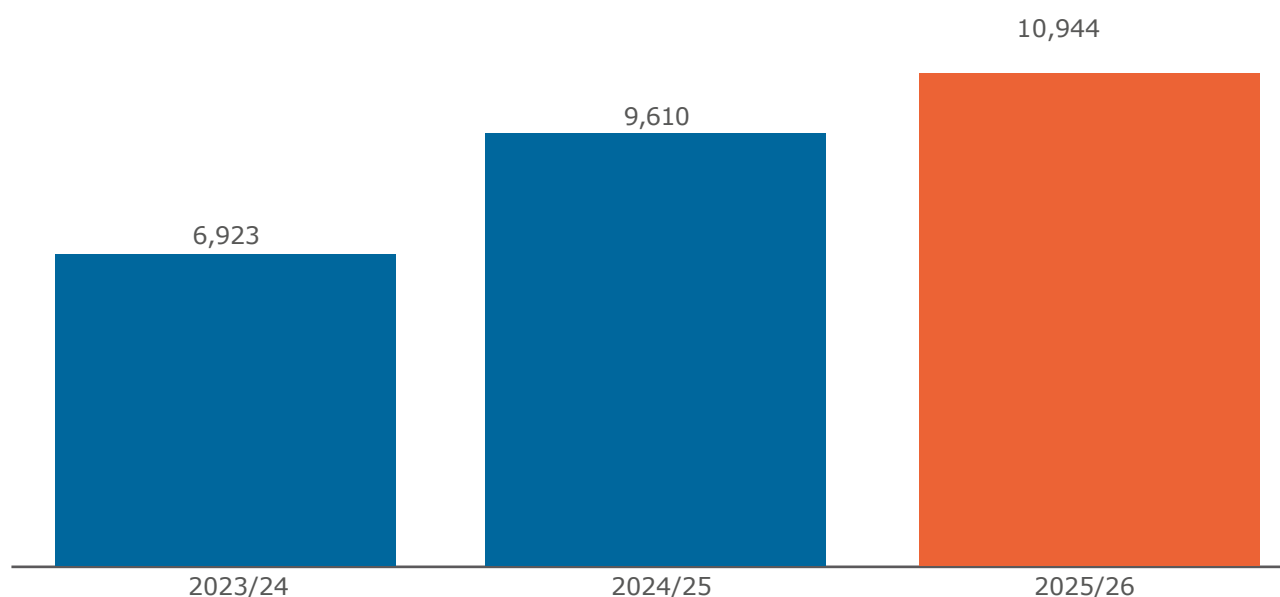
We received 10,944 new complaints in 2025/26 – up from 9,610 the previous year. This 14% increase was above our forecast of 12% year on year with the most notable increases occurring in categories relating to calculation of benefits and contributions.

Subject matter of new pension complaints (top ten)



In calculation of benefits the biggest sub-category of complaint we saw was in relation to failure to provide information and in contribution cases the biggest sub-categories included not paying into the scheme and that amounts were incorrect.

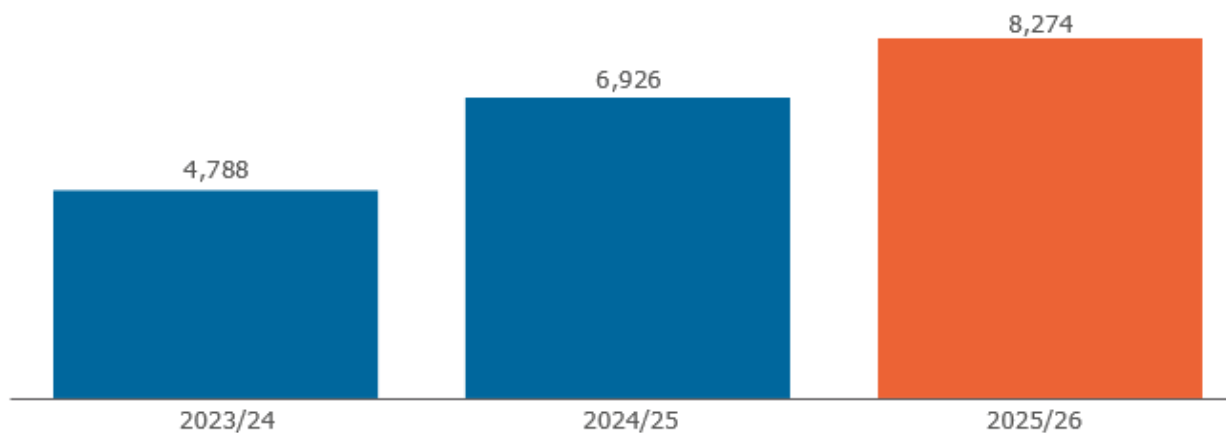
New pension complaints



Assessment of pension complaints

The first stage in our process is to assess the validity of the application, which includes making sure we have all the information we need and that the scheme's internal complaint procedure has been completed. Regulation 3 of The Personal and Occupational Pension Scheme (Pensions Ombudsman) Regulations 1996 states that The Pension Ombudsman shall not investigate or determine a complaint or dispute until the internal dispute resolution (Section 50 of the Pensions Act 1995), has been concluded.

Assessment closures



Following receipt of a valid application, we 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 2025/26, we closed 8,274 pension complaints during our assessment stages (2024/25: 6,926).

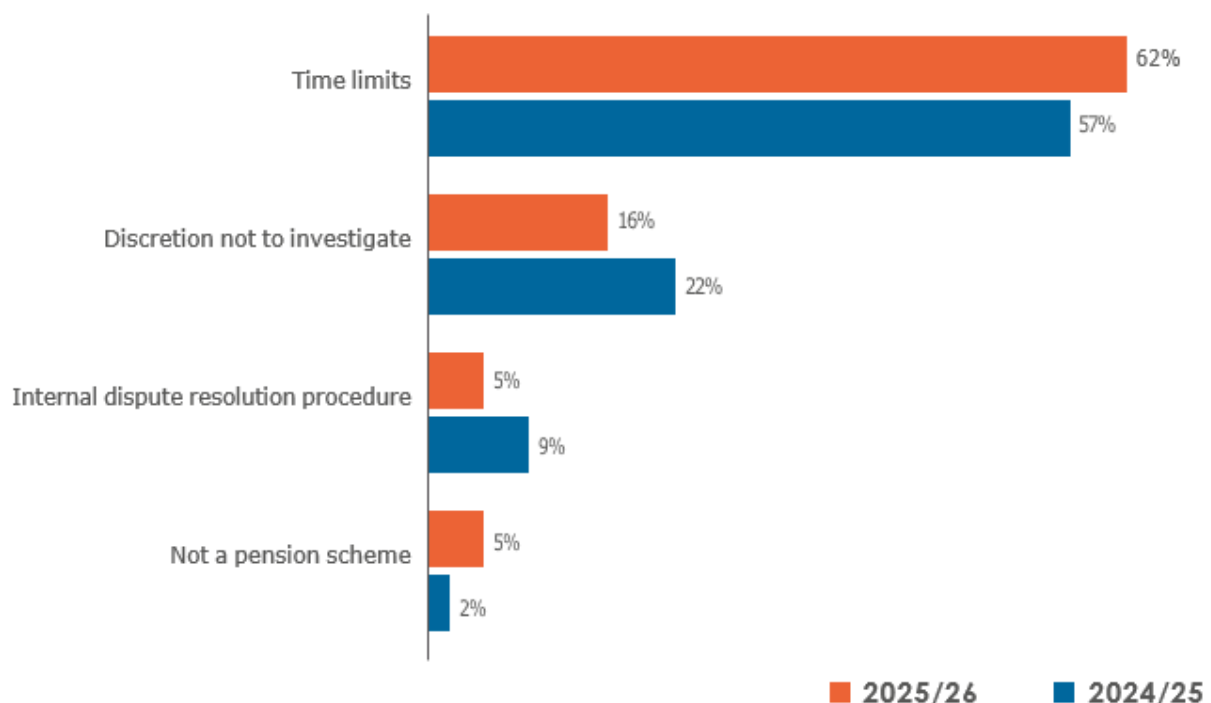
Of the 8,274 closures, 7,075 were invalidated, which were broken down as follows:

- 57% were invalidated because either Stage 1 or Stage 2 of the IDRP had not been completed;
- 26% were invalidated as the matter was not raised with the respondent at all;

- 11% were invalidated as the pension complaint was outside our jurisdiction for our formal powers to be used; and
- 6% were invalid applications because incomplete information or documentation was submitted.

Of these 8,274 closures, complaints closed for being outside our formal jurisdiction were rejected for several reasons, the four main reasons are illustrated below:

Jurisdiction rejection reasons



- Not being within our time limit is still the main reason why applications do not meet our jurisdiction. Our regulatory regime requires that the matter needs to be brought to us within three years of the event or three years from when the applicant became aware to raise the matter with us.
- Not having relevant evidence, or staleness of the matter brought to us (it could be related to a matter years ago, which the applicant only became aware of recently), are often the reasons why we would exercise discretion not to investigate under our jurisdiction.
- Further reasons for exercising discretion not to investigate are; that the matter was considered by an alternative dispute resolution body, such as the Financial Ombudsman Service; and that in some instances, the Limitation Act 1980 applies.
- Not being a pension scheme, relate to complaints to us against a body which is not a pension scheme as defined by statute.
- Finally, if we identify that the IDRP was not completed, we will ask the applicant to complete it before we can reach a jurisdiction decision.

See page 74 for details of the improvements we are making at the assessment and jurisdiction stages of our process.

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

Further to changes introduced by the OMR programme in 2024/25, applicants remain required to exhaust a respondent's internal complaints process before an application will be formally accepted by TPO. This helps ensure that respondents are meeting their responsibilities to consider members' complaints and affords members an early opportunity to secure a fair and timely outcome without the need for formal intervention from an alternative dispute resolution provider such as TPO.

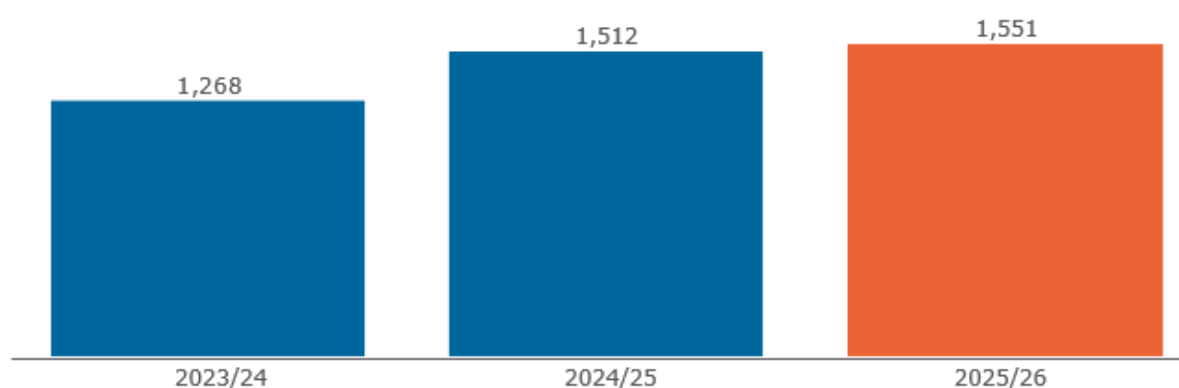
In 2025/26, the Resolution service handled 1,774 complaints with an aim of resolving at least 80% of these informally without the need for the case to progress to formal adjudication. During 2025/26, the Resolution service successfully resolved 87.4% of the cases it handled, meaning 1,551 applications were

resolved earlier without needing to conduct a formal investigation (2024/25: 1,512). We will be looking to build on this success during 2026/27 through the targeted use of Expedited Decisions to provide earlier outcomes on deadlocked complaints that would otherwise have been referred onward.

TPO's volunteer network remains a cornerstone of the Resolution service. Volunteer advisors will continue to focus on supporting applicants pre-IDRP, where appropriate, with advisors having the opportunity to provide impartial support to applicants at an earlier point in proceedings before internal complaints processes have been exhausted. A key focus for volunteer advisors will be supporting vulnerable customers with urgent complaints, helping them to navigate internal complaints processes with the aim of preventing the unnecessary escalation of complaints to TPO.

See page 230 for resolution service case studies

Resolution closures



Adjudication service

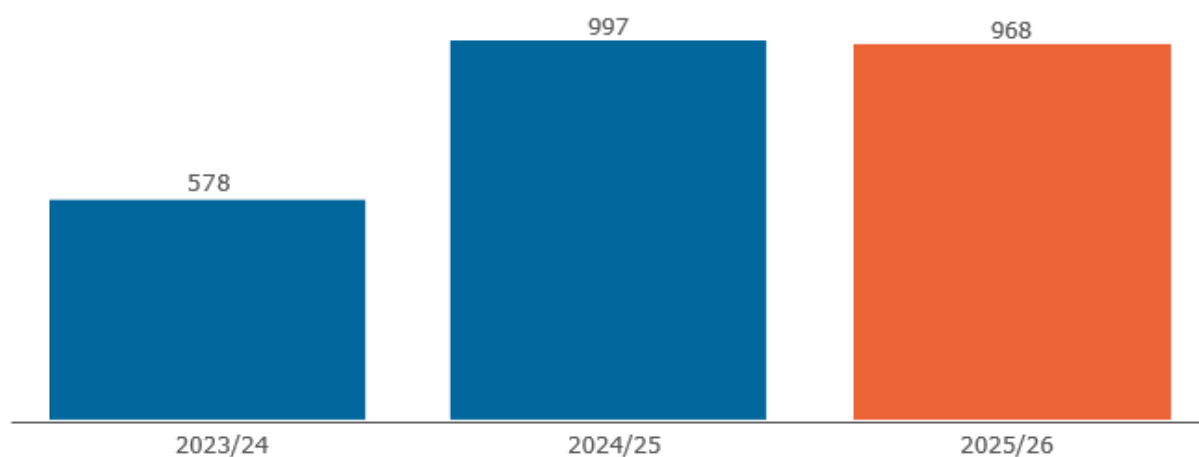
In 2025/26, we closed 968 pension complaints through our formal adjudication service, down from 997 in the previous year. This includes those that were subsequently determined by the Pensions Ombudsman or the Deputy Pensions Ombudsman.

Although there was a small reduction in the number of cases closed by our formal adjudication service this year, this reflects a specific change in emphasis towards our most challenging and longstanding complaints of which there was a notable increase in closures. The proportion of complex cases closed increased from 42% (394 cases) in 2024/25 to 55% (533 cases) in 2025/26. This reflects a successful pivot towards the oldest and most complex cases in our queue, and the continued upskilling of adjudicators to address these issues. There was

also an overall reduction in the adjudication caseload from 2,209 to 2,062.

The increased capacity to reduce our complex caseload will accelerate in 2026/27, with a significant deployment of resource into the Adjudication service with the sole focus on our oldest and most complex cases.

Adjudication closures



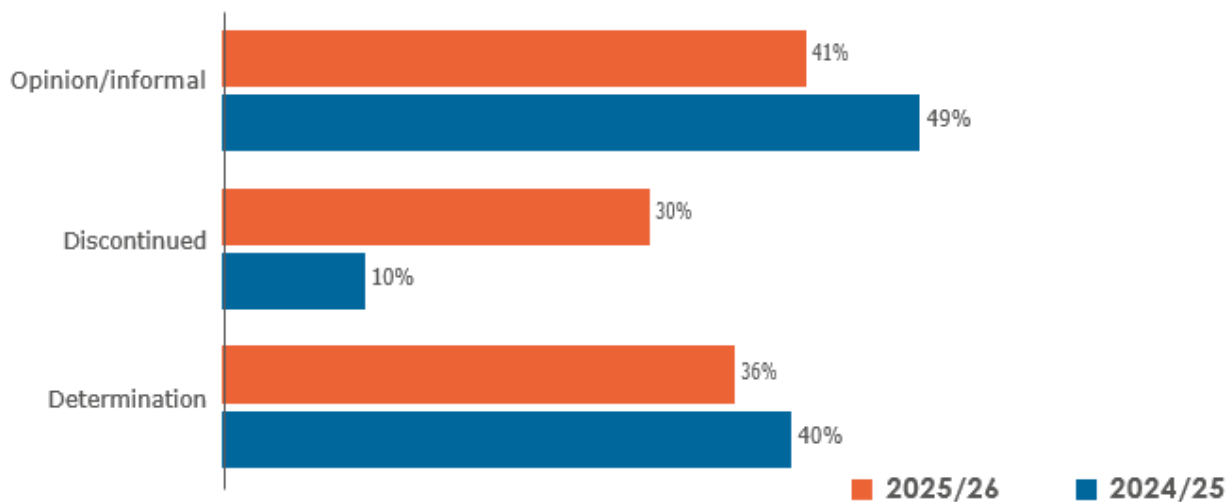
There are several ways in which a pension complaint can be concluded once it has been accepted by adjudication.

- Opinion or informal closure – in the majority of cases, an Adjudicator will look to resolve the matter through an opinion letter or resolution notice. Should the Applicant and Respondent

accept the Adjudicator's opinion the case will be closed as withdrawn.

- Determination – if the parties do not accept the Adjudicator's Opinion or the matter is highly complex or notable, the complaint is referred to the Pensions Ombudsman (or Deputy). The Pensions Ombudsman (or Deputy) will decide the case, based on the evidence, and issue a Determination.
- Discontinued – the Pensions Ombudsman may decide that an investigation should not continue and decide to discontinue it. 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.

Adjudication conclusions



The increase in discontinuances and Determinations in 2025/26 reflects two sets of cases. In one, the Applicants requested the cases be closed in order to apply to the courts, and the respondents and DPO agreed to that request. The second involved a large number of cases determined on a 'Lead Case' basis – see page 93 for further information.

Determinations

In 2025/26, a total of 377 (2024/25: 351) pension complaints were closed by Determination. Determinations are decisions made by either the Pensions Ombudsman or the Deputy Pensions Ombudsman.

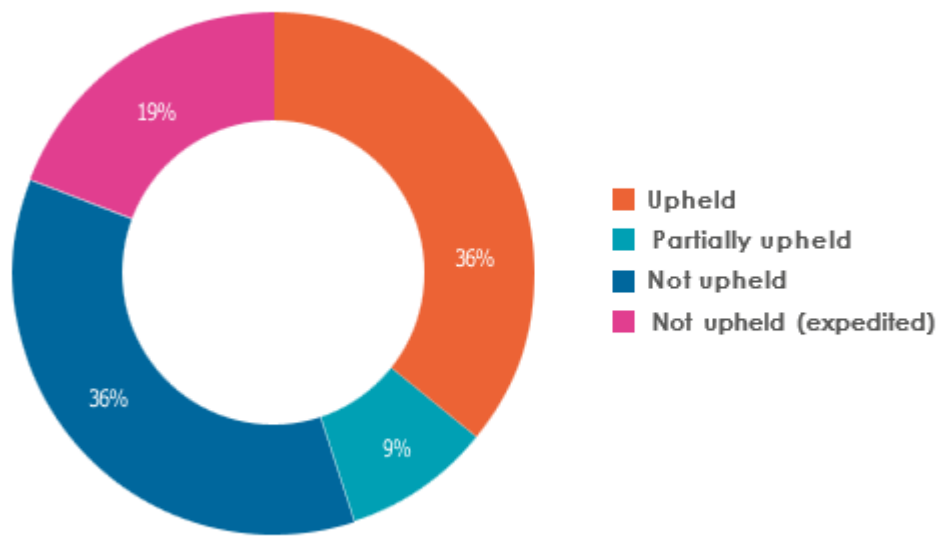
Of these, 305 (2024/25: 329) were cases progressed

by our formal adjudication team. The number of cases requiring a Determination as a proportion of overall conclusions has increased, but that is against a greater proportional increase in the number of opinion/informal conclusions.

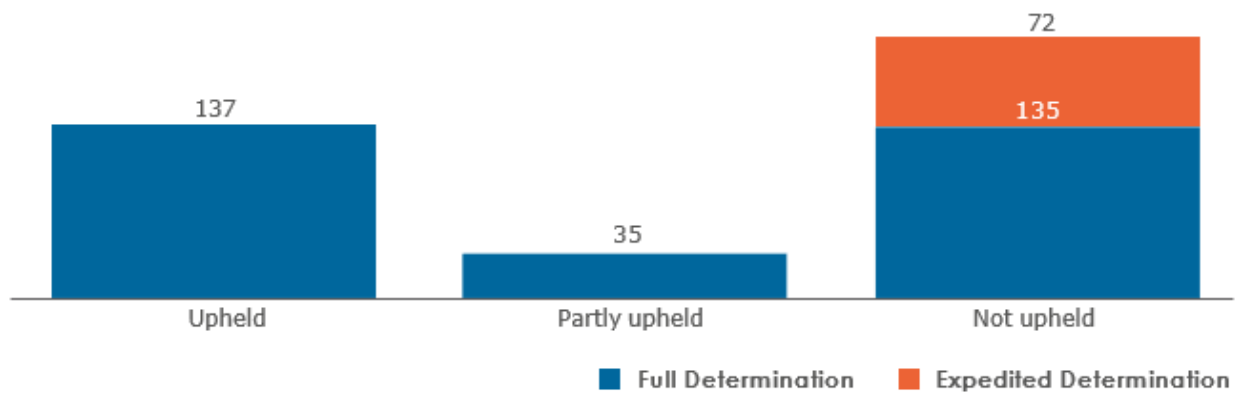
In 2024/25, we began using Expedited Determinations to bring cases that have a clear outcome to a close earlier in our customer journey. In 2025/26 we issued 72 Expedited Determinations – see page 80.

Only pension complaints by Determination can be said to have been upheld or not. In 2025/26, 170 cases of the 377 (45%) were upheld or partly upheld (2024/25: 188 or 53%).

See page 233 for Determination case studies.



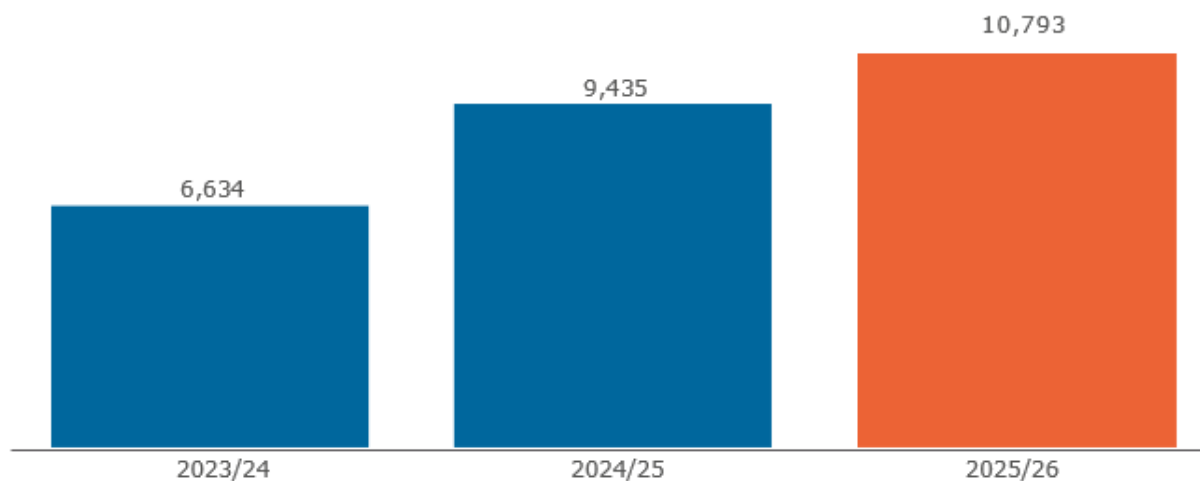
Outcome of Determinations*



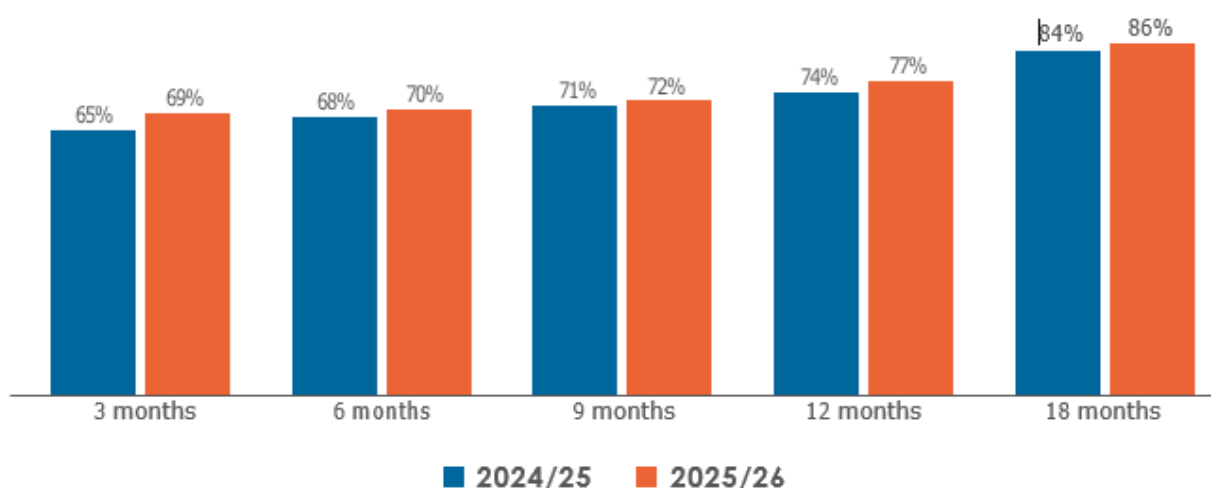
Total pension complaint closures

Overall, we closed a total of 10,793 pension complaints in 2025/26.

Total pension complaint closures



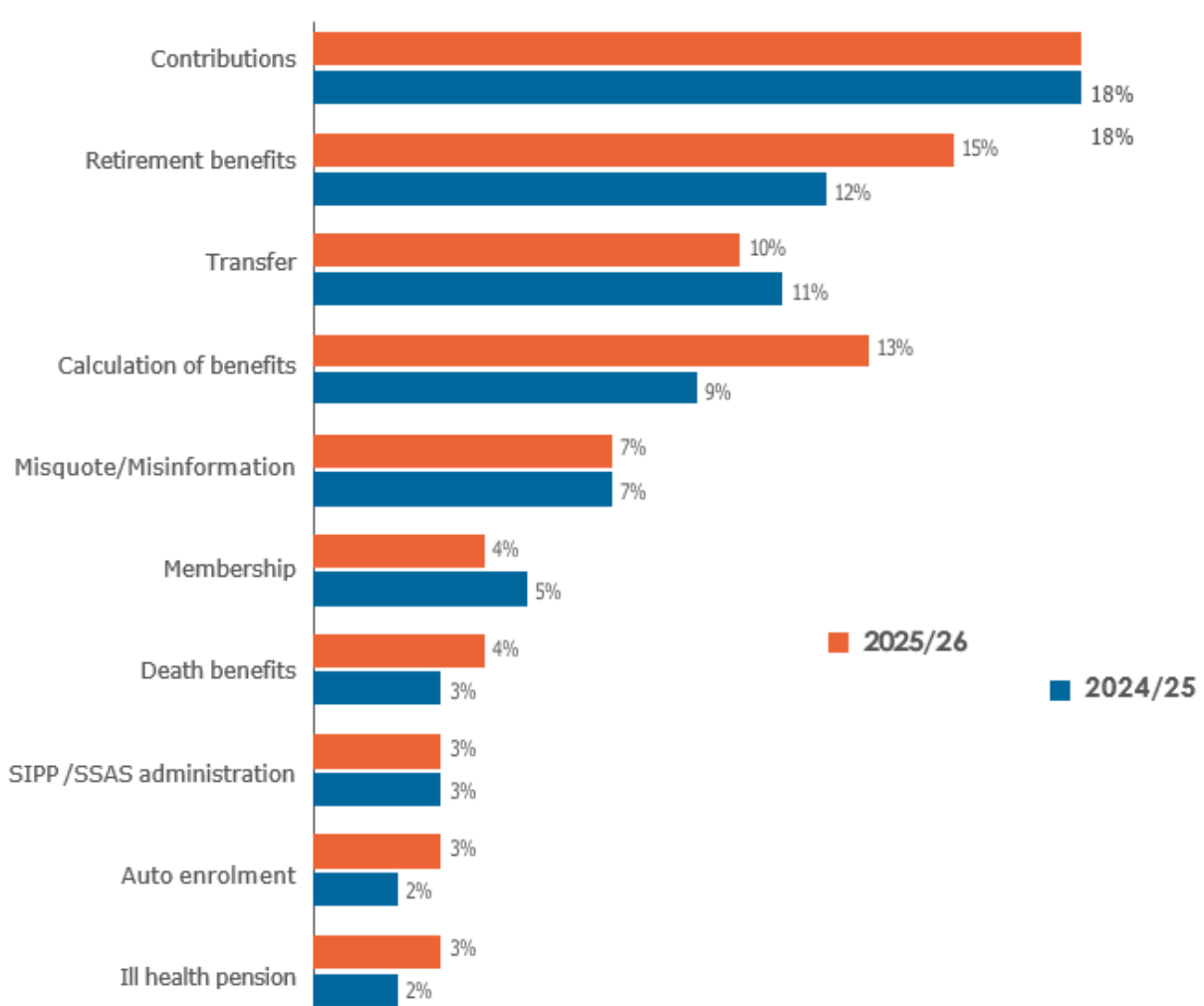
Timescales for pension complaint closures



We know that timescales for closures remain too high,

particularly for the 14% that were not resolved within 18 months. We are working hard to resolve this, see page 73 for improvements delivered through our OMR programme and our [Corporate Plan 2026/27](#) which sets out our priorities for the year.

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 and Deputy Pensions Ombudsman in 2025/26. For comparative purposes, the corresponding figure for 2024/25 has also been included.

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 206.

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 2025/26

	In hand at 1/4/25	New/ re-opened matters	Completed investigations	In hand at 31/3/26
PPF maladministration	6	8	9	5
PPF reviewable matter	9	10	9	10
FAS appeal	5	1	1	5
Total	20	19	19	20

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

Complaints about our service

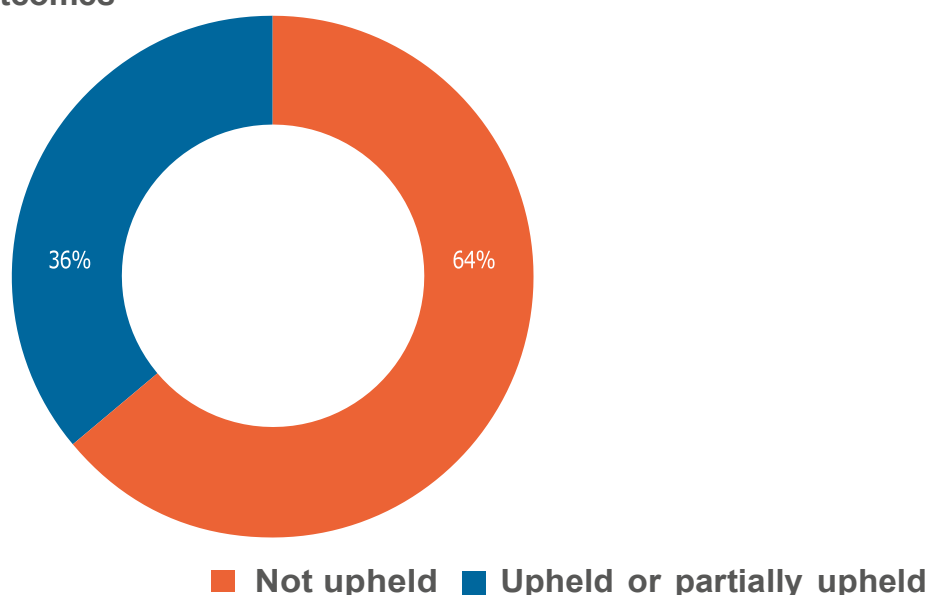
We are committed to providing a high standard of service and we will always strive to resolve any concerns at the earliest opportunity, before there is a need to raise a formal service complaint. Where this is not possible, individuals can submit a complaint to our customer service team. If they remain 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 2025/26, our customer service team recorded 108 service complaints, accounting for less than 2% of our active caseload. While this was a slight increase from the 96 received in the previous year, response times remained consistent. We responded within an average of 20 working days, meeting our internal KPI target.

Service complaint outcomes

Service complaint outcomes



All service complaints are reviewed impartially, and the outcomes are used to identify learning and opportunities for improvement. This year, 36% of service complaints were upheld or partially upheld, a decrease from 38% in 2024/25.

As in previous years, the most common themes include delays and waiting times, which accounted for 58% of all service complaints. Other themes included concerns relating to the handling of a case (28%), communication (8%) and dissatisfaction with our processes (6%).

In response to the complaints we have upheld, we have strengthened internal guidance around managing expectations and the importance of providing updates

at the earliest opportunity. We also continue to 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 2024/25, 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 2025 to 31 March 2026

Outstanding at the start of the year	4
New	5
Heard/settled/withdrawn during the year	6
Remaining at year-end	3

Pensions Ombudsman appeals in Scotland 1 April 2025 to - 31 March 2026

Additionally, we also received one appeal in Scotland. TPO served the Stated Case and the Appellant then withdrew the appeal, before the case was lodged in the Court of Session (see below for details).

Pensions Ombudsman appeals in Northern Ireland 1 April 2025 to 31 March 2026

Plus, one Determination has this year been appealed to the Court of Appeal in Northern Ireland and is awaiting a hearing.

Pensions Protection Fund Ombudsman appeals 1 April 2025 to 31 March 2026

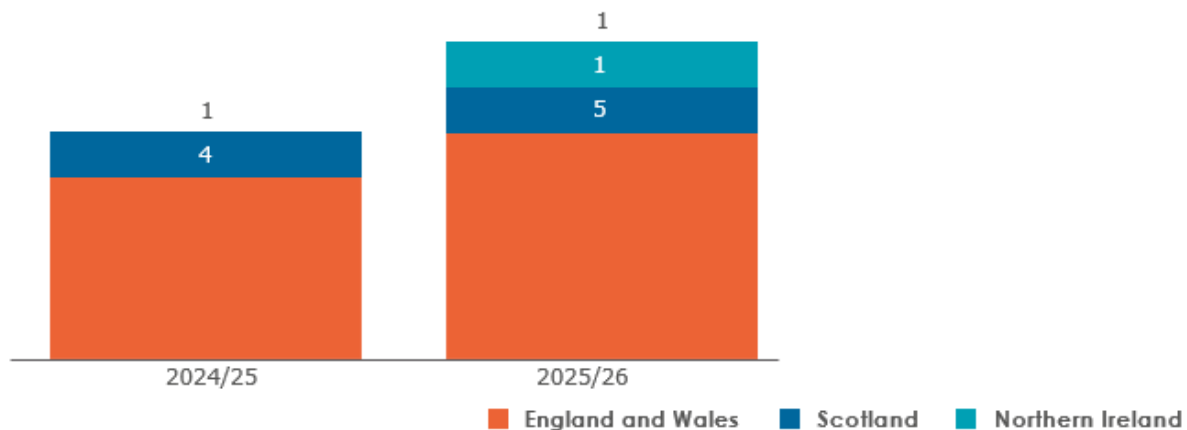
We did not have any outstanding appeals at the start of the year or receive any new appeals during the year.

Appeal trends

This year there has been a modest increase in appeals against Determinations across all jurisdictions, from five last year to seven, but this is still broadly in line with the levels of recent years bearing in mind the increased volumes of complaints that we are dealing with.

It is noticeable that of the appeals heard in the English Courts this year, the trend has either been to refuse or to dismiss the appeal.

Appeal received



Appeals – in-depth review

England and Wales

During 2025/26 five applications for permission to appeal were made in the High Court (with three pending and two refused).

The first appeal was refused permission on the basis that the grounds of appeal were very general, and it was not possible to discern from the grounds the manner in which the Pensions Ombudsman was said to have erred. The judge commented that there was no real prospect of overturning the Determination and no other reason why there should be an appeal.

The second appeal was refused permission to

appeal as “totally without merit”. One point of interest which was raised in this appeal was the Deputy Pension Ombudsman’s power to make an award for distress and inconvenience. The judge commented that the Ombudsman had the jurisdiction to make such an award pursuant to section 151(2) PSA93 and was entitled to award the sum that they did with reference to TPO’s published guidelines for “redress and financial injustice”.

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

We reported about this case in last year’s Annual Report.

To recap, under the scheme rules, Mrs Alexis was entitled to a supplement payable until ‘State Pension Age’ (**SPA**). SPA was defined in the scheme rules by reference to the Pensions Act 1995 (the **Act**). The issue was whether the reference to the Act was static or dynamic in the relevant provision, which was material to whether the supplement was only payable to age 65, SPA at the date of the rules, or 66, the SPA at the time Mrs Alexis retired. The Ombudsman determined that the definition imported subsequent changes to the Act.

The Scheme appealed, raising new arguments that Mrs Alexis, who acted in person throughout, had not been given an opportunity to respond to during the Ombudsman's proceedings. Similarly, TPO had not been given the opportunity to respond to these points either. TPO highlighted this to the court, but the appellant was given permission to appeal on all grounds.

The appeal was heard in May 2025, and the judgment upholding the appeal was handed down on 3 September 2025. In short, the judge held that the reference to the Act in the relevant scheme rule was factual in nature and used as a 'convenient shorthand', rather than performing a normative function. Therefore, it did not require a dynamic interpretation. The reasons he gave for this were largely fact-specific, rather than creating any principles of wider application.

The judge acknowledged at the outset that matters had not been put before the Ombudsman in the same terms argued on appeal. Nevertheless, the judge accepted the appellant's arguments in their entirety notwithstanding that they were not presented and tested before the Ombudsman and could not realistically have been challenged by Mrs Alexis in the High Court without considerable costs risk to her.

It is clearly disappointing that the appeal succeeded on new grounds that were never argued before the Ombudsman or properly put forward at IDRPs stage, effectively giving the Appellant a free run with new legal arguments which could not be rebutted by an opposing party. Additionally, the appeal is more widely troubling in its effect on unrepresented applicants to TPO who are able to put their case informally on equal terms and to succeed where merited but are then unable to participate in the appeal proceedings for the reasons noted.

Mr Y v Serco Group Plc (1) Magnox Electric Ltd (2) AMEC (3) Serco Group (SPLAS) Trustees (4) NDA (5) CAS-11778-X7B6

This appeal was outstanding at the start of the year but has now been concluded. By way of background, Mr McKavney (**Mr Y**) had been employed by Magnox Electric Ltd (**Magnox**) and had been an active member of the Electricity Supply Pension Scheme (**ESPS**) until his employment was transferred to Serco Group Plc (**Serco**) in 2005. He had 'protected person' status under the Electricity (Protected Persons) (England and Wales) Pension Regulations 1990, which gave him statutory rights concerning his pension following any transfer of his employment. Mr Y built up pension rights under the Serco Pension and Life Assurance

Scheme (**SPLAS**) while employed by Serco and transferred his accrued benefits from ESPS to SPLAS in accordance with his right to do so as a protected person. After the subsequent transfer of his employment to Energy Safety and Risk Consultants UK Ltd (**ESRC**) and its sale by Serco to AMEC First Wheeler PLC (**AMEC**) in 2012, his active membership of SPLAS ceased and he joined AMEC's pension scheme, in which he participated until his redundancy in 2015.

On his redundancy from ESRC, Mr Y received an unreduced pension under the Amec scheme in respect of his pensionable service under that scheme. Mr Y considered that he was also entitled to receive an unreduced pension in relation to all his pensionable service during his employment with Magnox and Serco, and he brought a complaint to TPO.

The (former) Deputy Pensions Ombudsman (**DPO**) considered Mr Y's detailed submissions on various matters connected with this issue, which included: Mr Y's entitlement arising from his protected person status; alleged contractual promises made to him by his employer on his initial transfer of employment in 2005; alleged rights under the business sale agreement under which his employment had

transferred in 2005; and the interpretation of the SPLAS Rules, including whether a right to an unreduced pension had arisen when ESRC was sold to AMEC and/or on his redundancy from ESRC. The Determination ran to 58 pages, and the DPO did not uphold any aspect of Mr Y's complaint.

Mr Y subsequently appealed on several grounds. But the court only granted permission in respect of one ground and refused all the others. The issue left before the Court was whether the construction of the relevant Rules under SPLAS entitled Mr Y to an immediate pension upon either the sale ESRC from Serco to AMEC or on his redundancy from ESRC. The Court's conclusion was the same as that in the DPO's Determination of 30 September 2024. Mr Y had not become entitled to immediate payment of his SPLAS pension either on the sale of ESRC from Serco to AMEC or on his redundancy from ESRC in 2015. The appeal was dismissed.

Brambles and others V Harvey and Others (CAS-56320-R9K9, CAS-29144-G2B0, CAS-64379-Y9G6, CAS-82685-J8S7, and CAS-84074-G0W5)

This appeal, outstanding from last year, concerned a Determination setting out the results of a detailed investigation by the Pensions Dishonesty Unit (**PDU**).

The Determination was in relation to five members across three schemes operated by the same persons. The directions required a total £5.2m repayment into the schemes, but the appeal sought to reverse the findings in part which would have significantly limited the Determination's effects. Broadly, the challenges were that TPO: did not have jurisdiction in relation to two of the five members as they were incorrectly admitted as within time; was not entitled to redress the Schemes overall and the directions should have been limited to the relevant members' individual interests only; and misunderstood the dishonesty test when making such findings against the appellants. A knock-on effect of this was one member was capable of consenting to, or was contributorily negligent in respect of, some of his pension investments.

All the Appellants' challenges were dismissed. When finding in favour of the Respondent members, the judge found no errors of law in the jurisdiction conclusions that the Ombudsman had drawn when admitting the complaints.

The judge concluded that the Appellants had failed to adduce enough documentation to advance an alternative interpretation which would invalidate the directions redressing the whole scheme, and the

criticisms of the Ombudsman's interpretation were weak in any event.

Turning to the dishonesty findings, the judge held that the challenges must fail in every single area, and in reaching his conclusions the Ombudsman took into account all relevant considerations and only relevant considerations. The consequence of this was that further arguments of member consent and contributory negligence were not available to the appellants as they had been acting dishonestly.

PDU Determinations are typically long and detailed to account for the complexity of the underlying facts. This appeal is testament to the necessarily thorough approach taken by TPO in tackling these tricky cases.

Appeals in Scotland

The procedure for appeal of our Determinations in Scotland follows a different statutory procedure from that in E & W (and NI). The procedure is known as 'appeal by stated case' and unlike the procedure in E & W (and NI), Scotland's procedure automatically brings the Pensions Ombudsman into proceedings and in only limited circumstances can the Pensions Ombudsman decline to state a case. We continue to seek alignment to bring it in line with E&W. As mentioned above, we received one Scottish appeal

this year in respect of Determination, following our expedited process. Mr H complained to TPO that, had he and his IFA not received incorrect information from the respondent about the frequency of his entitlement to a CETV quotation of his accrued benefits in the Shell Contributory Pension Fund (the **SCPF**), his IFA would have requested a CETV quote in January 2022, when he became a deferred member, rather than July 2022. He estimated that the value of the July 2022 quotation was 28% lower than it would have been in January 2022. Mr H initially complained about two funds – the SCPF and the Shell Overseas Contribution Pension Fund (**SOC PF**) but it was agreed by the applicant during the complaint that only the complaint against the SCPF was in jurisdiction.

The Determination found that the information given to Mr H about the frequency of which he could request a CETV concerned only the SOCPF, not the SCPF, and it was accordingly not incorrect.

Mr H disagreed with the Determination and requested TPO to state a case to the Court of Session. TPO agreed to do so and prepared a stated case, which was circulated to the parties. Mr H then informed TPO that he wished to withdraw the request for TPO to state a case to the Court of Session and the appeal did not proceed.

In E&W then, this would have been withdrawn at court by the Appellant without TPO involvement. But as this was a Scottish appeal, TPO lawyers were required to expend considerable time and expertise preparing the stated case for court, as required under the Court of Session Rules, without being able to recover the costs of doing so when Mr H subsequently decided against pursuing the matter further.

Appeals in Northern Ireland

The Department of Health Northern Ireland v Mrs G (CAS-36051-K6P2) The Health and Social Care Pension Scheme

As mentioned above, we received one Northern Irish appeal this year, which is ongoing. The Department of Health has appealed a Determination (CAS-36051-K6P2) in favour of Mrs G, concerning the implementation of a pay award and the consequential change in the tier of pension contributions payable, which resulted in lower net pay for Mrs G. The appeal is in its early stages however, as presently pleaded goes wider than the issues in this Determination and has the potential to affect the Ombudsman in terms of its jurisdictional reach. TPO is considering intervening in the appeal should it proceed on its current basis.

Judicial review

This year we have received nine formal applications for judicial review of TPO decisions through the court or through the Pre Action Protocols, including one arising in Northern Ireland, and a further two threatened challenges.

This is a marked increase from last year, in which no such formal applications were made. We surmise that reasons for this could include increased volume of complaints, increased litigation from claims management companies and challenges to our Operating Model Review approach in how we deal with some case types.

Among the nine formal applications, two are in the early pre-action stages, and two did not proceed after TPO issued robust and detailed Pre Action Protocol Responses.

In the remaining five cases court proceedings have been served – the court refused permission in one case, one case was consequently withdrawn, and the remaining three are ongoing. Two of the ongoing cases, where permission has been granted, relate to the effect on TPO's jurisdiction following the Court of Appeal's decision in *Clark & Bell v Chief Constable*

of Derbyshire & Anor [2024] EWCA Civ 676, in which it found that certain elements of the Police Injury Benefits Scheme did not constitute an occupational pension scheme.

Confirmation is awaited from the court as to whether permission will be granted in the third case.

Of the two further threatened challenges mentioned above – they did not reach the formal stages following TPO Legal Team’s robust responses.

Of note is an increased use of AI in the judicial review challenges we have received which could go some way to explaining the increased number of challenges this year and the willingness to pursue these to a further stage in the judicial review process. Some of the challenges received contained errors caused by AI, including incorrect case references being cited. This is concerning for TPO not only because it is misleading for both us and the Court, but because it is adding to the time these challenges take to deal with.

Judicial Review Trends	Threatened	Pre-Action Protocol	Court Proceedings
2024/25	3	0	0
2025/26	2	4	5

Key achievements against our Corporate Plan

Our [Corporate Strategy \(2025-2028\)](#), published in July 2025, sets out our strategic direction over the next three years with our [Corporate Plan 2025/26](#) setting out our strategic goals and the programme of work to support their delivery. This section summarises key activities undertaken last year against the strategic goals set for 2025/26.

Strategic goal one: Providing an efficient, accessible and quality service

One of our key areas of focus under this strategic goal is to enhance people's experience through efficient, streamlined services.

OMR programme achievements

During 2025/26, we continued the drive for efficiency through our highly successful OMR programme with:

- improvements to assessment and jurisdiction processes including placing pensions expertise at the earliest stage of our process
- expansion of the use of Expedited Decision Making
- continued examination of our thresholds to ensure we are directing our resource to those complaints we can help to resolve
- a requirement to complete a scheme's formal complaint handling process
- focus on older, more complex cases.

Improvements to assessment and jurisdiction processes

As part of our OMR programme, we have reviewed and improved our assessment and jurisdiction processes to reduce case handling time. This has included:

- Ensuring experienced case workers form part of our front-end teams to filter out straight forward closures. In 2025/26, we closed 217 cases where we are unable to help, the complaint did not meet our thresholds or where other organisations were better placed to deal with the complaint.
- Recruiting additional staff to create a new Assessment team that focuses on specific work

packages, such as unpaid contributions. Clearing groups of cases efficiently helps reduce the queue waiting to be assigned. The new team was fully staffed by January 2026 and during 2025/26 it closed 92 unpaid contributions cases – see case study below.

- Launching a ‘formal response’ pilot where caseworkers ask for formal responses from respondents at the earliest possible stage marked a major shift in early-stage case handling. By gathering respondents’ formal responses, which will include their position on substantive issues and jurisdiction, much earlier in the process, we aim to streamline our casework journey and reduce delays later. The pilot was launched in January and early indications show that the industry is very supportive of this initiative and is keen to work with us to facilitate earlier decision making.
- Creating a new ‘smart jurisdiction’ workstream to facilitate proportionate decision making has enabled teams to make quicker jurisdiction decisions through a more focused review of key documents. A pilot run between June and December 2025 demonstrated that, on average, this new approach saved around 2-3 hours with no drop in quality. Smart jurisdiction will be implemented in 2026/27 and carefully monitored.

Thresholds and 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.

During 2025/26, of the 217 cases that were closed at the earliest stages of our process (see page 73), 75 of these were closed using section 146.

Spotlight on: Using discretion

Small loss and adequate D&I – dismissed by S146 letter

CAS-150082-J3Z7

Summary

Mr I complained that an order to sell shares held within his SIPP was not executed.

Background

Mr I placed an order, set to expire the following day, to sell shares held within his SIPP once they reached the price of £1.03. The next day, despite

the market repeatedly reaching that price, the order did not execute, so Mr I had to manually sell the shares at a lower price of £1.02391.

Mr I pointed out that this may not have been an isolated incident, and that other customers might have been impacted.

Outcome

We exercised discretion not to accept the complaint for investigation as Mr I had been financially disadvantaged by a total of £27.18 as a result of selling at a lower price and trading fees. Further, the SIPP provider had offered Mr I compensation of £150 to account both his loss and inconvenience. We decided that if we investigated the complaint and upheld it, we would not make an additional award for non-financial injustice as the circumstances did not amount to 'significant' inconvenience.

Regarding the possibility of a wider issue, we pointed out that as TPO is not a Regulator, it can only look at individual complaints.

Spotlight on: Auto Enrolment – failure to opt out

Expedited Decision – **CAS-149719-Y4J6**

Summary

The Applicant complained that he has no recollection of receiving any documents from Aviva regarding auto enrolment into the Scheme or the option to opt out. The Applicant would like a refund of his pension contributions made to the Scheme during his employment at Swissport between June 2023 and June 2025.

Background

Aviva made several attempts to contact the Applicant to inform him that his employer has a duty to enrol all eligible workers into a pension scheme and also his employer will assess if he is eligible. If he is eligible, he will be automatically enrolled into Aviva's Flexible Retirement Account. Furthermore, Aviva informed him that if he is enrolled by his employer, he will have a one-month window in which he can opt out. The Applicant was given the opt out window dates. All correspondence was sent to the Applicant via their email address as well as via postal correspondence after the emails had been returned as undelivered. The Applicant later informed Aviva of a change of address which Aviva confirmed they had updated on

their records once they were informed of the new address.

Following the Applicant raising a complaint with Aviva, they provided a response to his complaint. In its response Aviva confirmed that it sent the documents to the address provided by the Applicant's employer and so Aviva has met the obligations set out by The Pensions Regulator. As a result, it cannot extend the opt out window or refund the contributions.

Outcome

The Applicant has said that he does not have any recollection of receiving any correspondence from Aviva. However, Aviva has provided copies of the emails sent to the Applicant and confirmed to us the email address it holds in its system matches the Applicant's email address. The Applicant raised a complaint with Aviva two years after being enrolled into the Scheme. Although the Applicant states he did not receive the opt out information, it is not unreasonable to say that he would have seen deductions being made on his payslip and could have raised the matter sooner.

We were satisfied that Aviva followed Auto-Enrolment Regulations (The Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010) correctly as it informed the Applicant about the auto

enrolment and the opt out window. We were unable to make a finding of maladministration. Whilst we appreciate the request made by the Applicant for a refund of his contributions, the Auto-Enrolment Regulations do not allow any flexibility in this respect and Aviva are unable to pay a refund.

Expedited Decision Making

Expedited decisions or Determinations continue to help us to be more efficient and drive down waiting times for the benefit of everyone. This pathway may be appropriate where cases are 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 informal 'Decision Letter' is issued to all parties and 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 – see case study below. These shorter Determinations are similar to summary judgments used by the courts.

In 2025/26, we closed 227 cases in this way, bypassing the adjudication process which helps us to focus specialist pensions expertise within the Adjudication team on older, more complex cases.

Of the 227 cases, 72 were final and binding

Expedited Determinations by an Ombudsman. In 69% of cases a clear explanation of why the issue does not result in maladministration has allowed the case to be resolved without needing to progress to a Determination. The Decision Letters cover a wide range of complaint topics, the most common during 2025/26 being cash equivalent transfer values and lifestyle investments – the same as 2024/25.

Following a soft launch of Expedited Decision Making in our resolution teams, we will be rolling this out further during 2026/27 alongside considering expanding the expedited process to include simple or partial upholds.

Spotlight: Expedited Determination

CAS-120063-R352

Summary

The Applicant complained about two cash equivalent transfer value (CETV) quotations received in 2021 and 2023, which were lower than a CETV quotation received in 2019.

Background

In October 2019 the Applicant received a statement of entitlement from the scheme for the cash equivalent transfer value (CETV) of his accrued defined benefits of approximately £150,000. He did

not apply to transfer his benefits, but requested further CETVs in July 2021 and October 2023, in which the CETV had reduced to £135,000, and then to £71,000 respectively. The Applicant complained about the reduction, suggesting that there had been an error in the calculation, and requested that the 2019 quotation of £150,000 be reinstated.

In its IDRPs responses the trustee did not uphold the complaint, explaining that a CETV must be calculated to reflect the expected cost of providing future pension benefits. It set out illustrations to show that the discount rate used by the scheme had changed during this period to reflect higher interest rates, and the effect of the discount rate on calculating the CETVs.

Outcome – not upheld

The Ombudsman found that there was no evidence that the scheme had incorrectly calculated the CETVs. A clear explanation had been provided and each CETV quotation was not guaranteed beyond their stated validity periods.

Spotlight: Expedited Determination

CAS-95546-G8X8

Summary

The Applicant complained that he suffered a financial loss as a result of the Lifestyling programme applied to his fund.

Background

The Applicant's fund was invested in a 10 year Lifestyle Profile. In the years before the Applicant's selected retirement date, investments were switched from the L&G PMC Multi-Asset Fund 3, which had a risk rating of 4 out of 7, to the L&G PMC Over 15 Year Gilts Index Fund 3, which had a risk rating of 5 out of 7.

The Applicant complained that his fund had been moved into higher risk investments. The Respondent explained that the Lifestyling programme, which had been selected by the Applicant's employer, was designed for members intending to purchase an annuity at retirement, and to protect against stock market volatility. The switches had been made in accordance with the Lifestyling Programme.

Outcome – not upheld

The Ombudsman found that although the Applicant's

funds had been moved from a fund with a risk rating of 4 to one with a higher risk rating of 5, the purpose of the Lifestyling programme had been clearly explained to the Applicant on multiple occasions, as early as 2016. The Ombudsman also found that the Respondent had complied with its regulatory obligations to provide information to the Applicant about the Lifestyling Programme.

Spotlight: Expedited Decisions

CAS-137542-T7M6 – Expedited decision accepted

Summary

Mr E complained that his Additional Voluntary Contribution (**AVC**) fund value fell significantly, when it should have been invested in a low risk, less volatile fund in the run up to his Selected Retirement Age (**SRA**).

Background

Prior to Mr E's SRA, Aviva, the AVC provider, transferred £81,602.02 to Legal & General. Mr E complained saying this value was less than he expected. Aviva apologised and explained it was due to a technical issue. Aviva updated the fund value to show an accurate valuation based on the investment returns from the lifestyle option.

Aviva acknowledged that there were some delays in paying the amounts due and added late payment interest and asked Legal & General if it was prepared to carry out any loss assessment due to the delays caused.

Further, Aviva offered to pay £250 as compensation for any distress and inconvenience caused.

Outcome

Aviva accepted that its actions amounted to maladministration. However, TPO explained to Mr E that an incorrect valuation does not in itself create an entitlement to it. TPO explained that the actions taken by Aviva to remedy the maladministration were sufficient and that there would be no further remedy offered by the Ombudsman.

Learning

The Expedited Decision process worked as intended, allowing all parties to draw a line under the matter.

Mr E accepted the decision and said, “I am most grateful to you and The Pensions Ombudsman for the time and trouble you have taken in reviewing the complaint.”

Spotlight: Expedited Decisions

CAS-136420-V2K9 – Expedited decision accepted

Summary

Ms S complained that she received an unexpected tax bill of £201 in the 2022/23 financial year due to her drawdown plan being paid out earlier than she had expected. Ms S complained that the application form and process for the drawdown was unclear.

Background

Ms S completed an application form for drawdown payments to be paid on the 1st of each month. This application form was received on 1 March 2023. Royal London processed the application, and the drawdown payment was paid a month in advance. This meant that Ms S received a payment on 1 April 2023, within the 2022/23 financial year.

Ms S realised that she had paid £201 extra in tax for the financial year of 2022/23. She complained to Royal London but the respondent did not uphold the complaint and she brought her complaint to TPO.

Outcome

TPO explained that sufficient information was available to her before she completed the application form. Royal London made it clear that payments are

paid in advance. Nonetheless, Ms S selected 1st of each month and the application was received on 1 March 2023 by Royal London, who processed the application without delay and implemented the payment instructions.

Ms S did not specify any particular date from which she would have liked to receive the payment but selected the 1st of each month. As Royal London, followed the instructions given, there was no finding of maladministration to make in this instance.

Learning

Another example of where the expedited decision helped provide resolution to the matter. Ms S responded to the decision letter, albeit disappointed with the outcome, she did say that, “will close things off and put it down to experience”.

As a result of the above initiatives, during 2025/26 we closed 10,793 cases, exceeding the total number of forecast closures that we set at the start of year by 10% and achieving an overall closure rate that was 14% ahead of the previous year.

In addition to our OMR programme, during 2025/26 we took the following steps to enhance people’s experience through efficient, streamlined services:

- Carried out a review of our Legal Team to ensure close alignment to our casework functions, with a focus on progression and quality. The new structure will be implemented during 2026/27.
- Reviewed our Quality Assurance Framework, increasing the number of checks carried out and extending to more teams – see page 35 for more details. We also introduced a new approach to delivering feedback and started using the RAG rating system for more consistent scoring. Following a pilot, in 2026/27 we will be rolling out outcome checking.

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.

In 2025/26, we issued a total of 12,819 surveys to customers, achieving an average response rate of 21%. The survey focuses on three core aspects of customer satisfaction; each linked to a corresponding KPI.

Measurement area	Target	2024/25 results	2025/26 results
Providing a good service	60%	41%	39%
Providing clear information	70%	61%	62%
Providing clear decision making	65%	54%	56%

While scores remain below our target, our survey feedback shows that changes introduced through our OMR programme are continuing to have an overall positive impact on customer experience.

Themes and observations

Customers continue to highlight the professionalism and empathy of our staff. While concerns about wait times were clear, many customers valued the service they received throughout the process and they described staff as helpful and supportive, even when their complaints could not be investigated or upheld.

Customers particularly appreciated interactions where information was explained clearly and they understood what would be happening next. Feedback also highlighted the importance of clear communication, transparency and receiving regular updates throughout a customer's journey, especially where cases were awaiting review or allocation.

The main areas identified for improvement were:

- Reducing wait times and delays in progressing complaints
- Improving communication and frequency of updates
- Providing information that is clear and easy to understand throughout the process.

We will continue to focus on these areas through targeted improvement initiatives and within our Operating Model Review. Feedback from customers and their insight remain essential in shaping our priorities and driving improvements across the organisation.

Also see page 35 for details of our Quality Assurance Framework: Sustained quality and continuous improvement.

Driving continuous improvement through developing opportunities for smart and secure use of technology and AI

During 2025/26, we took a number of steps to further improve our efficiency through developing opportunities for the smart and secure use of technology:

- We completed year 1 of GovAssure, the cyber security scheme for assessing government critical systems. We completed the self-assessment

ready for peer review and subsequent agreement of a Targeted Improvement Plan.

- We reviewed our end-to-end processes and developed an 'invest to save' business case for digital transformation. The business case will allow TPO to improve the citizen-facing front end and improve its casework management system and data management to increase productivity and strengthen its defences against ever-increasing and developing cyber risk.
- We undertook preparatory work to enable increased use of AI. This included carrying out a feasibility study to understand the options and assessing the risks and governance necessary to implement a pilot.

Ensuring customers can access our service at the right time, understand our role and how we may be able to help them

To limit the number of invalid applications we receive, we launched a new 'Improving awareness' workstream.

By updating the web content for customer, we hope to clarify which complaints we can deal with and what customers need to do to submit a complaint to us. It is hoped that, as well as improving the customer

journey, it will manage customers' expectations and reduce the number of invalid complaints we receive. Part of this workstream is to review the guidance and information available to customers to identify and fill any gaps.

During 2025/26, we reviewed the application journey along with existing guidance. We used insight from our application data, consulted with staff and listened to feedback from the sector to identify the following areas needing development:

- shift in tone
- clear and defined customer journey so that all applicants have a base level of understanding
- embedding further information and guidance to the journey
- more information on key topics.

This work is nearing completion and, once the updated customer journey is launched, it will be monitored to identify further improvements that could be made.

Over the year we have also relaunched and restructured the customer communications review group to review our standard customer communications and drive improvements in accessibility, clarity and consistency.

Building an inclusive workplace where our people have the knowledge and skills to make high quality decisions and respond to people's needs

- Invested in staff training and development to increase casework handling expertise and pensions experience through:
 - piloting a Training Academy project attended by new starters and newly promoted staff. Feedback has been used to improve future induction days
 - establishing a cross-organisation working group to create a Learning & Development Plan. The Plan contains activities which are mandatory for people new to specific casework roles to continue the 'academy' style learning.

Proactively responding to emerging trends or developments that may affect our work

Lead cases

When we identify a scheme or broader industry specific issue where the material facts affecting multiple members are similar, we are utilising a lead case approach in order to drive quicker consistent outcomes for members. We select a representative 'lead case' to accelerate quickly in a comprehensive Determination, this supports the timely resolution of other complaints and prevents every affected

member from having to make a complaint to us.

There are two ways we can do this by:

1. Taking on a single case while the others remain in the scheme's IDRPs. The Determination then informs the trustees' remaining IDRPs cases. We are currently using this approach to complaints raised against Boots Pension Scheme, concerning the ability to take an unreduced pension at age 60. See the latest updates on the dedicated 'Boots Pension Scheme' page on our website.
2. If IDRPs have already been completed and complaints have been submitted to us, where material facts are very similar the directions in the lead case can be applied to the linked cases. This was the approach we took in the investment due diligence cases concerning Rowanmoor Trustees Limited. This has been an ongoing case which involved 170 cases – 98 of which were resolved during 2025/26. For more information, see the case studies on page 241.

It is also important to ensure we are able to respond quickly to any risk that could affect our service. In 2025/26 we conducted a Business Continuity and Cyber Incident Response workshop to assess organisational readiness in response to a simulated serious cyber-enabled threat. The exercise tested leadership decision-making, incident governance,

cyber containment, communications, regulatory engagement, and the continuity of critical business services.

Overall, the exercise demonstrated a solid foundation and capability in crisis readiness and also provided some steps where we can strengthen preparedness.

Strategic goal 2 – Being an authoritative voice for improvement in the pensions industry

Our central challenge is managing the increasing volume of applications which are adding to our historical caseload as our improvements in efficiency are being wiped out by the increase in demand. Our work under this goal aims to reduce the increase in demand through proactive education, awareness activity and industry engagement.

- This strategic goal contains the following areas of focus: Building our reputation as an impactful organisation and an independent voice for improvement
- Working closely with industry and government stakeholders to continually build our understanding of emerging opportunities and challenges for the sector
- Sharing learnings and insight to help improve pensions schemes members' experiences

- Using our experience and data to drive improvements in pension schemes' own complaint handling when things do go wrong
- Building member understanding of pensions administration and how to manage their complaints and queries

Strategic engagement

Throughout 2025/26, we continued to engage with the industry, updating them on progress against our OMR programme, sharing guidance and highlighting our approach in significant decisions. These actions are carried out to facilitate improvements in dispute resolution across the industry. Some of our key successes are outlined below:

Events hosted by TPO

- We hosted three events: Stakeholder Forum (July, in-person, 49 attendees), Legal Forum (November, in-person, 64 attendees), Technical Forum (March, virtual, 185 attendees).
- They were all very well received. In feedback for all three events, 100% of respondents strongly agreed or agreed that the information provided to them was useful in their role.
- The events gave us the opportunity to share new updates and guidance with the industry, and to

receive feedback on our processes and future plans. We are actively using information collected in the events to guide our work.

External events:

TPO presented at key external events covering many different parts of the sector, including:

- Local Government Pension Scheme (LGPS) Pension Managers Conference and Governance Conference (November and January respectively)
- Trades Union Congress Pension Conference (March)
- The Public Sector Complaints Forum (January and February) and the Northern Ireland Public Sector Schemes Forum (June)
- Association of Pension Lawyers Scotland (September).

New guidance

TPO has published information designed to help members understand the key issues arising when a pension has been overpaid. TPO receives many complaints related to overpayments that are often very complex to resolve, and this information aims to clarify the associated general principles and possible legal ‘defences’. We have presented on this new overpayment guidance to key industry events,

including the LGPS Governance Conference, Public Sector Complaints Forum, and TUC Pensions Conference. We have encouraged schemes to share the information with affected members and have received feedback that they are doing so.

We have also presented on our McCloud updates to key industry events. This is to ensure the industry is up to speed and understands our expectations at this point, given milestones in the remedy implementation have now passed.

Updated guidance on McCloud is now available on our website. [McCloud update slides April 2026.pptx](#)

We intend to continue to produce new or updated topic guidance to further support the industry's dispute resolution. With this in mind, we have gathered feedback at our events to direct future guidance. For example, at the Technical Forum we polled 185 attendees from across the industry to assess which future information sheets would be most useful, and we are using those findings to decide which information sheets to focus on producing first.

Examples of good engagement

Civil Service Pension Scheme

An example where TPO has actively supported efforts to remedy a systemic issue with a scheme.

- Administration of the Civil Service Pension Scheme (CSPS) transitioned from MyCSP to Capita in December 2025. Following the transfer members have been experiencing difficulty receiving administration services, including delays to pension quotes and payments for newly retired members. This had been compounded by a backlog of work-in-progress cases and unread correspondence left by MyCSP. As a result TPO initially experienced a significant increase in enquiries concerning CSPS.
- TPO has been proactive in setting out to both Capita and the scheme manager, the Cabinet Office, understand TPO's expectations on how members should have their complaints handled in line with IDRP, and communicating our usual approach on issues such as interest on late payment of benefits. We have also been in correspondence with unions representing some members. This is with the aim of allowing complaints to be resolved appropriately with the right outcome at an earlier stage, to the benefit of all parties, without the need for TPO involvement where possible. If members remain dissatisfied, they will be signposted to TPO.

Scottish Public Pensions Agency

- Our Service Integrity and Development Team identified an issue with communications made by the Scottish Public Pensions Agency's (SPPA) within their Internal Dispute Resolution Procedure (IDRP). The issue stemmed from unclear wording in complaint responses from SPPA, and a lack of clear signposting to subsequent stages of SPPA's IDRP.
- Members are required to complete their scheme's IDRP before making a complaint to TPO. This is with the aim of giving the scheme the best chance of resolving the complaint without needing TPO involvement. As such, we want to see IDRPs completed as effectively, accurately, and comprehensively as possible.
- We raised the issue with SPPA directly. They acknowledged our concerns and took steps to resolve the issue and ensure members in the future are correctly informed about SPPA's IDRP procedure and how they could progress their complaint. These new, clearer communications are now being used by SPPA.

Over 2025/26 we progressed work on our Stakeholder Relationship Management Framework. We consulted existing Stakeholder Relationship Managers across

casework to hear their first-hand experience and drew up proposals for a new framework based on this feedback. We also used insights from our complaints data to identify which schemes and administrators would most benefit from this engagement. We are aiming to start implementing the framework during 2026/27.

We have been working on improving our forecasting capability within the limitations of our current systems. We have developed our reporting on topics received and this is now published within this Annual Report on page 39.

‘Significant’ decisions

We have also developed an approach for key Determinations on a specific issue. Where the legal basis is set out in some detail in order to support upstream decision making by the sector for similar issues. This supports the quality of administration and issue resolution in the sector and reduces the likelihood that a complaint will need to come to us.

Where we decide that a Determination is a Significant decision, we will promote these to the sector for their awareness.

Spotlight: Significant decisions

Transfer Due Diligence – not upheld

Determination – CAS-81940-Z2S8

Summary

The complaint concerned a pension scheme member (Mr D) who transferred from the British Steel Pension Scheme to a small self-administered pension scheme (a **SSAS**) in 2014. Mr D complained that the transferring trustee failed to carry out sufficient due diligence to check for scam warning signs and then communicate the presence of those warning signs to him.

The case, that was not upheld, examined whether the Trustee of the British Steel Pension Scheme had a legislative or regulatory obligation to undertake ‘additional’ due diligence, beyond that required to meet the legislative criteria, as set out in the Pensions Regulator’s 2013 Action Pack “Pensions liberation fraud: The predators stalking pension transfers.” (the **Action Pack**) or in the “Scorpion Leaflet”.

Background

Mr D became a deferred member of the British Steel Pension Scheme, a defined benefit, occupational pension scheme, in January 2008 and made a statutory transfer request on 11 August 2014, having signed a copy of the Scorpion Leaflet.

The legal question for the Pensions Ombudsman was what was the Trustee's duty of care at that time to Mr D, in respect of due diligence, when making the statutory transfer from his occupational pension scheme?

This case explores the statutory transfer requirements of the Pension Schemes Act 1993 (**PSA 93**), at the time of the transfer, and looks at whether it was mandatory for the Trustee to comply with the due diligence checklist set out in the Action Pack or the Scorpion Leaflet. In reaching his decision, the Pensions Ombudsman looked at the following:

- The Trustee's obligations to meet the express transfer provisions of the PSA 93.
- Statutory due diligence requirements.
- Regulatory due diligence obligations.
- The Common Law duty of care in negligence – i.e. whether there was a duty of care to go beyond the legislative requirements and nonetheless carry out the due diligence suggested by the Action Pack.
- Equitable duties of care.

The Pensions Ombudsman's Determination also provides a useful reminder of how both the Pensions Ombudsman and the Financial Ombudsman Services were set up and the differences on how

each organisation approaches the decisions they make.

Outcome

The areas of law considered above were examined in detail and the Pensions Ombudsman found that there was no general, common law or equitable duty of care that required the Trustee to conduct the due diligence suggested by Mr D and his representative. The Pensions Ombudsman further observed that the Trustee had not voluntarily assumed a responsibility to investigate the receiving scheme (for example, as set out in the Action Pack) and had not made any promise or implied representation to Mr D that it was conducting due diligence which he could argue that he then relied upon to his detriment.

Learning

This Determination provides an important, legal assessment of a trustee's duty of care when considering a statutory transfer request from an occupational pension scheme, for the period from February 2013 until the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 came into force on the 30 November 2021.

For more **significant case** Determinations see page 233.

Focusing our volunteer resource on pre-IDRP complaints

As TPO will now only accept cases that have completed IDRP we are targeting our volunteer resource on complaints that have not yet completed IDRP.

They are prioritising support for customers that have accessibility issues or vulnerabilities that mean they require additional support in order to be able to complete IDRP, or where it looks like IDRP may be completed successfully with proactive intervention. This work ensures that the people that need it most are able to access independent third-party support and it also reduces the likelihood of a complaint needing to be raised with us later.

Case resolved by volunteer advisor

CAS-127894-P2H4

Summary

A member of the Horizon Pension Scheme, administered by Capita, complained to TPO following a lack of response by the administrator to a complaint raised regarding a delay in implementing a Pension Sharing Order (“PSO”) and crystallising a PCLS (“lump sum”) payment.

Background

Having reached pension age, the scheme member was seeking to draw his lump sum entitlement in order to purchase a buy-to-let property. Whilst a PSO was in place, the member stated that both he and his wife had completed the necessary paperwork and the delay in drawing his lump sum was causing him both financial and non-financial harm. In particular, the member alleged a lack of effective communication, and unnecessary delays caused by failure to provide details of what was causing matters to be held up, and what actions were required to move forward despite stating that he had been reassured he would be kept informed at each step of the process.

In response to this, Capita offered an ex-gratia award of £250 for their poor communication (later increased to £500) but in referencing the fact that another buy-to-let property generated circa £7.5k income pa, the member stated that this award did not adequately reflect the financial harm suffered over the period in which the matter remained unresolved, leaving him suffering an effective loss of a year's worth of rental income. During this time, the member was in contact with his ex-wife and stated that she had promptly returned the paperwork she had been sent and that – whilst also referencing an alleged lack of communication and engagement generally – Capita

had confirmed safe receipt of this.

In an effort to move matters forward and in the absence of a substantive final response to the complaints raised, the member raised the issue with TPO at which time the case was allocated to one of TPO's volunteer network.

Outcome

The investigations of the volunteer advisor identified that this was a multi-faceted and far more complicated complaint than was initially believed.

Whilst there was clear evidence of poor and untimely complaint handling and communication by the scheme administrator, there was also evidence of a lack of understanding on behalf of the member as to his entitlement and what was required of him and his ex-wife in order to implement the PSO.

As such, it was necessary to deliver robust explanations to both parties in order to achieve a clear and consistent understanding of the complaint and any remedial actions required to bring the matter to a final resolution, setting out that:

The member was not in fact entitled to a PCLS payment due to the rules of the scheme and the nature of the pension rights held.

That the PSO could not be implemented as promptly as all parties would have wished because the necessary paperwork had not been fully and appropriately completed and further delays arose because of a need to complete pension transfers in order to implement the PSO.

That no loss could be considered in respect of the aborted buy-to-let purchase as the loss was too remote to be satisfactorily quantified and the property purchase did not go ahead as PCLS was never payable.

Due to the established maladministration by the scheme administrators, an ex-gratia award of £2,000 was agreed in respect of the non-financial harm suffered. This was calculated with reference to TPO's guidance in respect of severe distress & inconvenience.

Upon relaying these points to both the scheme and the member, the ex-gratia award was accepted in full and final settlement of the complaint by the member.

The work undertaken in this case again reinforced the expertise and value of TPO's volunteer network but more generally, the importance of clear and timely communication and how a lack of such communication and the understanding this supports, can lead to regrettable delays and misunderstandings that can have severe consequences for everyone involved.

Our staff

In June 2025, a People Strategy based on the responses to the 2024 staff survey was agreed by the Corporate Board covering the following workstreams:

- Pay and reward
- Learning and development
- Wellbeing
- Change and management
- Collaboration, team working and shared purpose

During 2025/26, work has included:

- Collaboratively providing input, energy, accountability and feedback into TPO's strategies and delivery plans. Specifically, the group developed and presented the People Strategy to the Executive and thereafter to all staff, reviewing quarterly to ensure the People Plan was effectively implemented.
- Supporting the development of the organisation's culture through the development and delivery of staff events and staff communications. In particular, a calendar of cultivating community events hosted in Lunch and Learns and a week of activities for staff to learn new skills and to build organisational culture and cohesion.

- Creating the above programme and holding a strategy event that offered staff the opportunity to input ideas for further improvements ('dragons' den' style) that TPO could make that align with our values. Many of these ideas have been included in next year's People Strategy.

Staff survey

In November 2025, 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 123 out of 153 eligible staff completing it, which is a response rate of 80% (2024 = 89%).

A summary of the high-level results, compared to both the 2024 results and the Civil Service survey:

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

Category	2025 Score	2024* Score	Difference against 2024 TPO survey	Difference against 2025 Civil Service survey
Employee engagement index	69%	66%	2%	3%
Leadership and managing change	66%	63%	2%	8%
Learning and development	60%	57%	2%	-3%
My team	79%	79%	0%	3%

* 2024 scores have been adjusted to enable a like-for-like analysis in light of questions being added/removed by the Civil Service in 2025

Looking forward

For the 2026/27 strategy, our People Group, which is made up of staff from across the organisation, will come together to review the outputs from the 2025 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 five areas for focus:

- Benefits
- Wellbeing
- Communication
- Demonstrating our values
- Learning and development

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.

Key highlights for volunteers including:

- Our network of volunteers used their collective industry expertise to help TPO successfully resolve over 400 cases in 2025/26.
- A record number of 40 new volunteer appointments thanks to our effective campaigns during volunteer/pro bono weeks, our social media campaigns, and attendance at several UK pension conferences and events to promote volunteering.
- Forming new partnerships with legal firms, such as Slaughter and May, who have encouraged their staff to become volunteers and make a difference for those that need TPO's services.
- The introduction of new lunchtime briefing sessions, and several technical training events to help volunteers with their casework and provide opportunities for collegiate learning and team building.
- 94% of our volunteers say they would recommend volunteering according to our recent survey.

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	Dominic Harris
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Ombudsman	
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Chief Operating Officer	Robert Loughlin
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Legal Director	Claire Ryan
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Deputy Chief Operating Officer (Corporate Services)	Claire Eadington
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Deputy Chief Operating Officer (Casework)	Jennifer Ryans
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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 2025/26.

Corporate Board:

Chair – Deborah Evans – from 1 July 2025

Interim Chair – Anthony Arter – until 30 June 2025

Non-Executive Director (NED) – Emir Feisal – until 31 July 2025¹

NED – Myfanwy Barrett

NED – Robert Branagh

Pensions Ombudsman – Dominic Harris

Chief Operating Officer – Robert Loughlin

Legal Director – Claire Ryan

The Board convenes on at least a quarterly basis. All meetings were quorate in 2025/26.

¹ Emir Faisal stepped down from the Board in July 2026. Richard Thompson has been appointed as a Non-Executive Director with effect from 1 July 2026.

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.

With a new Chair joining TPO in July, the decision was taken to conduct an internal review for this year with an externally facilitated review to follow in 2026/27.

The results were positive with no major gaps identified. Board members agreed that the organisation was currently in good standing with government and with the industry and discussed the balance of wanting to do more engagement in line with the new Corporate Strategy 2025-2028 alongside internal engagement opportunities. Board members also discussed the upcoming recruitment of a new board member, and the skills and experience which would strengthen the board.

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-202526>). Where potential conflicts are identified, robust procedures have been put in place.

Committees' attendance for the year ended 31 March 2026

	Board	Audit and Risk Committee
Deborah Evans (from 1 July)	5/5 C	1/1*
Anthony Arter (to 30 June)	1/1 C	-
Myfanwy Barrett	6/6	5/5 C
Robert Branagh	5/6	2/3**
Emir Faisal (to 31 July)	2/2	2/2
Dominic Harris	6/6	5/5
Robert Loughlin	6/6	5/5
Claire Ryan	5/6	-

C = Chair

*Deborah Evans is not a member of ARC and attended one meeting to ensure quoracy

** Robert Branagh attending ARC while NED recruitment is ongoing

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 2025/26 and up until the Annual Report and Accounts are formally signed off by the Audit and Risk Committee in July 2026.

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

The [Framework Document](#) was reviewed in 2024/25 and has been agreed between DWP and TPO and approved by HM Treasury with effect from February 2026. DWP continues to hold quarterly accountability meetings where TPO provides assurance on finance, performance and risk.

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. The ARC reviews its alignment to The Orange Book annually and is compliant. This year, the ARC also undertook to complete the Government Internal Audit Agency's self-assessment checklist to measure its effectiveness and implemented improvements resulting from this.

Chair – Myfanwy Barrett

NED – Emir Feisal up until 31 July

NED – Robert Branagh from 16 September

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 2025/26 the committee undertook deep dives on the Pensions Dishonesty Unit, recruitment and retention, residual risk from the 2023 cyber incident and digital service procurement.

TPO's risk appetite has been reviewed and agreed as part of the review of the Strategic Risk Register. A Risk Policy is in place and an Assurance Map has been developed. TPO works with colleagues in the DWP Risk Directorate to regularly review and refresh its risk management approach 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 from the reporting period, together with details of the mitigating actions taken and scoring.

Strategic risk	Mitigation	Score
<p>Case volumes Incoming volumes continue to rise, leading to continued increase of TPO's overall caseload numbers</p>	<ul style="list-style-type: none"> • Proactive steps taken to secure consistent resourcing – conversion of fixed term contract staff to permanent contracts and Spending Review case to ensure resources can meet future demand • Year 2 of the OMR programme provides forecast of 4% improvement on casework delivery 	<p>Initial risk score: 20 Likelihood: Very high Impact: High</p> <p>Score after mitigation: 15 Likelihood: Very high Impact: Medium</p> <p>Target score: 15 Likelihood: Very high Impact: Medium</p>
<p>Recruitment and retention</p>	<ul style="list-style-type: none"> • Secured maximum pay remit as swiftly as possible 	<p>Initial risk score: 16 Likelihood: High Impact: High</p>

Failure to recruit and retain a sufficient number of capable staff leading to insufficient capacity to maintain the service	<ul style="list-style-type: none"> • Regular review of non-pay benefits • Improved learning and development offer • Creation of new development roles in Casework 	<p>Score after mitigation: 12 Likelihood: High Impact: Medium</p> <p>Target score: 12 Likelihood: High Impact: Medium</p>
<p>Cyber attack Cyber attack or other incident including cyber and data protection leads to loss of data, reputational damage and potential litigation</p>	<ul style="list-style-type: none"> • Completed Year 1 of GovAssure in 2025/26 • Pentesting and Business Continuity Exercises • Continued engagement with DWP/National Cyber Security Centre/ Cabinet Office • Regular training for staff on related topics 	<p>Initial risk score: 20 Likelihood: High Impact: Very high</p> <p>Score after mitigation: 16 Likelihood: High Impact: High</p> <p>Target score: 12 Likelihood: Moderate Impact: High</p>

The system of control is designed to manage risk to a reasonable level to achieve policies, aims and objectives with the resources available. 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. An annual review of compliance with the principles of HMT's Orange Book is undertaken by the Audit and Risk Committee.

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.

Incidents related to personal data

In 2025/26, we reported one incident related to personal data to the Information Commissioner's Office (ICO). The ICO considered that we had taken adequate steps to contain the incident and closed the case with no further action needed.

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.

In 2025/26 the GIAA conducted a single audit programme to proportionately assess TPO's overall control environment. This review was part of a pilot of a new approach to internal audit from the Government Internal Audit Agency (GIAA). This approach aims to offer proportionate, risk-based assurance to arm's length-bodies (ALBs). It is designed to enhance the relevance, consistency and efficiency of assurance delivery. The highest opinion GIAA provides under this approach is **MODERATE**, which TPO achieved. All recommendations have been implemented.

The definition of a Moderate opinion is that 'some improvements are 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

6 July 2026

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 but has undertaken work this year in order to maximise the data which is available.

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. Water usage is calculated on building share, so any change to usage comes from building-wide activity. TPO has continued to engage with GPA on building management matters including energy use, and work is ongoing to improve data quality to meet GGCs more fully, both on energy and water usage.

Table 1 below provides a summary which includes an overview of the energy use for TPO in 2025/26. 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 45 reams in the reporting period (2024/25: 78 – down 42%).

There was £454.48 of air travel expenditure on TPO business activities in 2025/26 (2024/25: £0). This was due to the attendance of TPO staff at the Ombudsman Association Conference in Belfast, where alternative transport methods were not feasible. 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 £3,334.27 (2024/25: £1,425.73) 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	2025/26
Scope 2 – gas and electricity (tonnes CO2E)			
Gas	0.7	0.3	0
Electricity – total	25.53	33.54	28.47
Scope 3 – water and waste (tonnes CO2E)			
Water	0.10	0.05.(218m ³)	0.05 (329m ³)
Recycled waste	0.01	0.006	0.007
General waste (incinerated)	0.01	0.003	0.004
General waste (landfill)	0	0	0
Scope 3 – business travel			
Private vehicle	£144.09	£1.80	£153.70
Car hire	£0.00	£0.00	£0.00
Taxis	£6.00	£60.60	£141.30

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

Air	£120.08	£0.00	£454.48
Rail	£949.18	£1,363.33	£2,584.79
Total business travel	£1,219.35	£1,425.73	£3,334.27
Scope 3 – paper			
Paper	40 reams	78 reams	45 reams

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)

Deborah Evans was appointed as TPO's new permanent Chair, effective 1 July 2025. Anthony Arter was the Interim Chair from 1 January 2024 to 30 June 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 (Emir Feisal left on 31 July 2025), 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	1 year 9 months	3 months from employee

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	Date of Expiry	Unexpired term as of 31/03/25	Notice period
Camilla Barry	9 December 2024	8 December 2028	2 years 8 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 2026.

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 £100)		Total (£'000)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Deborah Evans ^a	15-20 20-25 ^f	0	0	0	2,500	0	0	0	15-20	0
Myfanwy Barrett	5-10 ^b	5-10 ^b	0	0	400	200	0	0	5-10	5-10
Robert Branagh	5-10 ^b	5-10 ^b	0	0	0	0	0	0	5-10	5-10

Khan Emir Feisal	0-5 ^c 5-10 ^f	5-10 ^b	0	0	0	100	0	0	0-5	5-10
Anthony Arter ^d	5-10 ^d 20-25 ^f	20-25	0	0	0	0	0	0	5-10	20-25
Dominic Harris	170- 175	165- 170	0	0	0	0	61	44	230- 235	210- 215
Claire Ryan	325- 330 ^e 340- 345 ^g	95- 100 ^e 110- 115 ^f	0-5	0-5	0	0	55	60	380- 385 ^{**}	150- 155
Robert Loughlin ⁱ	120- 125	115- 120	0-5	0	0	0	48	45	165- 170	160- 165

- a As Chair from 01/07/2025
 - b Annual remuneration
 - c Period of service finished 31/07/2025
 - d As Interim Chair until leaving date on 30/06/2025
 - e Actual salary and estimated termination benefits
 - f Full time equivalent salary
 - g Full time equivalent salary and estimated termination benefits
- * Benefits in kind include travel expenses for non-executive directors. This has been included for the first time in 2025/26 and so 2024/25 figures have been restated for comparison. The tax on the benefits in kind is accrued as the amounts are expected to be paid to HMRC. As at 31/03/2026, they are unpaid.
- ** Payment for compensation for loss of office is receivable. The total figure of £230,000 is an estimate and includes £160,000 compensation and a possible £70,000 top-up to buy out actuarial reduction on pension.

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 2025/26 relate to performance in 2024/25.

Pay multiples

The information in this section is subject to audit.

	2025/26 (£'000)	2024/25* (£'000)
Highest paid office holder's total remuneration	170-175	165-170
Average salary and allowances for employees as a whole	53.66	49.87
Average performance pay and bonuses	0.40	0.38
25 th percentile pay ratio	4.5:1	4.6:1
Median pay ratio	3.7:1	3.7:1
75 th percentile pay ratio	3.1:1	3.1:1

* For the 2024/25 figures, NED remuneration has been included. This has been excluded from 2025/26.

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 2025/26 was £170-175k (2024/25: £165-170k). The percentage change from the previous financial year is 3.0%. This was 3.7 times (2024/25: 3.7 times) the median remuneration of the workforce which was £47,002 (2024/25: £44,862).

The average percentage change in salary and allowances from the previous financial year in respect of the employees taken as a whole was 8.2%.

The median pay ratio is consistent with the pay, reward and progression policies for employees taken as a whole. The 25th percentile pay ratio shows a small decrease. This is due to staff in the 25th percentile receiving a slightly higher percentage increase in salary. There has been no significant change in the employment model.

In 2025/26 no employees (2024/25: none) received remuneration in excess of the highest-paid office holder. Remuneration bands ranged from £30-35k to

£170-175k (2024/25: £5-10k to £165-170k). (The prior period includes NEDs' remuneration which has been excluded from 2025/26 in line with the FreM).

Percentage change from 2023/24	Salary and allowance	Performance pay and bonus payable
Highest paid office holder	3.0%	0%
All employees	8.2%	7.6%

	2025/26(£) Total pay and benefits	2024/25(£) Total pay and benefits	2025/26(£) Salary component	2024/25(£) Salary component
25 th percentile	38,631	36,441	37,500	35,961
50 th percentile	47,002	44,862	46,194	44,382
75 th percentile	55,641	53,902	55,158	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. Prior year figures include NEDs' remuneration, current year figures do not.

Pension benefits – MyCSP (Transferred to Capita 1/12/2025)

The information in this table is subject to audit.

Single total figure of remuneration					
	Accrued pension at age 65 as at 31/03/26 (£'000)	Real increase in pension at age 65 (£'000)	CETV at 31/03/26 (£'000)	CETV at 31/03/25 (£'000)	Real increase in CETV (£'000)
Dominic Harris	25-30	2.5-5	393	327	36
Claire Ryan	30-35 plus a lump sum of 65-70	2.5-5 plus a lump sum of 0-2.5	717	629	48
Robert Loughlin	5-10	2.5-5	90	46	33

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 2026. HM Treasury published updated guidance on 27

April 2023; this guidance will be used in the calculation of 2025/26 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 PCS 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 2025/26 employers' contributions of £2,029,478 were payable to the PCSPS (2024/25: £1,910,873) 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 £41,685 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 £1,476 (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 both the following tables is subject to audit.

Staff numbers at year end	2025/26	2024/25*
Full time equivalent (FTE)	151.03	148.02

*2024/25 includes NEDs, 2025/26 excludes NEDs in line with the FReM.

Staff costs at year end	2025/26	2024/25
Staff costs	£10,837,165	£10,012,976

In addition, we incurred contingent labour costs of £157,296 (2024/25: £5,115). This was for agency staff. A breakdown of staff costs between employees with an employment contract with TPO and contingent labour is contained in Note 2 of the accounts on page 208.

The increase in contingent labour costs is partly due to some extra funding received in October 2025 for continuous improvement in efficiency, and also to fill

vacancies in Corporate Services with agency staff. There are no senior civil servants employed by TPO.

Category	Cost (2025/2026)	FTE (as at 31/03/26)
Permanent staff	£10,837,165	151.03
Fixed-term contract staff	£0	0
Contingent labour	£157,296	5

Exit packages

The information in this table is subject to audit

Exit package cost band	Number of exit packages by cost band 25/26	Number of exit packages by cost band 24/25
<£10,000	0	0
£10,000-£25,000	0	0
£25,000-£50,000	1	0
£50,000-£100,000	0	0
£100,000-£150,000	0	0
£150,000-£200,000	0	0
£200,000-£250,000	1	0
Total number of exit packages	2	0
Total resource cost/£'000	260*	0

*The resource cost is an estimated, accrued cost to be paid in 2026/27.

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 3.75%. 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 2025/26 staff needed to have been in post on 1 July 2025.

Consultants engaged on the objectives of the entity

The table below shows all off-payroll engagements as at 31 March 2026, for more than £245 per day:

Number of existing engagements as at 31 March 2026	4
of which, the number that have existed for:	
less than one year at time of reporting	4
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 2025 and 31 March 2026, for more than £245 per day:

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026 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	5
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 2025 and 31 March 2026.

Engagements of Board members, and/or senior officials with significant financial responsibility*	
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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.	8
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*All Board members with significant financial responsibility are on-payroll

The total consultancy spend for the year was £21,000 (2024/25: £19,800). Consultancy spend includes fees paid to our payroll provider and other sundry amounts.

Staff diversity profile (as at 31 March 2026)*

Ethnicity:	2026	2025
Asian	10%	11%
Black	7%	9%
Mixed ethnicity	2%	1%
White	37%	40%
Prefer not to say/undeclared	44%	39%
Gender:		
Female	50%	52%
Male	50%	48%
Disabled:		
Yes	6%	7%
No	48%	52%
Prefer not to say/undeclared	46%	41%
Orientation:		
Bisexual	0%	1%
Gay/lesbian/other	1%	1%
Heterosexual/straight	50%	54%
Prefer not to say/undeclared	49%	44%
Religion:		
Christian	20%	23%
Hindu	1%	1%
Jain	1%	1%
Muslim	4%	3%
Other religions	2%	2%
Sikh	2%	2%
None	21%	23%

Prefer not to say/undeclared	49%	44%
Age:		
20-29	12%	11%
30-39	24%	28%
40-49	23%	22%
50-59	23%	23%
60+	18%	17%

* Some charts do not total 100% due to rounding. The NEDs are not included in the data below.

Gender of our staff

	As at 31/03/26		As at 31/03/25		As at 31/03/24	
	Male	Female	Male	Female	Male	Female
Chair	0	1	1	0	1*	0
Ombudsmen	1	1	1	1	1	0
Directors incl. COO	1	1	1	1	1	1
Deputy COO	0	2	0	2	0	2
Managers**	15	17	14	16	13	14
Other employees	65	60	56	58	66	62
Total	82	82	73	78	82	79

*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 2025/26 per employee was: 5.32 days (2024/25: 5.67 days) which equates to 2.2%

of total work time compared with 8.2 days for the Civil Service.

The average absence per FTE in 2025/26 was 5.62 days (2024/25: 4.75 days)

Turnover

Turnover for the year amongst permanent staff: 5.03% of headcount, 4.76% of FTE (2024/25: 14.53% of headcount, 14.53% of FTE). The significant reduction in staff turnover reflects a combination of external and internal factors. A more competitive employment market, evidenced by record application numbers in our recent recruitment drive, has contributed to greater staff retention. The establishment of the People Group in November 2024 has strengthened our focus on staff engagement, acting on feedback, and promoting the benefits of working for TPO — all of which have supported a continued increase in employee engagement levels.

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 2025/26.

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 2026. All applicable requirements have been met.

Provisions for liabilities

There are no provisions for liabilities included in 2025/26. 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.

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 two unquantifiable liabilities requiring to be disclosed under IAS37 as judicial reviews. Both judicial reviews are going ahead but they could be joined together. There is also a potential appeal in the Court of Northern Ireland.

There have been no remote contingent liabilities identified either under IAS 37 or outside the scope of IAS 37.

Regularity of expenditure

There have been no individual losses or special payments over £300,000 in 2025/26 (2024/25: nil). Total losses and special payments do not exceed £300,000 in 2025/26 (2024/25: 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 2025/26. 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

6 July 2026

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 2026 under the Pensions Scheme 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 2026;
- 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 2026 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

Date 7 July 2026

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

Accounts 2025/26

Statement of comprehensive net expenditure

For the year ended 31 March 2026

		For the year ended 31 March 2026 £	For the year ended 31 March 2025 £
Income			
Operating income	3	1,006	9,729
Expenditure			
Staff costs	2	(10,994,461)	(10,018,091)
Rent and rates	4	(353,748)	(350,114)
Computer expenses	4	(869,871)	(860,014)
Finance costs	4	(17,820)	(17,300)
Depreciation – right of use asset	4	(345,476)	(297,337)
Other expenditure	4	(881,592)	(570,722)
Total operating expenditure		(13,462,968)	(12,113,578)
Net operating expenditure		(13,461,962)	(12,103,849)

The notes on pages 193-225 form part of these accounts

Accounts 2025/26

Statement of financial position

As at 31 March 2026

		As at 31 March 2026 £	As at 31 March 2025 £
	Note		
Non-current assets			
Property, plant and equipment	5	118,749	136,795
Right of use assets	6a	2,132,881	2,155,686
Intangible assets	7	466,423	547,059
Assets under construction	7	<u>114,211</u>	<u>56,467</u>
Trade and other receivables	8	<u>-</u>	<u>-</u>
Total non-current assets		<u>2,832,264</u>	<u>2,896,007</u>
Current assets			
Trade and other receivables	8	342,016	266,347
Cash and cash equivalents	9	<u>868,107</u>	<u>927,336</u>
Total current assets		<u>1,210,123</u>	<u>1,193,683</u>
Total assets		<u>4,042,387</u>	<u>4,089,690</u>

The notes on pages 193-225 form part of these accounts

Accounts 2025/26

		As at 31 March 2026 £	As at 31 March 2024 £
Current liabilities			
Trade and other payables	10	730,638	792,642
Lease liability	6b	<u>274,298</u>	<u>226,805</u>
Total current liabilities		<u>1,004,936</u>	<u>1,019,447</u>
Non-current liabilities			
Provision for charges and liabilities	14	-	-
Lease liability	6b	1,483,393	1,467,223
Total non-current liabilities		<u>1,483,393</u>	<u>1,467,223</u>
Assets less liabilities		<u>1,554,058</u>	<u>1,603,020</u>
Capital and reserves			
General reserve	11	<u>1,554,058</u>	<u>1,603,020</u>

The financial statements on pages 186-192 were approved on 6 July 2026 and signed by:



Dominic Harris

Pensions Ombudsman

Pension Protection Fund Ombudsman

6 July 2026

The notes on pages 193-225 form part of these accounts

Accounts 2025/26

Statement of cash flows

Year ended 31 March 2026

		2025/26		2024/25	
	Note	£	£	£	£
Cash flows from operating activities					
Net operating expenditure	*	(13,461,962)		(12,103,849)	
Depreciation	5	66,073		72,966	
Amortisation	7	169,420		188,585	
Depreciation – right of use asset	6a	345,476		297,337	
Disposal of fixed assets	5	11,621		-	
Provision for charges and liabilities	14	-		(278,300)	
(Increase)/decrease in receivables	8	(75,669)		(171,021)	
(Decrease)/increase in payables	10	(62,004)		77,340	
Net cash outflow from operating activities		(13,007,045)		(11,916,942)	

*SOCNE

The notes on pages 193-225 form part of these accounts

Accounts 2025/26

Statement of cash flows

Year ended 31 March 2026

	Note	2025/26		2024/25	
		£	£	£	£
Cash flows from investing activities					
Purchase of non-current assets	5 7	(206,176)		(58,411)	
Net cash outflow from investing activities			(206,176)		(58,411)
Cash flows from financing activities					
Grants from sponsor department		13,413,000		12,253,000	
Payments for lease liability		(259,008)		(224,671)	
Net cash inflow from financing activities					
			13,153,992		12,028,329

The notes on pages 193-225 form part of these accounts

Accounts 2025/26

Statement of cash flows

Year ended 31 March 2026

	Note	2025/26		2024/25	
		£	£	£	£
Net increase/ (decrease) in cash and cash equivalents in the period			<u>(59,229)</u>		<u>52,976</u>
Cash and cash equivalents at the beginning of the period			<u>927,336</u>		<u>874,360</u>
Cash and cash equivalents at the end of the period			<u>868,107</u>		<u>927,336</u>

The notes on pages 193-225 form part of these accounts

Accounts 2025/26

Statement of changes in taxpayers' equity

Year ended 31 March 2026

	General reserve £
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	<u>1,603,020</u>
Comprehensive net expenditure for the year	(13,461,962)
Grants from sponsoring department	13,413,000
Balance at 31 March 2026	<u>1,554,058</u>

The notes on pages 193-225 form part of these accounts

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies

1.1 Basis of accounting

These financial statements have been prepared in accordance with the 2025/26 *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 (TPO) for the purpose of giving a true and fair view has been selected. The particular policies adopted by TPO 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.

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies (continued)

International Financial Reporting Standards Amendments and Interpretations effective in 2025/26

We've adopted all IFRS, International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments to published standards that were effective at 31 March 2026. We've also taken into account the specific interpretations and adaptations included in the FReM.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for TPO's account periods beginning on or after 1 April 2025 or later periods and which TPO has decided not to adopt early.

IFRS 18 *Presentation and Disclosure in Financial Statements* has been issued but is not yet effective. The Standard introduces revised presentation and disclosure requirements but does not affect recognition or measurement.

The impact on the entity's financial statements cannot yet be reliably determined, pending application to the public sector through the FReM.

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies (continued)

1.2 Going concern

Future financing of TPO will be met by grant-in-aid from the Department for Work and Pensions, 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, the Department for Work and Pensions have agreed funding for 2026/27.

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 2026

1. Accounting policies (continued)

1.6 VAT

TPO was not registered for VAT during the financial year 2025/26. 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 the Ombudsman'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.

Notes to the accounts

Year ended 31 March 2025

1. Accounting policies (continued)

Depreciation is calculated from the date an asset is brought into use until the date it has either been fully depreciated or disposed of. 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. Where an active market exists for the asset, it is carried at a revalued amount based on market value at the end of the reporting period. Where no active market exists, we revalue assets using appropriate indices to indicate depreciated replacement costs as an alternative for fair value. Revaluation for the year ended 31 March 2026 was not material and consequently a revaluation has not been recognised.

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.

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies (continued)

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 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.

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies (continued)

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:

- 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.

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies (continued)

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 liability is subsequently remeasured to take account of the annual increase in lease payments.

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.

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies (continued)

Lease liability

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.

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.

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies (continued)

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.

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

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies (continued)

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 2026 were £2,072,637. Liability for the payment of future benefits is a charge on the PCSPS.

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 2025/26 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies (continued)

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.

Notes to the accounts

Year ended 31 March 2026

1. Accounting policies (continued)

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.

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.

Notes to the accounts

Year ended 31 March 2026

1.Accounting policies (continued)

1.15 Operating segments

TPO 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 2026, 8 PPF Ombudsman cases (2024/25: 9 cases) and 959 TPO cases (2024/25: 988 cases) were closed.

Approximately 0.8% (2024/25: 1%) of expenditure and total net liabilities (corresponding to £110,034 for the year ended 31 March 2026) is deemed attributable to the PPF Ombudsman (2024/25: £121,038).

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 2026

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 2026		Year ended 31 March 2025	
	Permanently employed staff	Temp staff costs	Total	Total
	£	£	£	£
Wages & salaries	7,757,970	157,296	7,915,266	7,255,977
Social security costs	1,006,558	-	1,006,558	802,690
Other pension costs	2,072,637	-	2,072,637	1,959,424
	10,837,165	157,296	10,994,461	10,018,091

Notes to the accounts

Year ended 31 March 2026

2. Staff costs (continued)

The average number of staff employed during the year was 151 (2024/25: 159). Compensation of £0 on early retirement or for loss of office was paid during the year (2024/25: £0).

Wages and salaries for permanently employed staff include an accrual for termination benefits of £260,000 under IAS 19.

Temporary staff costs for 2025/26 were £157,296 compared to £5,115 in 2024/25. This significant increase is partly due to increased one-off funding from DWP for continuous improvement in efficiency. In addition, there were a number of temporary vacancies in Corporate Services which were managed through the engagement of temporary staff.

We have presented the full staff and related expenditure disclosure in the remuneration and staff report on page 138.

Notes to the accounts

Year ended 31 March 2025

3. Income

Income	Year ended 31 March 2026	Year ended 31 March 2025
Interest received	1,006	9,729
	1,006	9,729

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 2026

4. Other expenditure

	Note	Year ended 31 March 2026 £	Year ended 31 March 2025 £
Rent and rates		353,748	350,114
Computer expenses		869,871	860,014
Legal and professional fees		204,729	54,495
Subscriptions		142,630	118,058
Staff recruitment		25,001	40,485
Printing, stationery and postage		16,944	11,339
Auditors' remuneration		64,000	62,000
Internal audit fees		49,980	43,202
Sundry expenses		41,989	82,309
Staff training		27,256	33,237
Accountancy fees		21,099	19,782
Travel and subsistence		9,536	5,513
Hire of equipment		7,672	3,114
Telephone		15,414	13,034
Business continuity		4,782	1,758
Insurance		3,446	3,245
IFRS 16 interest		17,540	16,985
Bank charges		280	315

Notes to the accounts

Year ended 31 March 2026

4. Other expenditure (continued)

	Note	Year ended 31 March 2026	Year ended 31 March 2025
Non-cash items			
Amortisation	7	169,420	188,585
Depreciation	5	66,073	72,966
ROU asset	6a		
depreciation		345,476	297,337
Loss on disposal	5	11,621	-
(Decrease)/increase in	14		
provision for liabilities		-	(182,400)
		2,468,507	2,095,487

Payroll services are provided by MacIntyre Hudson at a cost of £21,099 (2024/25: £19,782). The National Audit Office, who perform our statutory audit, did not conduct any non-audit services nor receive remuneration for such services (2024/25: £Nil).

Notes to the accounts

Year ended 31 March 2026

5. Property, plant and equipment

2025/26	Hardware £	Office furniture £	Total £
Valuation			
At 1 April 2025	350,621	48,263	398,884
Additions	59,648	-	59,648
Disposals	(56,348)		(56,348)
At 31 March 2026	353,921	48,263	402,184
Depreciation			
At 1 April 2025	218,342	43,747	262,089
Charge for the year	61,557	4,516	66,073
Disposals	(44,727)	-	(44,727)
At 31 March 2025	235,172	48,263	283,435
Carrying amount			
At 31 March 2026	118,749	-	118,749
At 31 March 2025	132,279	4,516	136,795

Notes to the accounts

Year ended 31 March 2026

5. Property, plant and equipment (continued) 2024/25

	Hardware	Office furniture	Total
	£	£	£
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

Notes to the accounts

Year ended 31 March 2026

6a. Right of use asset

	Right of use asset £	Total £
2025/26		
Valuation		
At 1 April 2025	3,047,692	3,047,692
Remeasurement*	322,671	322,671
At 31 March 2026	3,370,363	3,370,363
Depreciation		
At 1 April 2025	892,006	892,006
Charge for the year	345,476	345,476
At 31 March 2026	1,237,482	1,237,482
Carrying amount		
At 31 March 2026	2,132,881	2,132,881
At 31 March 2025	2,155,686	2,155,686

* The right of use asset has been remeasured to take account of an increase in annual rent payments.

Notes to the accounts

Year ended 31 March 2025

6a. Right of use asset

2024/25	Right of use asset £	Total £
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

Notes to the accounts

Year ended 31 March 2026

6b. Lease liability

Lease liability, measured at the present value of future lease payments relating to the offices at 10 South Colonnade is shown below. This has been increased due to the annual increase in rent payments.

	31 March 2026 £	31 March 2025 £
Not later than one year	274,298	226,805
Later than one year and not later than five years	1,123,496	928,974
Later than five years	359,897	538,249
Present value of obligations	1,757,691	1,694,028

In 2025/26 the lease liability was remeasured to account for an increase in lease payments. The 2024/25 lease liability has not been restated as the increase in liability is not material. Had the lease liability been restated, there would have been an increase in the value of the right of use asset and increases in depreciation and interest.

The liquidity risk associated with the lease liability is managed through the successive 3-year grant-in-aid submissions to DWP.

Notes to the accounts

Year ended 31 March 2026

6b. Lease liability (continued)

Lease liability reconciliation

	£
Closing Balance 31/03/2025	1,694,028
Remeasurement	322,671
Interest	17,540
Rent payments	<u>(276,548)</u>
Closing balance 31/03/2026	<u>1,757,691</u>

Notes to the accounts
Year ended 31 March 2026

7. Intangible assets

	Information Technology	Assets under construction	Total
2025/26	£	£	£
Valuation			
At 1 April 2025	1,009,065	56,467	1,065,532
Additions	85,042	61,486	146,528
Transfer from assets under construction	3,742	(3,742)	-
At 31 March 2026	1,097,849	114,211	1,212,060
Amortisation			
At 1 April 2025	462,006	-	462,006
Charge for the year	169,420	-	169,420
At 31 March 2026	631,426	-	631,426
Carrying amount			
At 31 March 2026	466,423	114,211	580,634
At 31 March 2025	547,059	56,467	603,526

Notes to the accounts
Year ended 31 March 2026

7.Intangible assets (continued)

	Information Technology	Assets under construction	Total
2024/25	£	£	£
Valuation			
At 1 April 2024	1,007,121	-	1,007,121
Additions	1,944	56,467	58,411
At 31 March 2025	1,009,065	56,467	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	547,059	56,467	603,526
At 31 March 2024	733,700	-	733,700

Of the £580,634 total carrying amount at 31 March 2026, £332,563 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 29 months.

Notes to the accounts

Year ended 31 March 2026

8. Trade and other receivables

	31 March 2026 £	31 March 2025 £
Due after more than one year	-	-
Due within one year		
Staff loans	572	1,281
Prepayments	341,444	265,066
	342,016	266,347

9. Cash and cash equivalents

	31 March 2026 £	31 March 2025 £
Balance brought forward	927,336	874,360
Net change in cash and cash equivalent balances	(59,229)	52,976
Balance carried forward	868,107	927,336

The balance, which is cash (no cash equivalents), is held in a commercial bank account.

Notes to the accounts

Year ended 31 March 2026

10. Other payables

	31 March 2026 £	31 March 2025 £
Trade payables	147,911	510,560
Accruals	582,727	282,082
	<u>730,638</u>	<u>792,642</u>

Accruals include £260,000 termination benefits under IAS 19.

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 £1,554,058 at 31/03/2026 (£1,603,020 at 31/03/2025).

Notes to the accounts

Year ended 31 March 2026

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 2026 £	31 March 2025 £
Not later than one year	573,750	810,000
Later than one year and not later than five years	-	573,750
Later than five years	-	-
	<u>573,750</u>	<u>1,383,750</u>

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.

Notes to the accounts

Year ended 31 March 2026

13. Related party transactions (continued)

In addition, TPO has had various transactions with other government departments and central government bodies. This includes material transactions (£674,527) with the Cabinet Office (including the Government Property Agency) in respect of the lease arrangement for 10 South Colonnade, and immaterial transactions (£49,980) with the Government Internal Audit Agency (invoiced by HM Treasury). At the end of the period there was an outstanding balance of £49,980 to the Government Internal Audit Agency. All of these amounts were invoiced with normal terms and conditions of payment including 30 days credit.

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.

Notes to the accounts

Year ended 31 March 2026

14. Provisions for liabilities and charges

	31 March 2026 £	31 March 2025 £
Balance at 1 April 2025	-	278,300
Provided in year	-	-
Utilised in year	-	(95,900)
Change in discount rate	-	-
Provisions not required written back	-	(182,400)
Balance at 31 March 2026	-	-

Expected future costs relating to the internal repairs for the space occupied by TPO under a Memorandum of Terms of Occupation with the Cabinet Office have been identified as a liability of the Cabinet Office and not TPO. This refers to the 2024/25 write back.

Notes to the accounts

Year ended 31 March 2026

15. Contingent liabilities

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 two unquantifiable liabilities requiring to be disclosed under IAS37 as judicial reviews. Both judicial reviews are going ahead but they could be joined together. TPO has identified a potential judicial review which is awaiting a permission decision from the Administrative Court. There is also a potential appeal in the Court of Northern Ireland.

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

CAS-162128-Z2L2

Summary

Mr N emailed us with an enquiry as he suffered an injury at work which ended his employment. He also wanted to know how he could find pension benefits relating to previous periods of employment.

Outcome

We provided him with details of the Pensions Tracing Service, set out the pension preservation rules that were in place from 1975 onwards and gave an explanation of the different state pension arrangements that have been in place since 1961, how these benefits can interact with those provided by occupational pension schemes, and how to contact the National Insurance Contributions Office to establish who was responsible for paying contracted out benefits.

We also gave details of the Association of British Insurers' online lost pension database as this can be a guide on who is now responsible for paying a benefit.

With regard to the injury claim, we set out that before we could consider a complaint, it is a requirement that

an attempt is made to have the matter dealt with under the scheme's Internal Dispute Resolution Procedure. The enquirer could refer the matter back us with a completed application form if either he was not satisfied with the response he received under the IDRП or if he did not receive a response within a reasonable time.

Both through a telephone conversation and an emailed response, we were able to clarify the options available to him and at what stage he would be able to bring a complaint to TPO.

Using discretion

FOS investigation had already concluded – informal closure – CAS-130482-P4X1

Summary

Mr N complained that due to a systems issue with his personal pension provider, he was unable to access his account online, so he could not manage it appropriately.

Background

At an earlier stage in our process, we established that Mr N's case had already been investigated by the Financial Ombudsman Service (**FOS**).

Outcome

Mr N's case was closed as withdrawn after we explained to him that we would not investigate a matter that had already been considered by FOS, as it would not be appropriate or fair to the other parties for us to look into a complaint that had already been considered by another Ombudsman.

TPO investigates complaints about the administration of occupational and personal pension arrangements. FOS investigates complaint about the sales, marketing and administration of personal pension plans, so there is an overlap in jurisdiction between the two offices. Where appropriate, we would exercise discretion not to investigate a complaint if its merits had already been considered by FOS.

Using discretion

Unable to take benefits early – dismissed by a S146 letter

CAS-138840-S6D9

Summary

Dr R complained that the trustees of his occupational scheme had refused his request to access his pension early, before he was 55.

Background

Dr R was facing deportation from the UK and said he would not be able to access his pension from abroad. He also said that he had health issues which meant that the trustees should have made an exception for him.

Outcome

We exercised discretion not to investigate the complaint as there was no chance of success. Legislation prevented the trustees from allowing Dr R access to his pension benefits before the age of 55, without special circumstances. As things stood, no application to access the pension early on the grounds of ill health had been made. We pointed out that independent financial advice was available in respect of accessing a pension from overseas, and that he could explore the ill health point further and raise this with us if given a decision by the trustees that he was unhappy with.

Resolution team cases

Pension overpayment CAS-92215-S5W6

Summary

A member of the Principal Civil Service Pension Scheme approached TPO, seeking a resolution to a complaint regarding a long-running dispute over a £17.5k overpayment of pension – accrued between 2011 and 2021 – and the proposed terms for repayment. The member cited the detrimental impact on her health and lifestyle as a result of the stress caused by this given her monthly pension payments had been more than halved to reflect her correct entitlement.

Background

The overpayment arose as a result of an incorrect deemed date being used as a reference point for any increases in pension on the preserved benefits. Rather than using the ‘best year of pensionable pay’ arising in the last three years of reckonable service, the date at which the member joined the scheme was used. This meant the preserved pension rights were increased in relation to a date some six years prior to the correct date, inflating the value of the benefits payable at the crystallisation date and causing an overpayment to start to accrue immediately upon payment of both the lump sum and monthly pension.

In response to the recovery letter received, the member raised a complaint via the scheme IDRPs, stating that:

- The incorrect calculations had been accepted in good faith and repayment should not be required
- The reduction in ongoing pension payments would cause significant hardship and stress

In their IDRPs response, the complaint was partially upheld and whilst repayment was still required on the basis that the scheme rules governed payment of benefits and that no payments might be made other than in accordance with the rules, the scheme accepted that the member had no reason to believe the payments received were anything other than accurate. In reflection of this point, an ex-gratia award of £500 was granted to partially offset the amount repayable.

The member appealed this decision via the second stage of the scheme's IDRPs. In the IDRPs2 response, the Cabinet Office acknowledged that the member had not contributed to the overpayment but reiterated that a mistake does not create future entitlement and the excess monies would still need to be repaid. However, upon further reflection of the prolonged period over which the error took place, Cabinet Office agreed to increase the ex-gratia award to £1,000 to reflect the circumstances of the error more appropriately. My CSP would also contact the member within 28 days of the IDRPs2 letter to discuss a

repayment plan.

Using the referral rights provided in the IDRP2, the member declined to accept the resolution offered and referred the matter to TPO, where the complaint was handled by TPO's Resolution Team.

Outcome

Thanks to the work of the Resolution Specialist who liaised at length with both parties, an informal resolution was achieved that all parties felt able to accept:

- Cabinet Office accepted a partial change of position argument based upon detailed evidence of income and expenditure, resulting in approx. £11.6k of the overpayment being written off.
- The remainder of the overpayment (approx. £5k, net of the ex-gratia award previously granted) would be recouped over a period equivalent to the period in which the overpayment originally accrued.

As well as highlighting the technical pensions expertise within the Resolution Team, the outcome again demonstrated the advantage of the mediated, pragmatic approach adopted by the team, even when dealing with legally complex matters such as pension overpayments; finding a fair and legally sound resolution that avoids the need for lengthy, formal arbitration – reducing cost for the scheme and greatly reducing the level of distress and inconvenience felt by the member, who expressed their gratitude to

TPO for their professionalism and understanding at a very stressful time.

Significant Determinations

Death Benefits – Uphold Determination

CAS-72134-V5K7

Summary

The complaint concerned the distribution of death benefits by the Trustee of the ThyssenKrupp UK Plc 2006 Retirement and Death Benefits Plan (**the 2006 Plan**). It was brought by the separated wife (Mrs E) and son (Mr R), **the Applicants**, of the deceased, Mr F, who complained that they were not properly considered in the distribution of death benefits.

The case was upheld after it was identified that the Trustee of the 2006 Plan failed to consider the Applicants as potential beneficiaries. The Ombudsman directed that the Trustee should reconsider its decision and pay the applicants £500 each in recognition of the significant distress and inconvenience caused.

Background

Mr F and Mrs E married in 1974 and had three children, including Mr R. They later separated but did not divorce. In 2004, Mr F completed a nomination form (**the 2004 Nomination Form**) in respect of a different plan linked to his ThyssenKrupp employment (**the 1992 Plan**), asking that 100% of the pension be paid to a Ms D, recorded as his partner.

Mr F later joined the 2006 Plan but did not complete a nomination form. In November 2016, Mr F passed away having been a deferred member of the 1992 and 2006 Plans. When the Trustee decided how to distribute the 2006 Plan's death benefits, it paid 100% to Ms D.

The Applicants complained that the Trustee made its decision without seeking information about Mrs E or Mr R's potential claim, and highlighted perceived irregularities in the Trustee's understanding of Mr F and Ms D's relationship.

Outcome

In considering the complaint, the Ombudsman identified the following questions to be answered:

- Was Ms D a potential beneficiary under the Plan Rules and were all alternative potential beneficiaries identified?
- Was the correct interpretation of the Plan Rules applied?
- Were the various decisions as to Ms D, Mr R and Mrs E's dependency in regards to Ms D, Mr R and Mrs E properly made?
- Were only relevant factors taken into account?
- Was the decision perverse or irrational, being one that no reasonable body of trustees or other decision maker could have reached having properly advised themselves of all relevant circumstances?

In deciding the case, the Ombudsman addressed each question in turn, initially concluding that under the Plan Rules and given their individual relationships with Mr F, Ms D, along with Mrs E and all of Mr F's children were potential beneficiaries and ought to have been given consideration by the Trustee.

The Ombudsman considered Mr R's potential as a beneficiary and concluded that the Trustee had discounted him on the basis that he did not fulfil the definition of being a Dependant. The Ombudsman concluded that this analysis was flawed. The reliance on Mr R's potential as a beneficiary by way of being a Dependant overlooked his status as a Relative. As a Relative, financial dependency was an unnecessary factor. While financial dependency might be relevant to the decision on apportionment between the potential beneficiaries, it was not necessary for the purpose of identifying the potential beneficiaries.

Similarly, the Ombudsman concluded that Mrs E was also a potential beneficiary under the Rules as Mr F's estranged Spouse. In analysis of the Trustee's consideration of both Mr R and Mrs E, the Ombudsman concluded that the evidence did not support the assertion that Trustee had properly considered as potential beneficiaries and these decisions were therefore flawed and required reconsideration.

In respect of the 2004 Nomination Form and its relevance to the separate 2006 Plan, the

Ombudsman concluded that it was a relevant factor that the Trustee was entitled to place some weight on.

Learning

This Determination demonstrates the importance of identifying and properly considering all potential beneficiaries in accordance with pension scheme rules, and adequately recording the decision making process. In this case, the Trustee incorrectly only considered the dependency criteria instead of appreciating the Applicants' status as potential beneficiaries due to their familial relationship to Mr F.

The case also highlights the consideration of ancillary information known by trustees in cases of discretion. Although the 2004 Nomination Form was linked to a separate pension arrangement, the Ombudsman was satisfied that the Trustee, in being aware of the form, was entitled to place some weight on it. This would be true of other similar documents that a trustee might receive in the course of a discretionary death benefits decision, for instance a will.

Overpayments – Partly Upheld Determination – CAS-52655-W0Z3

Summary

The main complaint concerned the Trustees' decision to recover overpayments, amounting to £12,620, from future pension payments following the Court of Appeal's decision in *BIC v Burgess* [2019] 051 PBLR 026 (**Burgess (CA)**).

Mr M considered that his pension should not have been corrected to the level provided under the Bic UK Pension Scheme going forward.

Mr M also considered that the past overpayments should not be recovered, as they had arisen as a consequence of the failure on the part of the then Trustees to properly implement the 1992 benefit improvement¹ (**the Benefit Improvement**).

Furthermore, he argued that at the time of his early retirement from the Scheme due to redundancy in 1999, he reasonably relied on recommendations, concerning enhanced retirement options, made on behalf of the Trustees (**the Recommendations**).

Background

The complaint concerned increases (**the Pre 97 Increases**) that had been incorrectly applied to Mr M's

¹ On 18 February 1991, the then Trustees of the Scheme resolved that pensions in payment would increase in line with the Retail Prices Index (RPI) or 5%, whichever was the lower. The increase was subsequently applied with effect from 6 April 1992.

pension in excess of the Guaranteed Minimum Pension. The factual background to the Benefit Improvement is set out in detail in the Pensions Ombudsman's (**the PO**) Determination of Mr E's complaint [CAS-55100-G3W9] (19 April 2024).

Mr M argued that the Pre 97 Increases were a feature of the Recommendations and the ensuing redundancy terms which he accepted. He also claimed to have selected the shape of his benefits (opting for a lump sum and reduced pension) on the understanding the Pre 97 Increases would be paid. He would neither have accepted redundancy nor opted for that shape of benefit without the Pre 97 Increases.

The legal questions for the PO were whether Mr M was entitled to the higher pension going forward or alternatively whether a negligent misstatement had been made leading to financial loss. The PO also considered whether recovery of the overpayments by way of recoupment was inequitable.

This case explores the potential for negligent misstatement complaints to accompany overpayment disputes and the 'inequity enquiry' the PO will carry out where a member of a trust based occupational pension scheme argues that all or part of the past overpayments should not be recovered.

Therefore, the PO considered that the following points needed to be considered in order to determine the complaint:

- negligent misstatement;
- a general equitable defence; and
- Laches

Outcome

When considering negligent misstatement, the PO concluded that Mr M had not provided any supporting evidence that the Pre 97 Increases were the determining factor in his decision to either take early retirement, or select a lump sum and reduced pension. Further, there were time bar issues as the facts stemmed from his retirement in 1999.

On the issue of whether it was equitable for the overpayments to be recouped, the PO concluded that Mr M had not demonstrated detriment, which would be a necessary ingredient for finding it was inequitable to recoup and/or apply laches. When conducting his analysis, the PO took into account and considered by analogy the principles underlying change of position and estoppel defences. Accordingly, the substantive complaint was not upheld and the Trustees may, subject to first obtaining the approval of the County Court for the purposes of section 91(6)², commence recovery of the overpayments at the rate the PO had directed in the Determination. However, Mr M had suffered injustice to the extent that he had experienced severe non-financial injustice over a prolonged period. The then Trustees had failed to

² Section 91(6) of the Pensions Act 1995.

document the Benefit Improvement correctly and the Trustees had subsequently failed to adequately explain the situation³ and resolve the uncertainty within a reasonable timeframe.

Learning

This Determination provides a useful reminder that on discovery of an overpayment, trustees are generally obliged to reduce the pension to the correct level going forward. However, they should explore the various defences that may be open to the member.

In very limited circumstances, it may be possible for a member of a trust based OPS to argue successfully that he/she has an entitlement to a promised benefit on the basis of an estoppel. Each case turns on its own facts.

³ In February 2013, the Trustees issued an announcement to members advising that the Trustees and BIC UK had received opposing legal advice concerning the Pre 97 Increases.

Lead case

Rowanmoor Group plc – Uphold

Determination references: PO-25984; PO-28733; CAS-45541-T0B3; CAS-78433-Y1Y8; CAS-44560-Q1C8; CAS-14083-P2K6; and CAS-32056-R8Y5.

Summary

Over the past two years, the Ombudsman has issued a series of lead Determinations regarding the administrative actions and trusteeship of Rowanmoor Group plc (specifically its subsidiary Rowanmoor Trustees Limited (**RTL**)). The various complaints alleged a failure on the part of RTL, in its role as professional trustee, to conduct sufficient due diligence on investments made by single member SSASs.

In total 157 complaints were determined against RTL and upheld to varying degrees. Some complaints were deemed to have been brought out of time, and therefore outside the Ombudsman's jurisdiction, but the majority were found to have been made in time.

Background

In each case, between 2013 and 2016, the applicants, with the assistance of Rowanmoor Group plc, had established single member SSASs with RTL as joint trustees. Following transfers in from other arrangements, RTL allowed these newly established schemes to invest heavily in unregulated investments (individually or in combinations), including: the German Property Group; Akbuk Unity Bay;

ParkFirst/StoreFirst; The Resort Group; and several less prominent investment schemes. The investments ranged from approximately £10,000 to £100,000+ and promised high annual returns or guarantees which failed to materialise.

The investments featured obvious risks including: overseas investment; fractional ownership models; opaque business models; off plan property investment; and a lack of liquidity. Each investment has since failed with little or none of the investment recoverable. In several cases the investments are linked to alleged criminality.

Outcome

The complaints regarding Rowanmoor Group's administration of the SSAS were not upheld, as it was not responsible for the level of due diligence argued by the applicants, however the complaints against RTL and its actions as trustee were upheld.

The Ombudsman found that under the schemes' establishing documentation, and as joint trustees, RTL had a shared responsibility with the member trustee to ensure the appropriateness of the investment through due diligence and taking proper financial advice. The Ombudsman found that RTL took no financial advice in respect of the investments and had undertaken little or no due diligence, allowing the opaque, illiquid and risky investments in breach of the duty of care owed by RTL. If RTL had properly undertaken its trustee duties, it, and no other

reasonable trustee would have made these investments.

Given the obvious level of risk associated with the investments, the Ombudsman concluded that RTL was in breach of its trustee duties and the duty of care it owed to the beneficiaries of the schemes.

Although there was joint responsibility between RTL and the member trustee for the schemes' investments, the Ombudsman highlighted the imbalance of knowledge between the parties. The member trustees were lay investors with no previous trustee experience. The Ombudsman was satisfied that they had a limited understanding of the investments being made or their suitability for a SSAS. RTL, by contrast, was a professional trustee with extensive experience and knowledge, which should have been aware of its duties to undertake due diligence on the investment, obtain proper advice and consider the diversification of the SSAS' investments. Given this imbalance, the Ombudsman concluded that the liability for the losses should be apportioned between the member trustee and RTL, directing that RTL was responsible for 80% of the losses.

The Ombudsman also considered the exoneration provisions within the Trust Deed and Rules but found that Section 33 of the Pensions Act 1995 prevented RTL from excluding or restricting liability in relation to the performance of investment functions.

In addition to directing RTL to redress the investment losses suffered by the SSASs, the Ombudsman directed RTL to pay each applicant £1,000 for the distress and inconvenience suffered.

Learning

These Determinations are a reminder that Trustees (including professional trustees) have a responsibility for how scheme funds are invested and must act in accordance with scheme rules as well as broader legislative requirements and common law duties of care. It is not enough to merely act on the instructions of a member trustee regarding investments where there is joint trustee responsibility.

Additionally, the Determinations also demonstrate the Ombudsman's lead case approach to wide scale issues. In this case a lead case outlining the Ombudsman's approach and the relevant law (PO-25984) was used as a basis for subsequent decisions including referencing back to it to reduce the duplication of analysis. This approach will continue to be used by the Ombudsman, where appropriate, in future cases.

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ISBN: 978-1-5286-6425-7
E03592185 07/26