

Ombudsman's Determination

Applicant	Mrs P
Scheme	Civil Service Pension Scheme (the Scheme)
Respondent	UK Health Security Agency (the Employer)

Outcome

1. Mrs P's complaint is upheld. The Employer has now paid redress for the loss of investment and an award to Mrs P for her distress and inconvenience, so no further action is required.

Complaint summary

2. Mrs P has complained that the Employer paid incorrect contributions into the Scheme, causing her to suffer a financial loss.
3. Mrs P asked for the Employer to pay the correct contributions into the Scheme and to be compensated for the loss of investment growth on these contributions. She also sought a payment in recognition of the distress and inconvenience caused to her.

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. I acknowledge there were other exchanges of information between all the parties.
5. Mrs P was a member of the defined contribution section (**the DC section**) of the Scheme, administered by Legal & General.
6. On 27 January 2021, Mrs P directed the Employer to debit £34.30 from her monthly pay, to be contributed into her pension.
7. On 17 May 2021, Mrs P checked her pension account online and found the Employer had failed to match her contributions as per its policy.
8. On 19 May 2021, the Employer emailed Mrs P to inform her that it would correct the level of contributions to be paid into her pension each month and make good the shortfall she had suffered.

9. On 12 June 2021, Mrs P emailed the Employer to inform it that its payments were still incorrect.
10. On 17 June 2021, the Employer confirmed to Mrs P that it had not actioned the increased contributions yet and that it would backdate the payments to February 2021.
11. On 30 June 2021, Mrs P checked her pension account online and could see that the outstanding contributions owed by the Employer had still not been paid into her account. She sent an email to the Employer to process the payment as soon as possible.
12. On 1 July 2021, the Employer emailed Mrs P to inform her that it was submitting payment to her pension account that day.
13. On 3 July 2021, Mrs P emailed the Employer to inform it that the payment had not yet been made into her pension account and she requested details of its complaint process. She also requested for her contributions to be adjusted to 3% of her salary, which is the maximum value the Employer would match.
14. On 8 July 2021, Mrs P checked her pension account online and noted the Employer had processed the backdated increased payments.
15. On 10 July 2021, Mrs P emailed the Employer with a completed contribution request form to change her monthly contributions from a fixed amount of £34.30 monthly to 3% gross of her salary. She reiterated that the Employer was to match her contribution as per its policy.
16. On 10 August 2021, Mrs P checked her pension account online and noticed a payment of £2,171.35 had been paid into her account on 9 August 2021. So, she emailed the Employer to ask about the payment made.
17. On 19 August 2021, the Employer emailed Mrs P and advised her the payment was made in error and that it should have paid £487.21 to the Scheme, instead of £2,171.35 to account for the shortfall owed to her due to the adjustment.
18. On 21 August 2021, Mrs P emailed the Employer to make a formal complaint, as she felt there had been maladministration in relation to her pension. She emphasised her patience while she had been waiting three months for it to pay the correct increased payment into her pension.
19. On 23 August 2021, the Employer acknowledged Mrs P's complaint.
20. On 2 September 2021, the Employer emailed Mrs P to inform her it would investigate her complaint by 10 September 2021. Mrs P emailed the Employer back and queried why her monthly contributions had increased from £65.88 to £69.85 in August, as she had not received a pay increase.
21. On 11 September 2021, Mrs P emailed the Employer for an update in relation to her complaint.

22. On 13 September 2021, the following events took place:-

- The Employer emailed Mrs P to apologise for the delay in responding to her complaint. It said in summary:-
 - A human error occurred when it was processing its contribution into the Scheme.
 - A retrospective contribution was calculated incorrectly which led to the wrong amount being contributed into the Scheme.
 - It confirmed it corrected the amount being paid into her pension account and that it had retrieved the overpayment from the Scheme. An offer was given to Mrs P for her statement of earnings and contributions to be provided to her upon her request.
- Mrs P responded to the Employer's email and reiterated that it did not respond to her query in relation to her August contribution.

23. On 21 September 2021, Mrs P sent a chaser email to the Employer to respond to her previous email.

24. On 24 September 2021, the Employer sent an acknowledgement email to Mrs P.

25. On 5 October 2021, the Employer emailed Mrs P to inform her that for the months July, August, September she had been paying 3% employee contributions into the Scheme. It confirmed there had been no error for her August contribution and that her pensionable pay varied during the months of August and September, due to her receiving additional pensionable elements of pay. An attachment of her full payment history and breakdown was provided to Mrs P.

26. On 5 October 2021, Mrs P emailed the Employer and explained that its policy stated that overtime was not pensionable and she should not have contributed more into her pension because of this. She also confirmed that no response was provided to her in relation to the lost growth of her pension due to its errors. She informed the Employer that she did not need any further response from it, as she was leaving the matter with The Pensions Ombudsman (**TPO**).

27. On 6 November 2021, the Employer responded to Mrs P's email. It said that as she was part time, any additional hours worked are pensionable as per its policy. It confirmed she had not paid pension contributions on her overtime payments.

28. On 14 November 2021, Mrs P emailed the Employer indicating that no contribution had been paid into the Scheme since 12 October 2021. She requested information as to why payment was not paid into her pension account.

29. On 15 November 2021, the Employer emailed Mrs P. It said, due to a transition from Public Health England to the UK Health Security Agency, her contributions would be paid on 19 November 2021.

30. On 22 November 2021, Mrs P emailed the Employer to inform it that payment had not been paid into her pension as advised on 15 November 2021.
31. On 18 October 2023 Mrs P transferred her benefits from the DC section of the Scheme into Alpha, the career average section of the Scheme.
32. Following the complaint being referred to TPO, Mrs P and the Employer made further submissions that have been summarised below.

The Employer's position (prior to the issue of the Adjudicator's Opinion)

33. It takes the responsibility to properly manage and administer all pension schemes offered to employees. It strives to rectify any issues quickly.
34. An instruction was received by Mrs P to debit £34.30 from her monthly salary into her pension account on 27 January 2021. As per its Pension Department guidelines a response is required within 48 hours, which it met.
35. Mrs P's case was unprecedented, the first where a member was paying a defined payment of £34.40, which is treated as a lump sum contribution, rather than a percentage of pay. It approached the Scheme's administrator for clarification, and it was told that employers should match lump sum payments. It received written confirmation of this on 24 June 2021.
36. It informed Mrs P that the missing contributions would be paid to the Scheme in the next available pay run in June 2021. Adjustments are performed monthly, around the middle of the month, after the month to which payments refer.
37. A delay was caused due to this being the first time it processed extra employers' payment for employee lump sum payments and due to an issue with the staff record system. So, payment could not be made to Mrs P's pension account until July 2021. This was communicated to her.
38. Mrs P's request to adjust her contribution to 3% was received on 12 July 2021. She was advised this would be processed in her August salary.
39. The error that occurred in relation to the overpayment of contribution was caused by the interference with the payments the pensions team had processed by its third-party payroll processors, who did not realise the adjustments for the previous month had already been processed. It should have been picked up during its payment process but it was made in error.
40. Mrs P received an adjustment from July 2021 of 8.75 extra basic hours in her August pay which were subjected to pension deductions. So, the higher amount contributed in August was correct.
41. The period of shortfall was for four months equating to £141.24. This covered the amount from February to May 2021. The shortfall was paid in June 2021.

42. It contacted the Scheme's administrator to see whether there had been any financial loss, due to the contribution shortfall, who confirmed that there had been an investment loss of £208.14. It offered to pay this amount into Mrs P's pension account within 30 days as fair resolution of her complaint.
43. As this was its first case of matching a lump sum payment, it has initiated processes and guidance to avoid any recurrence of the issues experienced by Mrs P.

Mrs P's position (prior to the issue of the Adjudicator's Opinion)

44. The Employer had a duty to her to ensure it had administered her requests correctly.
45. It was only because she checked her pension account online that she noticed the Employer made a mistake and paid extra into her account. The error of overpayment should have been picked up by the Employer. The Employer played a contributory part in this error and it should have prevented the overpayment being made.
46. The communication from the Employer had been poor. If it had kept her informed of what it was doing to rectify matters, then she would have been advised of the June processing date, and it would have saved her from having to send numerous emails.
47. She has lost faith in the Employer and would like TPO to confirm whether the Employer has rectified the missing contributions.

Adjudicator's Opinion

48. Mrs P'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 in paragraphs 49 to 52 below.
49. It was the Adjudicator's view, having considered all the available evidence, that since Mrs P raised her complaint the Employer had paid all outstanding contributions owed. Mrs P was in agreement with this.
50. The Employer provided a breakdown of the investment loss owed to Mrs P. An agreement was made that the Employer owed Mrs P £208.14 for the loss of investment growth between the date the contributions should have been paid and 18 October 2023, when Mrs P transferred her benefits out of the DC section. The Adjudicator said that the Employer should contact The Cabinet Office and raise a Statement of Work, so that Mrs P could be redressed for the pension that would have been purchased in Alpha, had no loss of investment occurred in the DC section of the Scheme.
51. It was the Adjudicator's opinion that the Employer had known of and accepted the investment loss since 2021. At the time the case was considered by the Adjudicator, the Employer was yet to make the payment to the Scheme on Mrs P's behalf, which had caused her significant distress and inconvenience.

52. The Adjudicator recommended that the Employer pay Mrs P £500 in recognition of the significant distress and inconvenience its maladministration had caused her. Mrs P accepted the findings in the Adjudicator's Opinion.
53. The Employer failed to take the necessary actions to put matters right within the timescale set out in the Opinion, but has now made the payments as recommended.
54. Mrs P was dissatisfied that despite reaching an agreement with the Employer, it failed to rectify matters within the timescale quoted in the Adjudicator's Opinion. She requested that her complaint be passed to me to consider.
55. The Employer provided further comments in response to the Opinion as follows:-
- It expressed the urgency of the matter to MyCSP, however it was not in a position to control the timing of MyCSP's delivery in processing the added pension payment.
 - It was dependant on an external organisation to process the added pension payment and so, it cannot be held responsible for the delay caused.
56. I agree with the Adjudicator's Opinion and note the additional points raised by the parties to the complaint.

Ombudsman's decision

57. Mrs P's original complaint was that she suffered a financial loss, because the Employer paid incorrect contributions into the Scheme .
58. I find that the Employer was given considerable time to put matters right. Despite being in agreement to pay redress to Mrs P, the time it took to do so was unreasonable. However, the redress for Mrs P's investment loss, amounting to £208.14, as well as the previously agreed sum of £500 for Mrs P's distress and inconvenience, has now been paid. In my view this is an appropriate amount, and reflects what I would award for distress and inconvenience – and so I will not make any further directions in that regard. It is regrettable that this matter was not resolved more promptly, but I find that the actions taken represent an appropriate outcome to the complaint.
59. While I uphold the complaint, I find that there is no further action required by the Employer.

Dominic Harris

Pensions Ombudsman
25 November 2025