

Ombudsman's Determination

Applicant	Mr W
Scheme	Old British Steel Pension Scheme (OBSPS)
Respondent	B. S. Pension Fund Trustee Limited (the Trustee)

Outcome

1. I do not uphold Mr W's complaint and no further action is required by the Trustee.

Complaint summary

2. Mr W has complained about the Trustee's decision to issue his cash equivalent transfer value (**CETV**) quotation using the existing calculation basis at the time, even though it had already decided to update this. He believes that the Trustee should have provided him with an updated CETV quotation following the implementation of the new CETV calculation basis.
3. He has also said that Tata Steel UK (**TSUK**), the OBSPS' principal sponsoring employer, should be investigated for its role in the complaint.

Background information, including submissions from the parties

4. Following a bulk transfer from the British Steel Pension Scheme (**the BSPS**) and its entering into a PPF assessment period, the BSPS changed its name to the OBSPS.
5. Mr W's complaint was previously considered and was deemed to be materially similar to Mr S' case, PO-20199. Mr S' group contained 5 associated complaints, one of which was Mr W's. Mr S complained that the Trustee calculated his CETV using the existing calculation basis, after it had decided to amend the CETV calculation basis but before the new calculation basis came into effect, when it was aware that CETVs would increase. Mr S argued that the Trustee had already implemented the new CETV calculation basis when his transfer was paid, so his CETV should have been based on the new CETV calculation basis.
6. The Pensions Ombudsman determined Mr S' complaint on 13 January 2020 (**the Determination**). The Determination explains the reasons why Mr S' complaint was not upheld and can be found on The Pensions Ombudsman's Office's (**TPO's Office**)

website. Where Mr W's complaint overlaps, those points will not be repeated but reference will be made to the Determination.

7. The majority of the complaints within Mr S' group were discontinued following the Determination, on the basis that they were materially similar and so the outcome would be identical.
8. Mr W asked for his case to be looked at individually because, in his view, his circumstances differ to Mr S'. Paragraphs 9 to 16 provide a brief timeline of events relating to Mr W's complaint.
9. In March 2017, the Trustee decided it would amend the CETV calculation basis, this change took effect from 1 April 2017. The background to this decision has been explained in paragraphs 50 to 70 of the Determination. This is replicated in Appendix One for ease of reference. References to appendices within paragraphs 50 to 70 are references to appendices to the Determination and are not replicated here.
10. On 23 March 2017, prior to the implementation of the change in CETV calculation basis, Mr W was sent a CETV illustration.
11. On 27 March 2017, the Trustee wrote to Mr W and explained that the CETV calculation basis was changing, and this was, "expected to result in higher transfer values in most cases." Mr W was offered the option of postponing his transfer or waiting for a quotation on the new CETV calculation basis.
12. With effect from 1 April 2017, the Trustee amended the CETV calculation basis. This had the effect of increasing transfer values for the majority of members.
13. Mr W completed and returned the paperwork accepting his CETV quotation and, on 24 May 2017, his transfer was paid to the receiving scheme, with Aviva.
14. Mr W raised his complaint with the Trustee on 28 June 2017. He said that:
 - He transferred due to his concerns that the OBSPS would end up in the Pension Protection Fund (**the PPF**), so he would not be able to retire prior to age 65.
 - Although he was given the option to postpone his transfer until the new CETV calculation basis came into force, he was concerned that his CETV could decrease following the change in CETV calculation basis.
 - By the time his CETV was paid, the Trustee would have known that the new CETV calculation basis was preferential.
15. As mentioned in paragraph five above, Mr W's case was considered materially similar to Mr S'. On 13 January 2020, the Ombudsman issued the Determination.
16. Following the Determination, Mr W wrote to TPO's Office and said that his complaint differed to Mr S', so it should be looked at individually. He said that:

- TSUK should be investigated for its role in providing information that encouraged members to transfer out of the OBSPS. He said that TSUK had been attempting to sell the Scunthorpe site from 2015, but had been unable to find a buyer due to the costs associated with the OBSPS.
- There had already been an increase in CETVs in September 2016, so he thought that there was no prospect of CETVs increasing again.
- The changes to the CETV calculation basis were designed to encourage members to leave the OBSPS, and thus reduce TSUK's financial liabilities.

Adjudicator's Opinion

17. Mr W's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustee. The Adjudicator's findings are summarised below:-

- The Adjudicator was satisfied that the Trustee had provided sufficient information to allow Mr W to make an informed decision on whether to accept the transfer. He was of the view that this had already been considered by the Ombudsman in paragraphs 131 to 140 of the Determination (see Appendix Two), who concluded that the "information provided was reasonable as CETVs can vary significantly from member to member." In paragraph 139 of the Determination, the Ombudsman concluded:

"...while the Trustee was aware that CETVs would increase substantially for most members, it would not have been appropriate for the Trustee to have provided members with a guarantee to that effect or to have provided the additional information which would have raised expectations, potentially to the detriment of the OBSPS and its remaining members."
- Mr W has said that the actuarial basis for calculating transfers had previously been updated in the autumn of 2016, which resulted in increased CETVs, so he did not think CETVs would increase again. The Adjudicator did not agree with this argument, as the Trustee had taken steps to inform members that the CETV calculation basis was changing. What is more, it was clear that the Trustee explained that the change in CETV calculation basis was likely to result in CETVs increasing in the majority of cases.
- Mr W also argued that, by the time his CETV was paid, the Trustee would have known that it was preferable for CETVs to be paid in accordance with the new CETV calculation basis. The Adjudicator said that there was no material difference between this element of Mr W's complaint and Mr S', which has already been Determined. In paragraph 145 of the Determination, the Ombudsman said:

“I appreciate Mr S’ concern regarding the value of his benefits and I can understand that it is difficult to accept that his CETV is correct when, after 1 April 2017, other members, his colleagues and friends, received CETVs of a higher value than that which Mr S had received, especially as the statement of entitlement that he received was calculated so close to the date the new calculation basis came into effect. But I do not find that the CETV Mr S received was incorrect. It was calculated using the agreed basis at the time of the calculation. I acknowledge Mr S’ comments that, had the value been calculated on a post April 2017 basis, it is likely to have been higher than that which was quoted on 29 March 2017 and transferred on 19 June 2017, with the result that he may have chosen a different option. Nevertheless, that statement is made with the benefit of hindsight, and in any event, it does not cause the statement of entitlement, that Mr S was given on 29 March 2017, to be incorrect. Mr S could have waited for a calculation on the new basis, which would have been provided automatically by the Trustee, as stated in the covering letter, but he did not.”

- Mr W also said that he had concerns about the funding position of the OBSPS and was worried that it would end up in the PPF. He said that this threatened his opportunity to retire prior to age 65. The Adjudicator acknowledged that there was uncertainty surrounding the future of the OBSPS. However, in the Determination, the Ombudsman recognised that the Trustee provided members with factual information concerning both the OBSPS and the PPF. The Ombudsman did not agree that the Trustee overstated the chances of the OBSPS joining the PPF. Rather, he found that “the information provided by the Trustee was not misleading and did not amount to scaremongering.”
 - Mr W has said that TSUK should be investigated for the role it played in his complaint. He commented that the costs associated with the OBSPS played a role in TSUK’s failure to sell some of its sites and that TSUK encouraged members to leave the OBSPS in order to reduce its financial liabilities. The Adjudicator said that TSUK was not a respondent to the complaint, so it cannot be investigated at this time. If Mr W wants TPO’s Office to investigate the complaint about TSUK, he would have to raise it with TSUK directly in the first instance. If he is not satisfied with the response provided by TSUK he could then look to refer it to TPO’s Office for consideration as a separate complaint.
18. Mr W did not accept the Adjudicator’s Opinion and the complaint was passed to me to consider. Mr W provided his further comments which do not change the outcome. He said:
- CETVs paid from the OBSPS had already increased once in the year before his transfer. He cannot understand how CETVs have increased twice during a period where the OBSPS was in a poor funding position.

- He was concerned that he would lose his option to retire early. He said that there would be no advance warning of the OBSPS going into the PPF, so he could lose his option to retire early without any warning.
- TSUK was a major factor in his decision to transfer out of the OBSPS. He said that he had no intention of transferring-out of the OBSPS until TSUK started scaremongering about it going into the PPF.
- TSUK should not be allowed to escape investigation into its actions.

19. I note the additional points raised by Mr W but I agree with the Adjudicator's Opinion.

Ombudsman's decision

20. Mr W has complained that the actions of TSUK amounted to scaremongering. He said that TSUK encouraged members to transfer-out of the OBSPS in order to reduce its liabilities. He argued that TSUK should be accountable for its actions and included as a respondent to this complaint.
21. TSUK was not included within Mr W's original Application to this office, so I have not included it within this Determination. If Mr W wants my office to investigate a complaint about TSUK, he would have to raise it directly with TSUK in the first instance. If he is not satisfied with the response provided by TSUK, he could then refer it to my office for consideration as a separate complaint.
22. Mr W has also said that he thought it was unlikely that the CETV calculation basis would result in higher CETVs, as there had already been an increase in September 2016. I do not agree with this argument.
23. I covered the issue of the Trustee offering members the option to wait for a CETV on the new calculation basis, extensively in the Determination. There was no requirement for the Trustee to offer this under legislation or the OBSPS Rules. Despite this, the Trustee did provide the option alongside sufficient information to enable members to make informed decisions whether to proceed with the transfer on the former calculation basis or to obtain a CETV calculation on the new basis.
24. In the letter that accompanied the offer, the Trustee explained that "[the] change is expected to result in higher transfer values in most cases." I find that the Trustee was clear on what the effects of the change in CETV calculation basis would mean to most members.
25. Mr W has said that he had concerns that, if the OBSPS entered the PPF, he would not be able to retire early. He said that the prospect of the OBSPS joining the PPF encouraged him to transfer out. In paragraphs 100 to 107 of the Determination (see Appendix Three), I considered the information announcements the Trustee provided in relation to future of the OBSPS. In the Determination, I found that the Trustee correctly explained that the OBSPS could enter the PPF and what that would mean for members' benefits. I do not believe the information announcements were

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designed to encourage members to transfer out of the OBSPS in the manner Mr W has suggested.

26. While I accept that there had been a period of uncertainty for both members of the OBSPS and employees of TSUK, the information provided by the Trustee was not misleading and did not amount to scaremongering.

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

Anthony Arter

Pensions Ombudsman
23 August 2021

Appendix One

Paragraphs 50 to 70 from Determination PO-20199

(ii) Amendment of the CETV calculation basis

50. In relation to the value of a transfer, the OBSPS Rules state at paragraph 16(1)(f) (see Appendix 1), that the value of the transfer payment will be as certified by the Actuary.
51. Section 97 of the Pension Schemes Act 1993 (**PSA 1993**), is provided in Appendix 2 below, however the Occupational Pension Schemes (Transfer Value) Regulations 1996 (**the Transfer Regulations**), also affect the member's right to transfer and set out the transfer requirements (see Appendix 3). In addition, in 2008, TPR published guidance for trustees in relation to transfer values which is available on TPR's website¹.
52. Regulation 7B of the Transfer Regulations requires trustees to determine the economic, financial and demographic assumptions used to calculate the initial cash equivalent (**ICE**) after obtaining advice from the actuary. It also requires trustees to have regard for the scheme's investment strategy, with the aim that this will lead to the best estimate of benefits.
53. TPR's Transfer guidance states:
- “19. The assumptions must be chosen with the aim of leading to a best estimate of the ICE. This is a best estimate of the amount of money needed at the effective date of the calculation which, if invested by the scheme, would be just sufficient to provide the benefits. However, trustees should recognise that 'best estimate' is not a precise concept and they will often need to be pragmatic and accept choices which seem to them reasonable in the light of the information and advice they have obtained.”
54. The guidance also refers to the investment strategy impacting transfer values. It states:
- “21. Trustees must have regard to their investment strategy when choosing assumptions. This includes the appropriate investment returns to be expected, which in turn will influence the choice of interest rates with which future expected cash flows are discounted.”
55. The guidance also says that trustees should make evidence-based objective decisions:
- “23. Trustees should make evidence-based objective decisions in relation to matters that will have a material effect. Of course, evidence in the

¹ <http://www.thepensionsregulator.gov.uk/guidance/guidance-transfer-values.aspx>

conventional sense is not available on the future. In this context what we mean by evidence is facts about the past, and opinions about the future based on those facts, which can be objectively used by the trustees to make judgements about the likely course of future events. This evidence can take a variety of forms, including:

- past history of investment returns from various asset classes and the relationships between them;
- published mortality tables;
- a scheme's own experience to the extent it is statistically reliable;
- published statistics on demographic issues;
- the opinions of recognised experts; and
- the output of suitable stochastic models as advised by the scheme actuary.”

56. As the Trustee was aware, although it was required under the Transfer Regulations to take actuarial advice, responsibility for the calculation and verification of CETVs rested with the Trustee. Therefore, the Trustee carried out annual reviews of its advisers to monitor their service standards to ensure that the standard of advice that it received from its advisers remained sufficiently high. The Actuary consistently rated well against the Trustee’s key performance indicators.
57. As explained in paragraph 41 to 43 above, in the Trustee’s meeting in March 2016 the Trustee agreed to change the MVAs but maintained all of the other factors, having considered actuarial advice to that effect. The Actuary also considered the application of an underfunding reduction, suggesting regular future review, but determined that it was not appropriate at the time as the OBSPS had been more than 100% funded as at 31 March 2014. The Trustee considered and agreed the change to the MVAs within the CETV calculation basis, which was implemented with effect from 1 September 2016. Members were not informed of these changes and the changes did not cause any delays in the issuing of CETV quotations or payment of CETVs.
58. In April 2016, the Actuary presented a report again considering the application of an underfunding reduction based on an initial assessment of the OBSPS as at December 2015, which showed that funding may have fallen to 98%. The Actuary was working on an updated funding assessment as at 31 March 2016 and the Trustee agreed to await this before making any changes. The updated assessment, considered in the May 2016 meeting, showed that the OBSPS’ funding position was more than 100% and, so there was no need to apply an underfunding reduction to CETVs.
59. As mentioned in paragraphs 45 to 48 above, the Actuary provided two further reports dated 5 September 2016 and 23 November 2016, which were considered at the September and December Trustee meetings. Both reports considered the funding

position in relation to CETVs to be over 100% on the existing CETV calculation basis, which meant that there was no need for an underfunding reduction. The reports went on to discuss the OBSPS' investment strategy due to its uncertain future, with the possible routes meaning that de-risking would be required. The Actuary indicated that, by 23 November 2016, a significant proportion of the preliminary de-risking that was permitted by the changes, reflected in the August 2016 amendment of the SIP, had been completed. In the September report, the Actuary referred to the future targeted investment strategy not yet being specified, with both reports stating that, once completed, the expected changes would need to be reflected in a new SIP and in the CETV calculation basis. The Actuary pointed out that the impact of assuming lower investment returns would significantly increase CETVs to a level greater than the OBSPS could afford, meaning that an underfunding reduction would then need to be considered and likely applied.

60. The actuarial reports recommended that no changes be made to the CETV calculation basis at that time, but that the matter was to be kept under review and considered further in the March 2017 meeting when the future of the OBSPS should be clearer. While the November 2016 Actuarial report noted that "a significant proportion of the anticipated de-risking has now been completed", changes to the long-term investment strategy were yet to be made and reflected in a SIP. The CETV calculations were based on the OBSPS' long term investment strategy. Short term changes within the tolerances of the SIP were not considered to be relevant for CETV purposes.
61. In the Trustee meeting of 8 March 2017, the Trustee approved the draft SIP effective from 1 April 2017. On the advice of the Actuary, the Trustee also proceeded with reviewing the assumptions, resulting in the Trustee's decision to amend the CETV assumptions, with effect from 1 April 2017, for any member requesting a CETV on or after that date. As stated in paragraph 49, the amendment to the CETV actuarial factors resulted in most members seeing an increase in their CETV after 1 April 2017, compared to CETVs provided before 1 April 2017.

(iii) Issuing a statement of entitlement prior to 1 April 2017

62. Regulation 6(1)(a) of the Transfer Regulations, requires trustees to issue a guaranteed statement of entitlement, showing the member's CETV as at a date (the "guarantee date"), which must be within the period of three months starting with the date of the member's application for the statement of entitlement. The statement of entitlement must then be provided to the member no more than (broadly) ten working days after the guarantee date.
63. Regulation 6(1)(b) allows trustees up to six months to produce the statement of entitlement where "the trustees are unable to provide a statement of entitlement for reasons beyond their control".

(iv) Option to await a new CETV calculated using the post April 2017 calculation basis

64. In the Trustee's meeting of 8 March 2017, the Trustee identified the need to give members suitable information during the transitional period. It was decided that any member who had requested a CETV quotation and been provided with a guaranteed CETV since 1 January 2017, and whose transfer value had not yet been paid, should be given the opportunity of postponing his or her transfer decision and requesting an updated transfer value calculated on the new basis.
65. For those members, in a similar position to Mr S, who requested a guaranteed CETV after 8 March 2017 but before 1 April 2017, the Trustee decided that they would automatically be issued a CETV on the post-1 April basis if they had not returned their paperwork. The Trustee included information about the change in calculation basis and the fact that the Trustee was awaiting a guaranteed CETV on the new basis within the covering letter to their pre-April 2017 guaranteed CETV.
66. The covering letter dated 29 March 2017 stated:

"This letter should be read in conjunction with the Trustee Chairman's letter sent to you on 27 January 2017, a copy of which can be found on the [OBSPS] website (www.bspensions.com)....

I am writing to you about your request for a Cash Equivalent Transfer Value ("transfer value") in respect of your [OBSPS] benefits.

When a [OBSPS] member requests such a transfer, the Pensions Office will calculate the individual's transfer value using factors set by the Trustee after taking advice from the [OBSPS] Actuary. These factors reflect the expected cost of providing the member's benefits within the [OBSPS], calculated on a best estimate basis. The actuarial basis for calculating transfer values was last updated on 1 October 2016.

The assumptions and methodology used to calculate transfer values must satisfy certain regulatory requirements and have regard to the [OBSPS]' investment strategy. The Trustee Chairman's letter referred to recent developments in connection with the future of the [OBSPS]. In recognition of those developments the Trustee is adopting a lower-risk investment strategy.

The transfer value basis will therefore be changed to reflect the [OBSPS]' revised investment strategy and the overall effect of this change is expected to result in higher transfer values in most cases. It is currently expected that increases in transfer values will only apply for members more than 2 years from the [OBSPS] Normal Pension Age (generally age 65), and that the increases become more significant the further away a member's age is from Normal Pension Age.

The [OBSPS] is required to provide you with a transfer value statement within three months of receiving your request. Allowing time for changes relating to the cessation of pensionable service accrual with effect from 31 March 2017 for [OBSPS] employee members, it is anticipated that transfer values on the revised basis will be available from the end of May 2017.

We have enclosed a transfer value statement calculated on the current basis, however you may wish to take the above information into consideration before making a decision whether or not to transfer your benefits to another registered pension arrangement.

Under statutory provisions a transfer value is required to be provided on request to a scheme member once in any 12-month period. Due to the unusual circumstances outlined above, if you decide not to proceed with a transfer on the current basis, the Trustee has agreed that you will automatically be provided with an updated transfer value statement using the revised factors when these are available.

You may wish to discuss the contents of this letter with an Independent Financial Adviser. Pensions Office staff cannot give advice.

I enclose an additional copy of this letter for your records, or for you to pass to your Independent Financial Adviser.”

67. Mr S completed the sections of the paperwork that he was required to fill out himself to request the transfer on 12 April 2017. The Trustee received Mr S’ fully completed paperwork, completed by both Mr S and Intelligent Money, on 2 May 2017.

(v) Completion of the transfer using the pre-1 April 2017 calculation basis

68. Part 4ZA, which contains sections 93 to 101 of the PSA 1993, sets out the trustees statutory requirements in relation to transfers. Section 93A of the PSA 1993 sets out the right to a statement of entitlement (also known as a guaranteed CETV). As long as the member meets the criteria set out in section 93 of the PSA 1993, section 93A requires trustees to provide the member with a statement of entitlement in respect of their transferable rights. Trustees are required, under Regulation 6(1) of the Transfer Values Regulations, to provide the statement of entitlement within three months after the date of the member’s application for a statement of entitlement or, where it is unable to do so for reasons beyond its control, it may take up to a further three months, as required, to do so I agree with the complaint but, in my opinion, new evidence or additional arguments would need to be provided for there to be a good chance of an Ombudsman coming to a different conclusion in relation to the outcome.
69. Section 94 of the PSA 1993 provides a member who has been provided with a statement of entitlement under section 93A of the PSA 1993 with a right to take that cash equivalent in accordance with the remainder of Part 4ZA of the PSA 1993. Section 95 of the PSA 1993 details how an application to take the cash equivalent must be made, the relevant timeframe being three months beginning with the

guarantee date, and the ways in which the right to a cash equivalent can be taken, for example for acquiring rights allowed under the rules of a personal pension scheme.

70. Section 99 of the PSA 1993 sets out the trustees' duties after the member has exercised his or her right to take a transfer in accordance with section 95 of the PSA 1993. Section 99(2) of the PSA 1993 states that trustees must do what is needed to carry out what the member requires within 6 months of the relevant period."

Appendix Two

(iv) Option to await a new CETV calculated using the post April 2017 calculation basis

131. The Trustee is correct when it states that there is no requirement, where trustees alter a pension scheme's calculation basis, to offer members the option of aborting a transfer out that is already in process and awaiting a CETV on a new basis, either under legislation or, in the Trustee's case, under the OBSPS Rules. This is something that the Trustee chose to offer to those members, such as Mr S, who had been issued with a CETV but had not yet had their transfer paid to their chosen receiving scheme. In making this offer and, in doing so, going beyond what was required of it under statute and trust law, the Trustee sought to provide sufficient information to enable members to make informed decisions whether to proceed with the transfer on the former calculation basis or to obtain a CETV calculation on the new basis. Mr S has suggested that the information supplied by the Trustee was not sufficient for this purpose, and that it should have contained a guarantee that transfer values would be higher.
132. However, that suggestion has been made with the benefit of hindsight. And more critically, there are a number of reasons why it would not have been reasonable for the Trustee to guarantee that transfer values would increase.
133. First, as the Trustee has stated, the letters were sent to anyone who had been issued a CETV but whose transfer had not been paid. This is likely to have included members whose CETVs would not have increased under the new calculation basis, for example those within two years of normal retirement date.
134. Second, the Trustee could not accurately predict how the market would change during the period between March 2017, when it issued the option letters, and the point at which CETVs could be calculated on the new basis, which it did not expect to be possible until at least May 2017. Changes in market conditions can cause a CETV to increase or decrease, meaning that a CETV obtained at a later date could be smaller or larger than one previously provided, even where no change has been made to the calculation basis. It would not be reasonable for the Trustee or the OBSPS to bear the costs of changes in market conditions.
135. Third, the Trustee has a responsibility to ensure that CETVs are the best estimate of the member's benefits, both to be fair to that member and to ensure that it is preserving adequate benefits for those members remaining in the scheme. If the Trustee had provided a guarantee that CETVs on the new basis would be higher but it was in fact a lower amount, the Trustee would have been liable to pay the higher CETV to the detriment of other OBSPS members as the fund would have been reduced by the payment of the CETV in excess of the member's entitlement.
136. With regard to the information provided and its suitability, the Trustee explained that:

“[the] change is expected to result in higher transfer values in most cases. It is currently expected that increases in transfer values will only apply for members more than 2 years from the [OBSPS] [NPD] (generally age 65), and that the increases are expected to become more significant the further away a member’s age is from Normal Pension Age.”

137. I consider the information provided was reasonable as CETVs can vary significantly from member to member, depending upon the date at which they are calculated in relation to the member’s NPD. For the Trustee to provide more information about how it was likely to impact a specific member it would have needed to look at that member’s individual circumstances. I do not consider that the Trustee could reasonably have been expected to have conducted such a detailed exercise and, in any case, it did not have the resources to do so. Providing more specific information could also have led to expectations which may not have been borne out.
138. The undated actuarial report prepared for the March 2017 Trustee meeting does detail the change and the anticipated impact of it. It includes a graph and table, the former showing the expected impact on transfer values at different ages based on a pension of £1,000 per annum at NPD, the latter showing the anticipated percentage increase at ages 30, 40, 50 and 60. However, the data used for the table and graph does not provide the full picture, as the comparison is only shown for pension accrued prior to 2006 and it does not take into account the Guaranteed Minimum Pension (**GMP**), which any member in service between 1975 and 1997 will have, and it is subject to statutory revaluation in deferment. The inclusion of GMP in a member’s benefits will alter the transfer value available and its impact will differ from member to member while any pension accrued after 2006 is not accounted for in the illustration. It would not have been appropriate for the Trustee to share the graph and table with members as, while it is useful for the Actuary and Trustee to consider the impact across the OBSPS, it does not provide an accurate representation of the transfer value for an individual member. Its inclusion, again, could have raised an expectation which was not realised.
139. Therefore, while the Trustee was aware that CETVs would increase substantially for most members, it would not have been appropriate for the Trustee to have provided members with a guarantee to that effect or to have provided the additional information which would have raised expectations, potentially to the detriment of the OBSPS and its remaining members.
140. The covering letter issued by OBSPS stated “if you decide not to proceed with a transfer on the current basis, the Trustee has agreed that you will automatically be provided with an updated transfer value statement using the revised factors when these are available.” It is clear that, Mr S was given the opportunity to wait for a new statement of entitlement which would be automatically provided if he did not proceed with the transfer on the statement of entitlement he had been given. I find that this statement is sufficiently clear. In any event, if Mr S or his IFA, were in any doubt as to its meaning and/or implications, they had the opportunity to ask further questions; I have seen no evidence to suggest that they did so.

Appendix Three

100. The evidence (see Appendix 5), is clear that the Trustee kept members informed on the OBSPS' situation, as it unfolded, explaining the possible implications of the scenarios that could have come to pass. It is understandable that this period of uncertainty would have been concerning for both members of the OBSPS and employees of TSUK.
101. The Trustee explained that the OBSPS could enter the PPF and how this would affect the benefits that members would receive. The Trustee's updates provided members with information that allowed them to consider how the possible scenarios could affect them and their benefits; the options for the OBSPS; and the terms of any transfer exercise.
102. I acknowledge that the Trustee has referred to the PPF as being a "poor outcome" in its announcement of May 2016 and others². I can see how this terminology, because of the negative connotation, could have caused members concern about the future of their pension benefits should the OBSPS enter the PPF.
103. The choice of words was in context to highlight that the modified OBSPS would provide a better outcome for the majority than the PPF would have provided. The context is clear, for example, in the announcement dated 26 May 2016:
- "The Trustee believes that exchanging the [OBSPS'] assets for PPF compensation would be a poor outcome. The Trustee believes that the [OBSPS'] assets are more than enough to meet the cost of paying PPF compensation and that it will be better for the scheme to stay out of the PPF. The [OBSPS] could then provide modified benefits at levels which, for the vast majority of members, would be better than PPF compensation..."
104. I do not believe it is reasonable to assume that the Trustee included those statements to encourage members to transfer out of the OBSPS. They were to provide members with factual information concerning the OBSPS and the PPF.
105. The Trustee is not authorised or regulated to provide advice, therefore it was limited to providing only information and options to categories of members. It could not provide recommendations and advice for individual members (whose circumstances and facts would each have been different). It was for Mr S to consider (on independent advice) if and how any of the changes might have affected him on the basis of information available and circumstances pertaining at the time.
106. The Trustee was not, and could not have been expected to be, aware of every member's individual circumstances when it is making a generic decision. What is best for one member may disadvantage another. The Trustee needed to find a

² 8 June 2016, 12 August 2016, 12 January 2017 and 27 January 2017.

balance between providing too little information and overwhelming members with extensive and comprehensive information. This is a difficult balance to find, especially when it comes to pensions, which are not straightforward in nature, even without an event such as this affecting the OBSPS.

107. To conclude, I have reviewed the information received by Mr S and I do not find that there was maladministration on the Trustee's part. The information provided by the Trustee was not misleading and did not amount to scaremongering. It was necessary for the Trustee to share information with the OBSPS members, given the press coverage of TSUK's business at that time and the inevitable concerns that it would raise.