



Rt Hon Sir Stephen Timms MP  
Chair, Work and Pensions Committee  
House of Commons  
London  
SW1A 0AA  
(via email)

4 August 2023

Dear Sir Stephen,

### **AEA Technology Pension Scheme Case**

You wrote to the Pensions Minister, in your position as Chair of the Work and Pensions Committee, about the losses suffered by members of the AEA Technology Pension Scheme on 21 October 2020.

I am writing to ask you to take up the case of this group of members again, because the DWP is currently considering its response to a report<sup>1</sup> on this issue by the Public Accounts Committee.

An intervention by you, backing the recommendations of the Public Accounts Committee, would demonstrate the breadth of support for a proper solution to this issue which has been unresolved for many years.

### **Background**

You will be aware that AEA Technology was created from the privatisation of the commercial operations of the UK Atomic Energy Authority (UKAEA).

The terms of the Atomic Energy Act 1995 (under which AEA Technology was privatised) required that transferring employers be given access to an occupational pension scheme that was no less favourable than the UKAEA's public service pension scheme (the AEA Technology Pension Scheme satisfied this requirement).

Transferring employees were also given an option to participate in a bulk transfer of the pension they had built up in the UKAEA's pension scheme to the AEA Technology Pension Scheme on apparently favourable terms.

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<sup>1</sup> [AEA Technology Pension Case \(parliament.uk\)](https://parliament.uk)

It is our position that the information about the transfer of past service that was given to employees by the UKAEA and the Government Actuary's Department (GAD) was misleading.

In particular, we believe that the information provided to members significantly understated the risk associated with transferring past pension from a pension scheme that was effectively guaranteed by the government to one that was not.

The misleading information contributed to the significant pension losses this group suffered when the AEA Technology group of companies entered administration and the pension scheme was transferred to the Pension Protection Fund (PPF).

Other issues with the information provided, that we believe contributed to these losses, are set out in our submission to the Public Accounts Committee's inquiry<sup>2</sup>.

## **Action**

There has never been a proper investigation of the issues raised by members of the AEA Technology Pension Scheme.

They simply want an official investigation of their complaints by an independent body that has the power to recommend compensation if appropriate.

I would be grateful if you could write to the Pensions Minister in support of the recommendation on this point from the Public Accounts Committee:

*"Recommendation 2: The government should ensure that members' complaints about the AEAT pension case can be independently reviewed, for example by a relevant ombudsman."*

## **Delivery of an investigation**

There has been no proper investigation of these members' complaints because this issue has fallen between the jurisdictions of different bodies.

However, there is a relatively simple legislative fix that would enable the Parliamentary and Health Service Ombudsman (PHSO) to open an investigation.

In the Public Accounts Committee's oral evidence session, the Director of Operations, Legal and Clinical at the PHSO made it clear that the Ombudsman recognises the jurisdictional gap affecting these members and would be interested in investigating if Parliament made the simple fix to the relevant legislation to enable this (see Q40 to Q48: [committees.parliament.uk/oralevidence/12943/pdf/](https://committees.parliament.uk/oralevidence/12943/pdf/)).

Legislation to allow the PHSO to investigate this case was originally proposed by Oliver Letwin as an amendment to the draft Public Service Ombudsman Bill but this Bill never received parliamentary time. Subsequently, MPs representing constituencies with large numbers of AEA Technology Pension Scheme members proposed similar legislation in Private Members' Bills.

Much of the groundwork to enable the PHSO to carry out its role and give these members the access to justice they deserve has already been laid. The Public Accounts Committee's recommendation is sensible and fair and deserves support.

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<sup>2</sup> [committees.parliament.uk/writtenevidence/118891/pdf/](https://committees.parliament.uk/writtenevidence/118891/pdf/)

## Summary

Thank you for the action you have previously taken on behalf of these members. I hope the above has set out why it is important to provide further support to them now. Please let me know if you have any questions about this issue.

Yours sincerely,

A handwritten signature in black ink, appearing to read "G. Graham". The signature is written in a cursive, flowing style.

**GARRY GRAHAM**

Deputy General Secretary