



Laura Trott MBE MP
Minister for Pensions
Caxton House
Tothill Street
London
SW1H 9NA
(via email)

4 August 2023

Dear Laura,

AEA Technology Pension Scheme Case

I understand that the DWP is due to respond shortly to the Public Accounts Committee's recommendations following its inquiry into the AEA Technology Pension Case¹.

I am writing to ask you to take up the Committee's recommendation that the AEA Technology Pension Case be independently reviewed.

Background

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.

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.

¹ [AEA Technology Pension Case \(parliament.uk\)](https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2015/aea-technology-pension-scheme-case)

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 inquiry².

Recommendation

The recommendation that I am asking you to take up relates to an independent investigation of this case:

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

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.

There is no good reason to deny these members an investigation. This recommendation has cross-party support.

Delivery of an investigation

The reason there has been no proper investigation of these members’ complaints to date is 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/).

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, other Conservative 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.

² committees.parliament.uk/writtenevidence/118891/pdf/

Summary

I hope you agree that it is important to finally resolve this long-running case. If you have any queries or require further clarification, please do not hesitate to contact me directly.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Graham', written in a cursive style.**GARRY GRAHAM**

Deputy General Secretary