

Ombudsman's Determination

Applicant	Mr X
Scheme	Railway Pension Scheme (the Scheme)
Respondents	RPMI Ltd (RPMI)

Outcome

1. I do not uphold Mr X's complaint and no further action is required by RPMI.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr X has complained that he was wrongly refused clarification of how his scheme benefits are calculated.

Background information, including submissions from the parties

4. In August 2012, Mr X brought a complaint to this office under reference PO-290. Mr X complained that "he (Mr X) has made full pension contributions over his continuous membership of the Scheme at the same level as other employees on the same salary but his benefits are less." That complaint was not upheld.
5. On 8 July 2017, Mr X complained to RPMI under the Scheme's Internal Dispute Resolution Procedure (**IDRP**). Mr X argued that he considered his pension was being reduced as the result of a pensionable pay cap and that he also believed his accrued pensionable service was less than it should be.
6. On 26 February 2018, RPMI provided its IDRP stage 2 response and did not uphold Mr X's complaint. RPMI argued that Mr X's benefits were paid in line with the Scheme rules. RPMI also added that it had considered Mr X's appeals on 3 occasions, but it would send him a letter that addressed the questions in his complaint.
7. On 3 April 2018, RPMI sent Mr X one further letter that summarised his pensionable service, the alternative schemes he could join after reaching 40 years' service (which is the maximum he may contribute to the Scheme) and how his pensionable pay was calculated.

Adjudicator's Opinion

8. Mr X's complaint was considered by one of our Adjudicators who concluded that no further action was required by RPMI. The Adjudicator's findings are summarised below:-

- The Adjudicator observed that a final salary pension is broadly calculated using two elements; pensionable service and final pensionable pay. As Mr X's dispute involves both elements, the Adjudicator addressed the complaint with reference to each in turn.
- The Adjudicator considered that Mr X's complaint about his pensionable service was dealt with at length in the Ombudsman's Determination of 2013. In the Adjudicator's view, no evidence has been presented to challenge the previously determined findings of fact. The Adjudicator was of the view that previous Ombudsman, Tony King, summarised very clearly that:

"The fundamental point is that there is no direct link between the number of years for which Mr X has contributed and the number of years on which his pension will be based. That is primarily because of the effect of the Jarvis Section transfer." – Former Pensions Ombudsman, Tony King, PO-290

- The Adjudicator was of the view that Mr X was entitled to a deferred benefit in the Jarvis Section but instead chose to transfer his accrued benefits of his own free will. He was consequently credited with an amount of service in the Network Rail Section, albeit at a different accrual rate from the Jarvis Section. The benefits were calculated on a different basis and Mr X's pensionable service would no longer match the years he worked for his original employer.
- The Adjudicator further noted that the opportunity to appeal this determination was no longer open to Mr X as he was outside the 28 day limit for an appeal.
- In the Adjudicator's opinion, the transfer from the Jarvis Section to the Network Rail Section of the Scheme provided "broadly comparable" benefits and so Mr X had not sustained a financial loss.
- The Adjudicator considered that RPMI had concisely summarised Mr X's pensionable service in its letter of 3 April 2018 and Mr X could reasonably rely upon the information it provided.
- The Adjudicator also considered the final pensionable pay information set out in RPMI's letter. In his view, even though Mr X was not a pension professional, the information provided was clear and thorough. In the Adjudicator's view a pensionable pay cap does not decrease the value of Mr X's pension as he suggests, it limits the annual increase in his pensionable pay to the value of the Retail Price Index.
- The Adjudicator also made the point that this office does not provide actuarial services to independently re-calculate the value of Mr X's pension. In the Adjudicator's view no evidence had been presented that would lead to the conclusion that Mr X could not reasonably rely upon the information supplied by RPMI, subject to his employer supplying accurate salary details.

9. Mr X did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr X provided his further comments which do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr X for completeness.

Ombudsman's decision

10. Mr X maintains that he should be provided with evidence as to how his alleged losses are correct and in line with the law. However, many of Mr X's arguments were dealt with in his previous complaint to this office and it is not within my remit to consider matters that have already been determined by my predecessor.
11. Mr X argues that a letter he received from the Transport Salaried Staffs' Association in 2011 supports his case that his pay increases should be fully pensionable. However, I do not find this to be the case. Rather, the opposite is true, as the letter clearly states that "salaries were fully pensionable EXCEPT for any increases received over and above the 'cost of living' increase applied each year". Furthermore, I find that the information that RPMI provides in its letter of 3 April 2018 to be clear and consistent with the 2011 letter.
12. RPMI's letter also covers the subject of Mr X's Additional Voluntary Contributions as well as his options for joining other schemes after he reaches the cut-off date in his current Scheme. Consequently, RPMI has addressed all of the questions it should reasonably be expected to answer from Mr X's complaint.
13. Therefore, I do not uphold Mr X's complaint.

Anthony Arter

Pensions Ombudsman
18 December 2018