

Ombudsman's Determination

Applicant	Miss L
Scheme	NEST (the Scheme)
Respondents	Greenacre Group Limited, (the Employer)

Outcome

1. Miss L's complaint is upheld and, to put matters right, the Employer shall ensure that she is not financially disadvantaged by its maladministration, so, it shall arrange for £8.91 to be paid into the Scheme. The Employer shall also ensure that Miss L is not financially disadvantaged by its amendment to her Scheme account on 16 March 2024, when £26.58 was removed.
2. In addition, the Employer shall pay Miss L £500 for the significant distress and inconvenience it has caused her.

Complaint summary

3. Miss L has complained that the Employer, despite deducting pension contributions from her pay, failed to pay them into the Scheme on time. She says:-
 - When contributions were paid to the Scheme, the amounts did not match with her payslips.
 - She has suffered distress and inconvenience due to the delays from the Employer in paying the pension contributions.

Background information, including submissions from the parties

4. The sequence of events is not in dispute, so I have only set out the salient points.
5. On 20 September 2021, Miss L began her employment with the Employer.
6. On 3 October 2022, the Employer enrolled Miss L into the Scheme.
7. On 7 April 2023, Miss L received a payslip showing that her pay had been deducted an employee pension contribution of £17.17. An employer's pension contribution of £12.88 was also shown. These amounts were paid to the Scheme on 12 April 2023.

8. On 11 August 2023, the Scheme administrator wrote to Miss L informing her that pension contributions, due on 10 May 2023, had not been paid by the Employer.

9. On 14 August 2023, the Employer sent a message to staff saying:

“It has been brought to my attention that some of you may have received letters from nest (our pension company) informing you of a missed payment. Please be aware that April’s pensions were recalculated and whilst this won’t affect your pay it does affect the pension contributions for some of you.

Any additional payments have in fact already been paid and we are working with nest to ensure this payment is allocated against the correct month.

Please if anyone receives a letter that concerns anything financial or is of concern to you, please bring it directly to us in a professional manner to my personal email / WhatsApp and remember that all information is confidential and should not be shared with 3rd parties. The sooner we directly hear about an issue the sooner we can resolve it.”

10. On 17 August 2023, Miss L contacted the Employer about the unpaid pension contributions. The Employer responded saying:

“There had been a recalculation on staff hours as it was set up wrong in April and hence the wrong amount of pension was paid in May, but the NI and Tax shouldn’t now change. I’ll confirm any changes once it’s all updated.”

11. On 12 September 2023, the Scheme administrator wrote to Miss L informing her that pension contributions due on 10 June 2023 were unpaid.

12. On the same date Miss L informed the Employer that she had received further correspondence from the Scheme administrator. The Employer responded saying it was resolving the situation and that automatic letters from the Scheme administrator may still be sent out.

13. On 26 September 2023, Miss L ceased employment with the Employer.

14. On 7 October 2023, Miss L was provided with a final payslip.

15. On 11 October 2023, the Scheme administrator wrote to Miss L informing her that pension contributions due on 10 July 2023, had not been paid by the Employer.

16. On 22 October 2023, Miss L complained to the Employer as she was receiving letters from the Scheme administrator about contributions not being paid into the Scheme. Miss L added: -

- The amounts on her payslips were incorrect as they were either lower or higher than stated on the correspondence from the Scheme administrator.
- She was losing interest on her pension contributions due to the payments not being accurate or paid.

17. On the same date, the Employer told Miss L it was engaged in communications with the Scheme administrator and working to resolve the issues she was raising.
18. On 10 November 2023, Miss L brought her complaint to The Pensions Ombudsman (**TPO**). Miss L provided copies of the payslips she held for the period from 7 May 2023 to 7 October 2023, which detailed the pension contributions deducted from her pay and the corresponding employer contributions. A breakdown of the deductions has been included in Appendix One.
19. On 13 November 2023, the Scheme administrator wrote to Miss L informing her that pension contributions due on 10 August 2023, had not been paid by the Employer.
20. On 12 December 2023, the Scheme administrator wrote to Miss L informing her that pension contributions due on 10 September 2023, had not been paid by the Employer.
21. On 11 January 2024, the Scheme administrator wrote to Miss L informing her that pension contributions due on 10 October 2023, had not been paid by the Employer.
22. On the same date, £20.21 was paid to the Scheme for Miss L's May 2023 and June 2023 employee pension contributions. At the same time the Employer included employer contributions for these two months. The amounts paid into the Scheme did not match with Miss L's payslips, as shown on Appendix One.
23. On 11 February 2024, the Scheme administrator wrote to Miss L informing her that pension contributions due on 10 November 2023, had not been paid by the Employer.
24. On 16 February 2024, the Scheme received a payment for Miss L's pension contributions for July 2023, August 2023, and September 2023, along with the employer contributions for these months. These payments also did not match with the figures shown on Miss L's payslips, as each month was underpaid by £0.91, so £2.73 in total. This decreased the credit difference to £0.62, as shown on Appendix One.
25. On 16 March 2024, the Scheme administrator debited £15.19 as a 'correction' from Miss L's employee contributions and £11.39 from the employer's contributions. The total debit correction of £26.58 is shown on Appendix Two.
26. On 20 March 2024, the Scheme received £4.03 as an employee pension contribution and £3.02 as an employer's contribution. This payment represented the last pension contributions from the Employer to Miss L following the end of her employment.
27. On 8 July 2024, the Employer explained to TPO that it had recently found a discrepancy and was making corrections where required. It said the discrepancy related to the Lower Earnings Allowance (**LEA**) entered into its software to calculate pensionable earnings. It then said the amounts had been submitted but for now the details would show a few months were overdue which will be like that until the Scheme administrator completed the updated amount.

28. On 10 July 2024, the Scheme administrator amended Miss L's pension balance by crediting three x £0.91 to cover under payments of this amount for July 2023, August 2023, and September 2023, which occurred when the Employer paid into the Scheme on 16 February 2024.
29. On 10 September 2024, the Scheme administrator provided TPO with a calculation showing that the delays to the payment of Miss L's pension contributions had led to an investment loss of £12.26.
30. On 17 September 2024, the Scheme administrator told TPO it had adjusted Miss L's pension account by crediting four x £0.91, therefore a total of £3.64. So, based on this information, the credit difference between Miss L's payslips and the amounts paid into the Scheme was understood to be £4.26.
31. During the review of Miss L's complaint, the Employer accepted the following: -
 - An error had halted the payment of Miss L's pension contributions into the Scheme. It also explained it had been working with the Scheme administrator and The Pensions Regulator (**TPR**) to identify the issue for the non-payment of the contributions.
 - The backlog of payments occurred whilst its two directors were on extended compassionate leave from the business during which a discrepancy occurred with the LEA entered into its payroll software, and it had made corrections where required.
 - Following its remedial action to Miss L's contributions an overpayment of £4.26 existed on her pension account.
 - It accepted there had been an investment loss of £12.26 suffered by Miss L due to her pension contributions being paid late into the Scheme. It requested that the overpayment of £4.26 be offset against the investment loss.
 - The pension amounts shown on Miss L's payslip dated 7 October 2023 were initially wrong, as the employee pension contribution of £10.63 should have been £4.03. Additionally, the employer contribution of £7.97 showing on the payslip should have been £3.02. The Employer told TPO this was a result of an error relating to holiday pay. It explained further that a second payslip dated 7 October 2023, with the amended figures, had been provided to Miss L. The Employer subsequently provided a copy to TPO with the lower pension contributions.
 - The Employer provided TPO with a screenshot of a payment of £2.73 paid into the Scheme, which it said was dated 8 July 2024. TPO noted from the payment history on Miss L's pension account that this figure matched with three adjustments of £0.91 made to the Scheme on 10 July 2024, relating to the months July 2023, August 2023, and September 2023.
32. On 24 February 2025, the Scheme administrator told TPO that its previous correspondence, which referred to four adjustments of £0.91 on 10 July 2023,

totalling £3.64 was incorrect. The Scheme administrator confirmed to TPO that the adjustments totalled £2.73, which consisted of three debits of £0.91.

33. On 14 March 2025, TPO explained to the Employer that following the Scheme administrator's correspondence of 24 February 2025, the overpayment to Miss L's pension account was £3.35, relating to her contributions for May 2023 and June 2023, as shown on Appendix One.
34. On the same date, TPO asked the Employer to provide an explanation for the debit adjustments to Miss L's account made on 16 March 2024 where a total of £26.58 was debited. This request was repeated on 25 March 2025, but a response was not received.
35. On 14 April 2025, the Scheme administrator told TPO that the Employer had requested the adjustments carried out on 16 March 2024.
36. Under the Rules of the Scheme (**the Scheme Rules**) the Employer was obliged to pay to the Scheme, at least 8% of Miss L's qualifying earnings in the relevant pay reference period. This is equivalent to 5% employee contributions and 3% employer contributions. This is shown in Appendix Three.

Adjudicator's Opinion

37. Miss L's complaint was considered by one of our Adjudicators who concluded that further action was required by the Employer. The Adjudicator's findings are summarised below: -
 - Miss L's pension contributions were not paid to the Scheme between May 2023 and October 2023. As a result of the Employer's maladministration, Miss L was not in the financial position she ought to be in.
 - When the outstanding pension contributions were paid into the Scheme there was further maladministration where the sums paid did not match Miss L's payslips.
 - A correction was made to Miss L's Scheme account on 16 March 2024 for which the Employer had failed to provide an explanation.
 - In the Adjudicator's view, Miss L had suffered significant distress and inconvenience due to the Employer's maladministration. The Adjudicator was of the opinion that an award of £500 for non-financial injustice was appropriate in the circumstances.
38. The Employer's initial response to TPO did not accept the Adjudicator's Opinion. It said: -
 - It had not received a refund itself of the £26.58 (£15.19 and £11.39) TPO referred to, and provided a copy letter, dated 19 March 2024, from the Scheme

administrator titled “We’re refunding an overpayment”, where £8.07 was returned to the Employer.

- The March adjustment might relate to the pension Lower Earnings Limit (**LEL**) and Miss L’s pay for October 2022.
- It disagreed with the compensation figure of £500 and put forward a counter proposal of £200 for Miss L.

39. The Adjudicator responded to the Employer. In summary he said:-

- TPO had provided evidence previously to demonstrate that an adjustment was made to Miss L’s Scheme account on 16 March 2024. And, that the Scheme administrator had also confirmed this to TPO.
- Miss L had rejected the £200 counter proposal.
- While it had referred to the LEL, this did not sufficiently explain the adjustment to Miss L’s Scheme account on 16 March 2024.
- The Scheme administrator’s copy letter it had provided dated 19 March 2024 showed the Employer had completed adjustments to the pension contributions of three members of staff, with one being Miss L, so an explanation was still required.

40. The Employer made further representations to TPO. It said:-

- It accepted an error may have occurred on 16 March 2024. It felt that in March 2024, when amending Miss L’s unpaid pension contributions, it might have scrolled back to October 2022 in error, rather than to her last payday in October 2023.
- The Employer provided TPO with a copy of Miss L’s payslip for October 2022. The payslip showed no pension contributions deducted from Miss L’s pay nor an employer contribution.
- It would arrange for the investment loss to be paid into the Scheme

41. TPO requested further information from the Employer to explain its amendment of Miss L’s Scheme account on 16 March 2024, but this was not received.

42. The complaint was passed to me to consider. While the Employer provided further comments following the Opinion they do not change the outcome and so I agree with the Adjudicator’s Opinion.

Ombudsman’s decision

43. Miss L has complained that the Employer did not initially pay all the contributions due to her Scheme account when it should have.

44. I find that employee contributions were deducted by the Employer and then paid late into the Scheme.
45. Under the Rules of the Scheme (**the Scheme Rules**) the Employer was obliged to pay to the Scheme, at least 3% of Miss L's qualifying earnings in the relevant pay reference period, and the employer and employee contributions must amount to at least 8% of Miss L's qualifying earnings in the relevant pay reference period. The relevant Scheme Rules are outlined in Appendix Three.
46. I find that the Employer has acted in breach of the Scheme Rules by not paying all contributions due to the Scheme on time. The Employer's failure to pay employee and employer contributions into the Scheme caused Miss L to suffer a financial loss. The Employer shall take remedial action to put this right.
47. The Employer has failed to provide a satisfactory explanation for the amendment made to Miss L's Scheme account on 16 March 2024, when a debit of £26.58 was applied. I find that this also amounts to maladministration.
48. Miss L is entitled to a distress and inconvenience award in respect of the significant ongoing non-financial injustice which she has suffered.

Directions

49. To put matters right, the Employer shall, within 28 days of the date of this Determination: -
- (i) pay Miss L £500 for the significant distress and inconvenience she has experienced;
 - (ii) pay £12.26 into the Scheme as the late payment of contributions has meant that fewer units were purchased in Miss L's Scheme account than she would have otherwise secured, had the contributions been paid on time. The overpayment which the Employer paid into the Scheme of £3.35 may be offset against the investment loss total.
 - (iii) Ensure that Miss L is not financially disadvantaged by its amendment to the Scheme when £26.58 was debited. This figure consists of £15.19 from Miss L's employee contribution and £11.39 from the employer contribution.

Camilla Barry

Deputy Pensions Ombudsman

14 July 2025

Appendix One

Payslip date	Employee (EE) payslip deduction	EE amount paid into Scheme	Employer (ER) payslip amount	ER amount paid into Scheme	Date paid into Scheme	Total Difference
07/05/23	£16.12	£16.44	£12.09	£12.33	11/01/24	£0.56
07/06/23	£18.62	£20.21	£13.96	£15.16	11/01/24	£2.79
07/07/23	£38.96	£38.44	£29.22	£28.83	16/02/24	-£0.91
07/08/23	£23.60	£23.08	£17.70	£17.31	16/02/24	-£0.91
07/09/23	£19.75	£19.23	£14.81	£14.42	16/02/24	-£0.91
*07/10/23	£10.63	n/a	£7.97	n/a	n/a	n/a
*07/10/23	£4.03	£4.03	£3.02	£3.02	20/03/24	£0
n/a	n/a	£0.52	n/a	£0.39	10/07/24	£0.91
n/a	n/a	£0.52	n/a	£0.39	10/07/24	£0.91
n/a	n/a	£0.52	n/a	£0.39	10/07/24	£0.91
Total overpaid						£3.35

* *Incorrect payslip replaced by Employer*

Appendix Two

Date of entry	EE amount	ER amount	Scheme commentary	
16/03/24	£15.19	£11.39	*debit adjustment	Total £26.58

**Amendment made by Scheme administrator at Employer's request*

Appendix Three

NEST Scheme Rules

Rule 7.1.1

Where in respect of a member a participating employer has elected to use the Scheme to:

1. (a) fulfil its duties under:(i) in relation to Great Britain, section 2(1) (by virtue of section), 3(2), 5(2) or 7(3) of the 2008 Act; or(ii) in relation to Northern Ireland, section 2(1) (by virtue of section), 3(2), 5(2) or 7(3) of the 2008 NI Act), or

1. (b) arrange for a worker to become a member of the Scheme within article 19(2A) of the Order,

from the date that admission to membership or the making of contribution arrangements in relation to that member takes effect, the participating employer shall pay and the Trustee shall accept such contributions as may be required in order for the Scheme to meet the quality requirement referred to in Part 1 of the 2008 Act (Part 1 of the 2008 NI Act), or the alternative requirement referred to in Part 1 of the 2008 Act (or Part 1 of the 2008 NI Act), in relation to the member, having regard to the contributions being paid by the member under rule 9.1.

Section 20 Pensions Act 2008

20 Quality requirement: UK money purchase schemes

(1) A money purchase scheme that has its main administration in the United Kingdom satisfies the quality requirement in relation to a jobholder if under the scheme—

- (a) the jobholder's employer must pay contributions in respect of the jobholder;
- (b) the employer's contribution, however calculated, must be equal to or more than 3% of the amount of the jobholder's qualifying earnings in the relevant pay reference period;
- (c) the total amount of contributions paid by the jobholder and the employer, however calculated, must be equal to or more than 8% of the amount of the jobholder's qualifying earnings in the relevant pay reference period.