

Ombudsman's Determination

Applicant	Mr W
Scheme	Principal Civil Service Pension Scheme (PCSPS)
Respondents	Cabinet Office, MyCSP, PA Consulting Group (PAC)

Outcome

1. I do not uphold Mr W's complaint and no further action is required by Cabinet Office, MyCSP or PAC.

Complaint summary

2. Mr W complained that:-
 - 2.1. PAC, MyCSP and the Cabinet Office gave him incorrect information regarding his membership of PCSPS, resulting in a possible lower pension.
 - 2.2. He was forced out of the Prudential Platinum Pension Scheme (**the Prudential Scheme**) and back into the Classic section of PCSPS (**PCSPS Classic**). He questioned the legality of such an action and was of the view that this transfer was to his detriment, as the Prudential Scheme was more beneficial to him.
 - 2.3. Prior to re-joining PCSPS Classic, he was told that this was his only option. However, this was not correct as he has since been able to transfer into a new partnership pension.
 - 2.4. Prior to re-joining PCSPS Classic, he was told that aggregation of his first period of service in PCSPS Classic with his second period of service was not possible. Because of this, he decided to take benefits from the first period of service. He was later told that aggregation was possible but was subsequently told again that it was not.
 - 2.5. Approximately two years' of pension contributions went missing from his pension records and he has not received an explanation about this.

Background information, including submissions from the parties

3. Mr W was employed by Advantage West Midlands (**AWM**), then part of the former Regional Development Agency (**RDA**). He joined PCSPS Classic on 13 May 2002 and became a deferred member on 30 April 2011, before the RDA was disbanded in 2012.
4. The PCSPS is a statutory pension scheme under Section 1 of the Superannuation Act 1972. MyCSP, on behalf of Civil Service departments and agencies, is the administrator of PCSPS Classic and is responsible for associated compensation arrangements. MyCSP makes the first stage Internal Dispute Resolution Procedure (**IDRP1**) decisions in its role as scheme administrator. The Cabinet Office manages PCSPS Classic and has responsibility for investigating complaints under the second stage of the Internal Dispute Resolution Procedure (**IDRP2**).
5. On 1 May 2011, the functions of the RDAs, pending their disbandment, were transferred to the Department for Business, Innovation and Skills (**DBIS**) and contracted out to PAC (**the 2011 Contract**).
6. Mr W's employment was transferred to PAC under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (**TUPE**). Mr W has said that his pension arrangement was not included in the TUPE transfer. PAC provided a private pension scheme (**the Prudential Scheme**), which Mr W joined on 1 May 2011. Mr W's retirement benefits under PCSPS Classic that accrued from 13 May 2002 to 30 April 2011 (**the first period of pensionable service**) were preserved.
7. In March 2015, Mr W made enquiries of MyCSP regarding drawing down the retirement benefits accrued in respect of the first period of pensionable service.
8. On 22 June 2015, PAC issued a letter (**the PAC June 2015 Letter**) to Mr W regarding the renegotiation of its contract with UK Trade and Investment (**UKTI**), the HM Government (**HMG**) department that succeeded DBIS under the new Government. The PAC June 2015 Letter provided Mr W with the following information:
 - 8.1. In 1999, HMG had introduced HM Treasury's "Fair Deal" policy, a non-statutory policy that dealt with pensions for staff who were compulsorily transferred from the public sector to independent providers of public services. Under this policy, Mr W's employer put in place the Prudential Scheme when his employment was transferred from the Public Sector. The Prudential Scheme was intended to be broadly comparable with PCSPS Classic.
 - 8.2. In 2013, HMG introduced its "New Fair Deal" guidance which essentially allowed former members of PCSPS who had left in 2011 and who were still employed under the 2011 Contract to be readmitted to the PCSPS. Members would pay the employee contribution rate consistent with PCSPS provisions and their Normal Retirement Age (**NRA**) would remain the same as the age that applied to their original membership of PCSPS. New Fair Deal was

applicable to the retender of PAC's contract with HMG in 2015 and PAC was of the view it was likely Mr W would be readmitted to the PCSPS Classic.

- 8.3. Mr W could not accrue any further retirement benefits under the Prudential Scheme. The retirement benefits already accrued under it would be protected and could be retained in the Prudential Scheme or could be transferred to the appropriate section of the PCSPS. Under the transfer arrangement, Mr W would have broadly the same accrued retirement benefits as if he had never left PCSPS Classic.
- 8.4. Mr W could waive his right to participate in the PCSPS, in which case he should discuss alternative pension provision with his Human Resources Department or PAC. Should he choose to opt out, his eligibility to rejoin PCSPS would be lost irrevocably.
9. On 26 June 2015, PAC emailed Mr W, confirming that it remained of the view he would rejoin PCSPS Classic on 1 August 2015, but that it still awaited final confirmation of the details. In response, on 29 June 2015, Mr W informed PAC that he was considering drawing down the retirement benefits he had accrued from the first period of pensionable service. PAC's emailed response on the same date informed Mr W of the abatement terms to which his pension could be subject. Broadly, abatement is an arrangement under which someone who has drawn their PCSPS pension and subsequently engages in employment under which further benefits are accrued in the PCSPS, cannot earn more by way of combined salary and pension than what they earned prior to taking their PCSPS pension. Any excess is deducted from their PCSPS pension.
10. In August 2015, Mr W sought further information from PAC about the application of abatement terms to this pension, if he were to draw it while still working. PAC confirmed that abatement was likely to apply in Mr W's circumstances unless his pension was in payment prior to 1 September 2015. Mr W took financial advice and, late in August 2015, applied to draw the retirement benefits from the first period of pensionable service. The benefits were brought into payment, backdated to March 2015.
11. On 22 October 2015, PAC emailed Mr W (**the PAC October 2015 email**) confirming that his membership of the Prudential Scheme had been extended to 30 September 2015 and that he had rejoined PCSPS Classic on 1 October 2015. It also said:

"If you still have some preserved benefit in the Classic section you have a choice: you can either leave your earlier pension preserved or you can aggregate (join up) your earlier period of service with your current service for a single pension based on your final pensionable earnings when you next leave the scheme. If you leave your previous benefits preserved, they will continue to increase in line with increases in the Consumer Price Index."

We have until 30/09/2016 to implement a decision to join/aggregate your benefits in the Classic section together. If you would like to take up the option to aggregate, you should notify me in writing before 01/09/2016."

12. On 29 October 2015, in response to an email from Mr W dated 23 October 2015, PAC confirmed that aggregation could not apply to his benefits as he had already drawn his pension in relation to the first period of pensionable service. In a subsequent exchange of emails, Mr W contended that he had spent some time looking at aggregation and if there had been any ability to link the two periods of pensionable service, he would not have drawn the retirement benefits from the first period of pensionable service.
13. Mr W applied to transfer the value of his retirement benefits remaining in the Prudential Scheme to PCSPS but this had not been concluded by the time the services formerly provided by PAC were to be transferred to his new employer, Ernst and Young (**EY**) from 1 April 2016. On 23 March 2016, PAC wrote to Mr W acknowledging his transfer application and confirmed that the transfer terms would be honoured, even though he would have left service by the time they were implemented.
14. In February 2017 and March 2018, Mr W asked MyCSP for a record of his contributions as he was of the view that some contributions were missing. In response to both requests, MyCSP sent him copies of his 2015/16 and 2016/17 Annual Benefits Statements which did not show contributions. On 27 March 2018, Mr W again asked MyCSP for a statement to address his query regarding some contributions he suspected were missing. MyCSP later, on 15 May 2018, confirmed that the record of around two years of contributions to the Widows Pension Scheme to which he had contributed were missing. Information was then obtained from EY and Mr W's contribution history was corrected.
15. In May 2017, Mr W sought EY's assistance in addressing his concerns in connection with his decision to take his benefits from the first period of pensionable service in August 2015. He provided EY with copies of the email communications dated October 2015 which he submitted had influenced his decision.
16. Mr W remained an active member of PCSPS until 31 March 2018. He switched to a partnership pension account under the new Civil Service pension arrangements in respect of his employment with EY (**the EY Partnership Pension**) on 1 April 2018 and remained a member until his employment ended on 30 April 2021. The retirement benefits he had accrued in PCSPS Classic from 1 October 2015 to 31 March 2018 (**the second period of pensionable service**) were preserved in PCSPS.
17. In May 2019, Mr W emailed MyCSP regarding his outstanding concerns, including that he had been told, prior to drawing the benefits from the first period of pensionable service, that aggregation of periods of service would not apply.

18. In August 2022, Mr W instructed MyCSP to bring his deferred pension in relation to the second period of pensionable service into payment, without prejudice to his ongoing complaint.

Mr W's position

19. Mr W was of the view that:-

- 19.1. He was misinformed that he had to rejoin the PCSPS even though he was already older than the NRA for the PCSPS.
- 19.2. He was misinformed about his aggregation options.
- 19.3. MyCSP had lost two years of pension contributions relating to him.
- 19.4. He should be compensated by way of full aggregation of retirement benefits and financial compensation.

Cabinet Office's position

20. Cabinet Office's response on behalf of PCSPS and MyCSP was:-

- 20.1. PAC had written to Mr W on a number of occasions prior to the TUPE transfer explaining his options, including the right to opt out of membership of PCSPS Classic. In the event that Mr W was considering exercising his right to opt-out, it recommended that Mr W should discuss this option with his employer's Human Resources department or with PAC. There was no record of any subsequent discussion with PAC or MyCSP. MyCSP could not provide advice and it was Mr W's responsibility to be aware of his options.
- 20.2. Mr W took the benefits he accrued in relation to his pre-2011 membership of PCSPS Classic in 2015. Rule 3.32 in Section II of the 1972 Section of PCSPS Rules therefore prevented him from aggregating the pre-2011 and post-2015 periods of pensionable service that might otherwise have been permitted under Rule 3.31, which concerns the amalgamation of benefits accrued under PCSPS in respect of different periods of pensionable service.
- 20.3. Mr W was eligible to join the EY Partnership Pension on 1 April 2018 following a policy review by Cabinet Office, which allowed, from that date, members of PCSPS Classic to switch to the Partnership Pension.
- 20.4. There was no dispute about that there were contributions missing from Mr W's record and that part of Mr W's complaint was upheld against his employer. His contribution records were subsequently corrected and an explanation of the missing information was provided. His pension benefits were not impacted and financial compensation in this regard was not warranted.

Adjudicator's Opinion

21. Mr W's complaint was considered by one of our Adjudicators who concluded that no further action was required by Cabinet Office, MyCSP or PA Consulting Group. The Adjudicator's findings are summarised in paragraphs 21.1 to 21.9 below:-

Misinformation

- 21.1. Mr W had made an uninformed decision in August 2015 to take his retirement benefits from the first period of pensionable service. PAC had told Mr W in the PAC June 2015 Letter that it was still awaiting confirmation of which section of PCSPS he would rejoin and the full details of the arrangement. Although Mr W had asked PAC about the position in relation to abatement of his pension, there was no evidence that he sought information regarding aggregation of his benefits from PAC, Cabinet Office or MyCSP. It was not the responsibility of Cabinet Office, MyCSP or PAC to advise or question Mr W in relation to his decision. It was Mr W's responsibility to establish the facts and to seek advice, if necessary, on his intended course of action. It was not until the PAC October 2015 email that the topic of aggregation of benefits was raised, so this could not be held as a factor that influenced Mr W's decision to draw his retirement benefits in August 2015.
- 21.2. Mr W was not misinformed in the PAC October 2015 email that he could have aggregated the benefits he accrued in respect of multiple periods of pensionable service in PCSPS. The email said:

"If you still have some preserved benefit in the Classic section you have a choice: you can either leave your earlier pension preserved or you can aggregate (join up) your earlier period of service with your current service for a single pension based on your final pensionable earnings when you next leave the scheme."

- 21.3. The Adjudicator was of the view that the statement regarding aggregation was conditional on the recipient of the email having a preserved benefit in PCSPS. As Mr W had drawn the benefits he had accrued in PCSPS in August 2015, he did not have a preserved benefit and should have known that this statement did not apply to him.

Aggregation

- 21.4. Once Mr W had drawn his retirement benefits in relation to the first period of pensionable service, Rule 3.31 in Section II of the 1972 Section of PCSPS Rules regarding aggregation of benefits was disapplied by Rule 3.32, which says:

"Rule 3.31 will not apply if:

- (i) the aggregate pension calculated under that rule is less than his existing pension;

(ii) at earlier retirement he was not a civil servant; or

(iii) he is re-employed on a designated appointment and the pensionable earnings at his final retirement is higher than the pensionable earnings at his earlier retirement (increased by the proportion by which a pension of that amount beginning on the following day would have been increased under the Pensions (Increase) Act 1971).”

- 21.5. As Mr W was an employee of PAC in August 2015 when he drew the retirement benefits from the first period of pensionable service, Rule 3.32(ii) had been correctly applied and aggregation of benefits was no longer available to him.

Detriment to pension

- 21.6. There was no evidence that Mr W had been detrimentally impacted by rejoining PCSPS in 2015, rather than any alternative to it. PAC had informed Mr W in June 2015 that he had the right to opt out of rejoining PCSPS but he did not discuss any alternatives with PAC or MyCSP, so it was not possible to determine that any alternatives that might have been offered would have been more or less beneficial than PCSPS.

Rejoining the Partnership Pension

- 21.7. Mr W had incorrectly concluded that he must have been misinformed in 2015 that rejoining PCSPS Classic was his only option, on the basis that he was able to join the EY Partnership Pension in 2018. Cabinet Office said that the Partnership Pension was introduced for new entrants to Civil Service on or after 1 October 2002 who were not eligible to join PCSPS or who chose not to join it. It was not initially open to PCSPS members other than new entrants, but this was reviewed by Cabinet Office and all PCSPS members wishing to switch to the Partnership Pension were permitted to do so from 1 April 2018.
- 21.8. So, the change in MyCSP's position regarding his eligibility for the EY Partnership Pension was a result of the review of HMG guidance, rather than an indication that the previous position was misinformed.

Missing contributions

- 21.9. Mr W's complaint about two years of pension contributions having gone missing from his pension records was resolved. He received an explanation from MyCSP on 15 May 2018 and Mr W was informed in December 2018 that his pension record had been corrected.
22. Mr W did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr W has provided his further comments which largely repeat the arguments and evidence to which he referred in his initial complaint and do not

change the outcome. I agree with the Adjudicator's Opinion and note below the additional points raised by Mr W.

Ombudsman's decision

PCSPS Rules

23. Mr W was an active member of PCSPS from 13 May 2002 to 30 April 2011. The section of the PCSPS Rules applicable to members who were active members of the PCSPS after 1 June 1972 and before 1 October 2002, or who were active members on 30th September 2002, is the "Principal Civil Service Pension Scheme Section II The 1972 Section"¹.

Misinformation and aggregation

24. Mr W's disagreement with the Adjudicator's Opinion is essentially that, had he been told about Rule 3.32 regarding the aggregation of retirement benefits from multiple periods of pensionable service, he would not have decided to take the retirement benefits from the first period of pensionable service in August 2015. A consequence of taking the retirement benefits was that he was prevented from future aggregation and is of the view that he has suffered a financial loss as a result. Mr W has not quantified the alleged financial loss.
25. Mr W submits that his "*own understanding was as clear as a bell*" that he was refused aggregation before he made his decision to draw his retirement benefits. I have found no evidence of this. The evidence supports that Mr W was first told about Rule 3.32 in October 2015, which was after he had decided, in August 2015, to take the retirement benefits accrued in relation to the first period of pensionable service backdated to March 2015.
26. Mr W's submission is that he had been in communication with MyCSP about taking his pension benefits since March 2015 and that he had consulted the Pension Advisory Service (**TPAS**) and a financial adviser in making his decision. However, there is no evidence that he, or any of those he had engaged to assist him, raised the question of aggregation of his PCSPS retirement benefits with MyCSP or PAC at any point prior to his decision to take his PCSPS benefits.
27. As Mr W had neither sought nor received any information from PAC or MyCSP about aggregation when he decided to draw his retirement benefits in August 2015, I find there has been no misinformation by PAC or MyCSP regarding aggregation and I agree with the Adjudicator's Opinion in this regard.
28. I have also considered if PAC or MyCSP should have mentioned the matter of aggregation to Mr W when, in June 2015, he informed PAC of his intention to retire. They had no obligation to advise him and I do not find that they had made any statements on aggregation that were incorrect and which they would have had an

¹ <https://www.civilservicepensionscheme.org.uk/media/jislzspl/pcspss-section-ii-1972-section.pdf>

obligation to correct. When informed of Mr W's intention to retire, PAC replied to Mr W with information which included details of potential abatement of his pension and the circumstances under which abatement could apply. Mr W subsequently sought clarification of the rules on abatement.

29. Up to August 2015 when Mr W drew down his PCSPS retirement benefits, neither PAC nor MyCSP commented regarding the issue of aggregation of benefits and Mr W himself did not raise it. I do not find that this amounts to maladministration as PAC and MyCSP were not Mr W's financial advisers and were under no obligation to speculate regarding Mr W's personal needs or preferences and other questions he should have asked based on these. It was for Mr W, or his advisers, to assess his needs and decide what information was relevant or important to him and, based on that, which questions to ask. Further, PAC made it clear in its pre-October 2015 communications (particularly its communications in June 2015) that it did not yet have final confirmation of the pension arrangements that would apply after August 2015.
30. Mr W submits, in his email to the Adjudicator dated 12 May 2025, that the motive for drawing the retirement benefits in relation to the first period of pensionable service before the end of August 2015, was the avoidance of potential abatement if he did not do so before then. I find this not only to be plausible as he did discuss abatement with PAC, but also, on the balance of probability, to be the sole reason he brought his benefit into payment at that time and without any consideration of the aggregation question.
31. Although academic as Mr W had already drawn his retirement benefits in August 2015, I acknowledge that Mr W may have misunderstood the PAC October 2015 email to mean he might have been able to aggregate already accrued retirement benefits with additional benefits accrued in respect of future service. However, the preface "*If you still have some preserved benefit in the Classic section*" made clear that aggregation was only possible for "preserved benefits" which would not include benefits in payment. The statement was accurate and clear, so any misunderstanding is not something for which I can hold MyCSP or PAC responsible. Even if I had found that the PAC October 2015 email was not clear, this would have amounted to a minor and inconsequential error which was promptly corrected by PAC.
32. In Mr W's response of 12 May 2025 to the Adjudicator's Opinion, he recites that neither his pension adviser nor TPAS covered "*anything to do with 'amalgamation' (i.e. aggregation)*" as it was "*off the table*". He submits that both were more concerned with abatement and tax issues. I consider it to be an academic point in so far as MyCSP or PAC could not be held responsible for guidance provided by other parties or omissions made by them. It does, however, add further weight to the evidence that no enquiries regarding aggregation were made of PAC or MyCSP before Mr W's decision to take his retirement benefits in August 2015.

Misinformation and NRA of PCSPS Classic

33. Mr W, having argued that he was refused aggregation before he decided to take the retirement benefits relating to the first period of pensionable service in August 2015, at the same time offered a rationale for not having asked any questions about aggregation. In Mr W's comments in his email dated 26 April 2025 to the Adjudicator, he has said he was "*told by the Pension Advisory Service and a Consultant that the Classic Scheme did not accumulate after age 60*". He doubted that he could accrue any further benefits in PCSPS Classic, as he had already attained its NRA earlier in 2015, therefore he was of the view that aggregation was unlikely to be relevant to him.
34. While I understand the rationale behind this submission, I cannot hold MyCSP or PAC responsible for a conclusion Mr W has drawn either on his own initiative or on the basis of guidance received from TPAS or a consultant.
35. Further, Mr W was made aware on 20 August 2015, before his retirement benefits came into payment, that members of PCSPS Classic could continue to accrue retirement benefits for up to five years after the NRA. So, he knew that the further accrual was possible and aggregation was, consequently, potentially relevant. However, he did not ask any questions about aggregation before his retirement benefits commenced on 24 August 2015. I find that if aggregation had been a critical factor Mr W had considered in his decision to draw his retirement benefits, then the email from PAC on 20 August 2015 should have, at the very least, caused Mr W to make further enquiries of PAC or MyCSP, or even to suspend his claim for the retirement benefits until he had clarity on an issue of such importance to him. On the balance of probability, the reason he did not make any such enquiry at that time was because he had not yet considered the issue of aggregation and did not do so until aggregation was mentioned to him by PAC in the October 2015 email. I find, therefore, that aggregation was not a factor in the decision he made in August 2015. I also find that no statements were made to him about aggregation in August 2015.

Detriment to pension

36. In relation to paragraph 49 of the Adjudicator's Opinion, to which I refer above at paragraph 21.6, Mr W has now provided evidence, in the form of an email from PAC dated 30 June 2015, that he was provided with details of the alternative pension arrangement offered by PAC in the event that he should opt out of the PCSPS.
37. Having received information regarding PAC's alternative offering, Mr W ultimately did not opt out, but rejoined PCSPS. This was Mr W's decision to make and Mr W has not provided any evidence of any alleged detriment to his pension. Therefore, I do not uphold his complaint that the events from 2015 to 2018 about which he has complained, had a detrimental impact on his pension arrangements for which PAC or MyCSP should be held responsible.

Rejoining the Partnership Pension

38. Mr W contended that his readmission to the EY Partnership Pension in 2018 was evidence that the decision not to allow him to remain in the Prudential Scheme of which was a member prior to 2015, was erroneous.
39. I agree with the Adjudicator that the change in the employer's position reflected a change in guidance PAC received from HMG as a result of the New Fair Deal policy and the options available. Mr W was a member of the Prudential Scheme which is a private sector arrangement that was available for private sector employers to meet their obligations to provide a scheme that was "broadly no less favourable" to the relevant public sector scheme as required when accepting a transfer of public sector staff under TUPE under the pre-2013 'Fair Deal' policy. Mr W was an active member of the Prudential Scheme from 2011 to 2015.
40. New Fair Deal was issued in October 2013 and changes were made to allow former public sector employees to participate in the PCSPS while employed by a private sector employee to whom their employment had been transferred under TUPE. As stated at paragraph 1.25 of the New Fair Deal document to which I have referred in paragraph 36, above, PAC was required to provide access for Mr W to "*the appropriate public service pension scheme in their new employment, while they continue to be employed on the contracted service or function. The appropriate scheme will normally be the scheme that staff would be in, had they remained in the public sector and not been transferred out.*" If the employer was unable to offer this access, it was required to offer a broadly comparable alternative, and the Prudential Scheme met the requirements.
41. The partnership pension is a different arrangement. As Cabinet Office has said, the partnership pension was open to new entrants to Civil Service on or after 1 October 2002 who were not eligible to join PCSPS or who chose not to join it. It was not initially open to PCSPS members other than new entrants, but this was reviewed by Cabinet Office and all PCSPS members wishing to switch to the partnership pension were permitted to do so from 1 April 2018.
42. Mr W's eligibility to join the EY Partnership Pension in 2018 was due to this change of HMG policy and was not an indication that MyCSP or PAC's previous position had been incorrect, so I do not uphold this part of Mr W's complaint.

Missing contributions

43. Mr W's complaint about missing contributions was resolved in 2018 and is not upheld.

TUPE

44. Mr W raised TUPE in his initial complaint to TPO. However, throughout the complaint investigation he has not raised it again, so it is possible that he has already received

guidance on it from elsewhere. Nevertheless, for completeness, I will comment briefly on it here.

45. Mr W was initially a member of PCSPS Classic, prior to the transfer of his contract of employment to PAC in 2011. TUPE did not require his new employer to replicate his former pension arrangement, but under section 258 of the Pensions Act 2004 and the Transfer of Employment (Protection of Pension) Regulations 2005 it was required to make arrangements meeting certain conditions. However, central government employers were also required to comply with the 'Fair Deal policy' when compulsorily transferring public sector employees to a private sector employer. Fair Deal in 2011 required the private sector employee to provide a scheme that was certified by the Government Actuary's Department as providing benefits that were "broadly no less favourable" than the benefits the employees had been entitled to accrue in the relevant public sector scheme. The Prudential Scheme met this condition and was established with the objective of providing benefits that were comparable to the PCSPS Classic. Mr W described the Prudential Scheme as "*much better than any Civil Service Pension Scheme*" so he accepted that it, at least, met the TUPE minimum requirement. After HMG's New Fair Deal policy was announced in 2013, Mr W was readmitted to PCSPS Classic in 2015. So, in brief, Mr W's membership of PCSPS was broken by the period during which he was a member of an alternative scheme which he viewed as better than PCSPS. I do not find any maladministration or unfairness in the pension arrangements that have been offered to Mr W.

46. I do not uphold Mr W's complaint.

Camilla Barry
Deputy Pensions Ombudsman
10 July 2025