

Pensions and the Law

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The Pensions Ombudsman
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Introduction



- Over 20 years experience as pensions lawyer and independent trustee
- Former Head of Pensions and London Senior Partner at Eversheds LLP
- Acted for more than 40 pension schemes including British Airways, John Lewis, the Railways Pensions Scheme and Sainsbury's
- Appointed The Pensions Ombudsman and the Pension Protection Fund Ombudsman
- Fifth Pensions Ombudsman appointed in May 2015
- First pensions lawyer to take office



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Our vision



“We are committed to providing a trusted, fair and impartial service that makes it easy for everyone to resolve pension complaints.”



Who we are

**Here to
Help**

We are pension
experts, adjudicators
and lawyers working
within legislation
set by Parliament



What we do

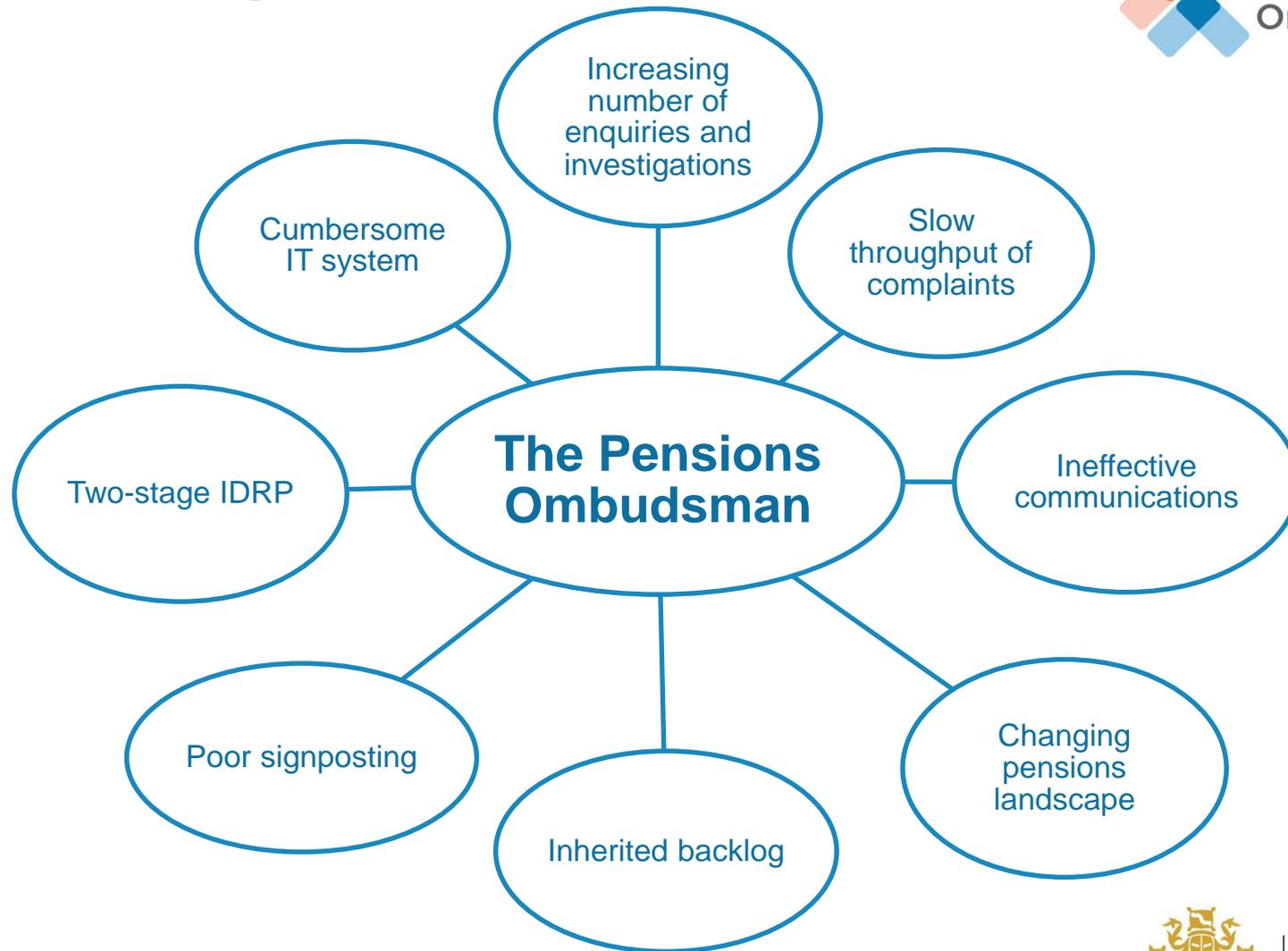


- The Pensions Ombudsman is an independent organisation established by Parliament to investigate complaints about pension administration
- Non-departmental public body sponsored by Department for Work and Pensions
- Offer scheme members, employers and trustees a free independent and impartial service
- Determinations are final and binding and can only be challenged on a point of law
- No financial limit



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2015 Snapshot



Our commitments

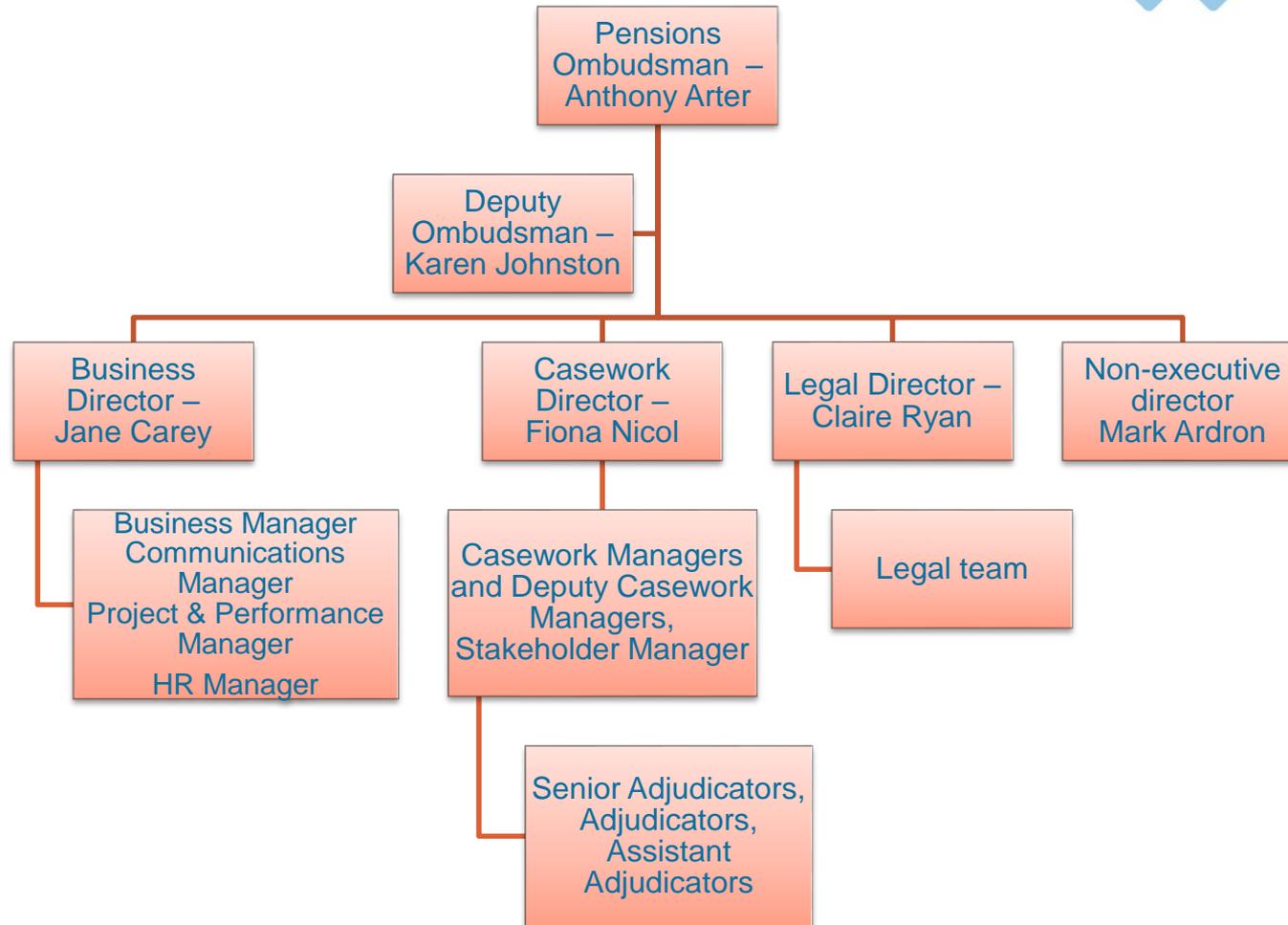


- Providing one centre for the resolution of workplace and personal pension complaints
- Shortening and simplifying the customer journey while maintaining the quality of the process and reaching the right outcome
- Supporting and influencing the pensions industry and the wider alternative dispute resolution sector to deliver effective dispute resolution
- Improving our IT services and processes to work effectively and enhance the experience of our customers
- Eliminating the inherited backlog of 600 cases, and our intention this current financial year is to complete 1,200 new investigations within seven months from the date we have a valid application.



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Senior staff restructure



Anthony and our Directors make up the Executive Board



A new approach

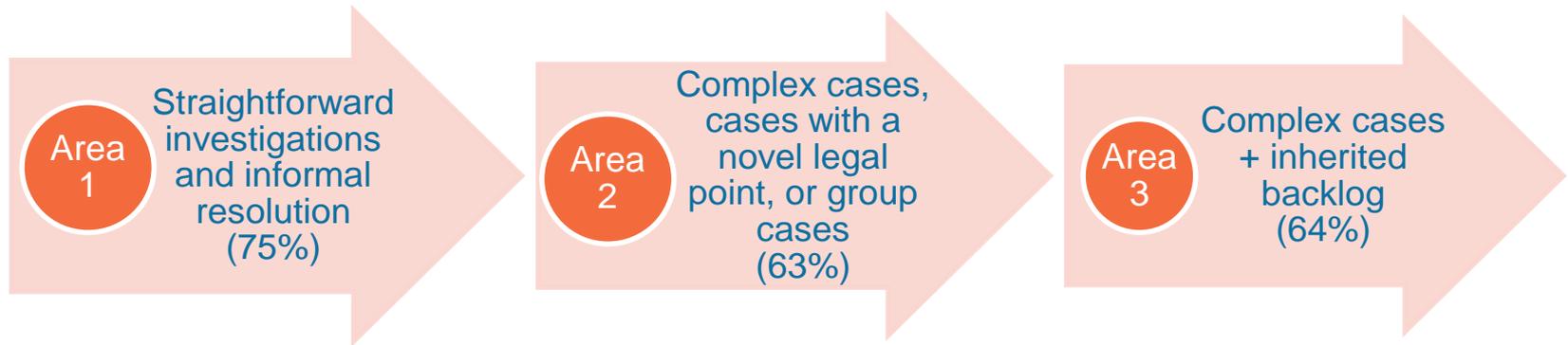


- Quicker, straightforward, consistent approach
- Set up separate teams one dealing with less complicated complaints and the other with more complex ones, resulting in simple cases being resolved more quickly
- Increased contact by phone and less reliance on letter correspondence has led to 25% of cases closed within 90 days, up 6% from last year
- Name of complainant anonymised in all published decisions
- Removal of decision letters and increased use of opinions
- Very small proportion of disputes dealt with in a formal way unless:
 - a novel legal point
 - representative of a large number of complaints
 - complicated or are likely to be appealed
 - opinion not accepted by one or more parties
- Working with stakeholders to adopt one-stage IDRPs



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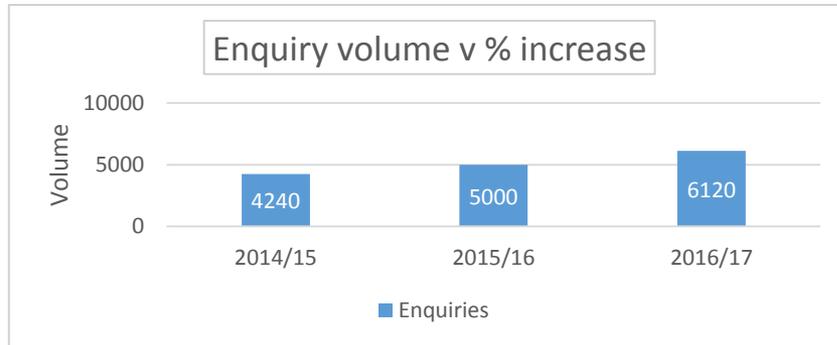
Our process



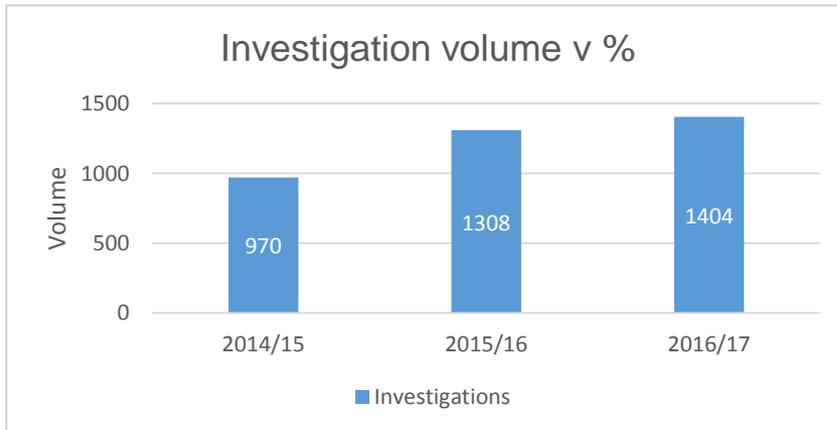
Legal expertise available to all areas

Our caseload

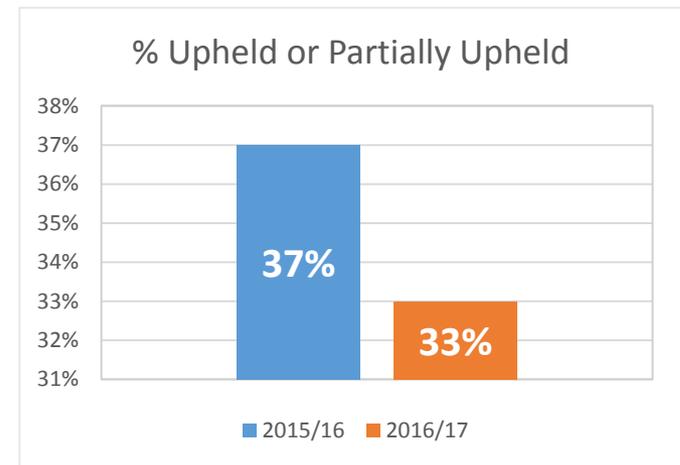
We handled over 6,000 enquiries, up 22% from 2015/16



We completed 1,404 investigations, 7% more than 2015/16



33% of complaints determined by the Ombudsman were upheld or partly upheld in 2016/17, down from 37% in 2015/16



Achievements



- ✓ 70% of applications are now made online since launch of our online application in April 2016
- ✓ Progressive shift from formal to informal resolution, with 70% of all disputes now informally resolved by our adjudicators compared to 63% in 2015/16 and 44% in 2014/15
- ✓ On track to eliminate backlog and reduce waiting times
- ✓ Improved the time taken to resolve complaints since removal of decision letters
nearly 40% of investigations are completed within six months
- ✓ Increased use of opinions
 - ✓ 2017/16 - 57% (YTD to the end of July)
 - ✓ 2016/15 - 50%
 - ✓ 2015/14 - 43%



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Appeal participation



- In July 2016 we made the decision to participate in appeals to provide guidance and assist the court following the case of **Donna-Marie Hughes v Royal London**, which was an appeal of my Determination of 30 June 2015.
- The Pensions Ombudsman will participate in appeals cases that:
 - affect our legal jurisdiction or office procedures
 - have a wider public interest
 - the decision is likely to have an impact on the wider industry, such as pensions liberation/auto-enrolment
 - there are a large number of cases relating to the same issue



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PPF appeal



Anthony Beaton v The Board of the Pension Protection Fund 2017

- Appeal concerned an important point of law on whether £47,000 was 'attributable to pensionable service' as set in the Pensions Act 2004, Paragraph 26 of Schedule 7.
- PPF has indicated its intention to appeal to the Court of Appeal



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Non-financial injustice



Bagniet v Capita Employee Benefits 2017

- High Court considered the upper limit of compensation for non-financial injustice was too low in those cases that were very exceptional
- Judge concluded that the amount awarded should be increased from £1,000 to £1,600, broadly in line with inflation
- We are evaluating our current policy on non-financial injustice and awaiting judgment in another High Court appeal case – **Smith v Sheffield Teaching Hospitals 2017**
- This case raised considerable discussion on our awards for non-financial injustice



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Non-financial injustice cont'd



I would be interested in hearing your views on the range of redress awarded for significant distress and inconvenience; currently £500 to around £2000 depending on the degree of maladministration in a particular case. For example,

Conduct	Award
Not significant	£0
Significant	£500
Very significant	£1000
Extremely significant (discretionary)	£2000+

Instead of fixed amounts should it be variable depending on the case?



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Outlook



Opportunities

- With the establishment of a new Single Financial Guidance body we are working with DWP and TPAS to create one centre for the resolution of pension disputes.
- Introducing brand new IT systems to be more user friendly. We plan to move to a self service approach where complainants and respondents will be able to track the progress of their case online.
- Working with the FCA and the Financial Ombudsman Service to achieve clearer signposting and improve the experience for customers.



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Any questions?