



The  
Pensions  
Ombudsman

# Corporate Plan 2024-2025



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# 1. Introduction



# Introduction from the Pensions Ombudsman

I am delighted to introduce our Corporate Plan for 2024-25, the second of my tenure. As you will see, the plan sets out an ambitious programme of work.

It is no secret that the organisation is faced with considerable challenges. With a large historical caseload, demand increasing year on year, funding pressures, and more recently a cyber incident. These challenges have resulted in unacceptably long waiting times for our customers.

Reducing our waiting times is at the heart of this year's plan. While we continue to work with Department for Work and Pensions (DWP) in developing a sustainable future funding model, we need to ensure we are doing everything possible within our gift to drive additional efficiency. The scale of the challenge means our approach must now shift from evolutionary to revolutionary, as major transformation is required to help the organisation face these challenges and better meet the needs of our customers. Earlier this year I was delighted to welcome Robert Loughlin to The Pensions Ombudsman (TPO) as our new Chief Operating Officer. Robert has brought with him a wealth of experience in driving down waiting times in regulatory settings, while ensuring customer experience remains 'front and centre'.

One of Robert's first priorities has been to implement a 'root and branch' review of our Operating Model, with the aim of challenging existing thinking and identifying a package of improvements that we can deliver within the confines of our existing funding, resource and legislative provisions. The improvements will see a major shift in our approach, with a much more targeted use of TPO resources, earlier decision-making, and a streamlined approach to both the informal resolution and formal determination of complaints. A Public Bodies Review of TPO is also planned. This routine review will evaluate our efficiency and efficacy as an arm's-length body, and we look forward to working closely with the review team to identify and develop recommendations. We remain ambitious and confident that the programme of improvements that we have developed, along with the ongoing support that we are receiving from Levy funding and DWP, will allow us to make a meaningful and sustained improvement, and in doing so, deliver the improvements that we need to see in terms of our waiting times.

We have an existing funding commitment to continue the important work of the Pensions Dishonesty Unit (PDU) for a further year. The PDU investigates allegations of serious breaches of trust, misappropriation of pension funds and dishonest behaviour by pension scheme trustees. We are currently undertaking six investigations that affect around 500 members and involve £26m of lost

pension funds. Clearly, work like this, that holds wrongdoers to account and protects members affected by scams, is vital to the members of those pension schemes and the industry as a whole. I look forward to carrying on this important work, that has a vital role to play in delivering justice for members impacted by scams, for as long as our funding allows.

While we embark on this period of transformation to make ourselves fit for the future, I wanted to emphasise that we are delivering on this programme of work to enable us to help more people. Effective prioritisation and being more efficient will mean we can more effectively use our resources and expertise to make a real difference for the people who need our help.

This plan consciously sets out our programme of work for a single year ahead, as it goes without saying that we will take the time to test and learn from the implementation of improvements to our customer journey and outputs of the arm's length body review. At the end of the year, we will look back on what we have learnt and listen to what our stakeholders are telling us as well as looking at the outcomes from the spending review before developing a longer-term three-year Corporate Plan.

Finally, I want to thank Anthony Arter for his support as our Interim Chair and Deputy Pensions Ombudsman. I also want to thank my TPO colleagues, Board members and volunteers for their hard work and commitment to delivering quality outcomes for our customers and the wider pensions industry, despite the challenges we face - without them we would not be able to deliver this vital service.

**Dominic Harris**

Pensions Ombudsman

Pension Protection Fund Ombudsman

June 2024

# Foreword from the Interim Chair

I am pleased that this Corporate Plan focusses on the core challenge we face as an organisation – reducing waiting times. This long standing issue is starting to overshadow the excellent work conducted by the organisation and the vital service it provides, levelling the playing field for members when issues occur.

Last year was a particularly challenging year for the organisation, and the cyber incident has unfortunately stalled the gains we were beginning to make into the historical caseload. But it is important that we move forward, and while we have delivered initiatives that have increased our capacity over the years, the gains we were achieving were not enough to make a substantive difference to customer waiting times. Dominic and the Board have made a clear transition from a desire to evolve the organisation to a desire to transform the organisation if we really want to address the challenges ahead of us. I am pleased that the successful recruitment of the new COO has provided TPO with significant experience in driving programmes that improve waiting times.

Funding remains a significant challenge for the organisation and a priority for the Board is to work with the Executive and DWP to support the development of a sustainable funding model for the organisation. Our current three-year period of funding will come to an end this year. We were fortunate to have received additional annual funding which has allowed us to recruit additional resource. However, the limited nature of this funding has meant that the resource could only be applied to short term contracts which has made it a challenge to recruit and retain the skills we need for the long term. The Board will be looking to work with DWP to build a funding plan that reflects the consistent trend of a growth in both complexity of the complaints we receive and the demand for our services.

We have continued to complete excellent work in the PDU providing redress to members who have unfortunately lost sometimes a lifetime's worth of savings to unscrupulous individuals. Dominic and the Board have a shared view on the importance this type of work and that it has a vital part to play in providing pension scheme members who have been scammed with a voice and access to justice.

I was appointed Interim Chair of The Pensions Ombudsman in January 2024, to provide continuity while DWP conducts a recruitment process for the new permanent Chair. This follows the sad death of our previous Chair Caroline Rookes in October 2023, and it was certainly with mixed emotions that I took on the role. However, it is an honour to take on the responsibility, and I hope that my knowledge and experience gained as the previous Pensions Ombudsman and as a previous Chair of the Ombudsman Association, will provide vital stability over this important period for the organisation.

**Anthony Arter**

Interim Chair

June 2024

# Who we are and what we do

The Pensions Ombudsman combines in one organisation the Pensions Ombudsman and the Pension Protection Fund Ombudsman. Our primary function is handling pension complaints. We act impartially and our service is free.

## **Pensions Ombudsman**

The Pensions Ombudsman investigates and determines complaints and disputes concerning occupational and personal pension schemes. Our governing primary legislation is Part X of both the Pension Schemes Act 1993 and Pension Schemes (Northern Ireland) Act 1993.

We operate a resolution service and a formal adjudication service. Wherever possible we resolve complaints informally. At the adjudication stage we investigate and determine complaints that were not resolved by the parties or by us at resolution stage.

Our Determinations are final, binding and enforceable in court.

## **Pension Protection Fund Ombudsman**

The Pension Protection Fund Ombudsman determines complaints and reviewable matters concerning the Pension Protection Fund; and also appeals against it in respect of its decisions as manager of the Financial Assistance Scheme. Our governing primary legislation is sections 209 to 218 of the Pensions Act 2004 and sections 191 to 197 of the Pensions (Northern Ireland) Order 2005.

Our Determinations are final, binding and enforceable in court.

## **Status and funding**

We are a non-departmental public body and are funded by the Department for Work and Pensions (DWP). The grant-in-aid that funds us is recovered from the general levy on pension schemes that is administered by The Pensions Regulator.

Our principal place of business is 10 South Colonnade, Canary Wharf, London E14 4PU.



## Our vision

A trusted, fair, impartial service that makes it easy for everyone to resolve pension complaints.

## Our aims

**Get the right outcome every time and in good time** – by being proportionate, efficient and consistent.

**Make it easier to resolve complaints about pensions** – by ensuring more people know where to go for help and by working closely with our stakeholders and partners.

**Provide a trusted, accessible service** – by listening, delivering on promises and being honest about what we can and cannot do.

**Deliver value for money** – by making a difference to how pension schemes are run and by continually reviewing and improving the way we work.

**Ensure everyone who works here is supported to succeed** – by being a good employer and helping people develop their potential.

## Our values

**We are: Fair** – we look at the facts, without taking sides and we are always impartial. We take our responsibilities seriously.

**Collaborative** – we share what we know so everyone can do a better job. We seek out opportunities to work with others and then take action to make it happen.

**Open** – we are approachable and make it easy for people to get the help they need. We are honest and transparent about how and why we make our decisions.

**We: Show respect** – we are considerate and take people's needs into account. We believe in treating people with dignity and we welcome different points of view.

**Build trust** – we take pride in our work and do our best to get it right. We always do what we say we will.

**And we: Keep learning** – we are open to change and want to find better ways of doing things. We stay positive, take charge of our own development and support people trying something new.

## 2. Overview



# Overview

## **2023/24: A continued rise in demand and increasing complexity**

The Pensions Ombudsman provides an important and valuable service that is more in demand than ever.

There has been a continued rise in demand for our services over the last five years, and while additional DWP funding has been allocated and various internal efficiencies have been delivered, the size of the increase has unfortunately outstripped our capacity. This has regrettably resulted in an unacceptable growth of our customer waiting times, and the build-up of a large historical caseload, which we now need to urgently tackle.

We are also dealing with an increasing level of complexity within our caseload and have been held back by a shortage of specialist pensions expertise over the last two years. There are market challenges in recruiting and retaining staff with pensions experience on fixed-term contracts commensurate with our funding model. While we have been able to recruit additional staff on a temporary basis with our additional DWP funding, we have had to focus the additional resource on our more straightforward and low complexity cases. While this has led to an increased overall closure rate, it has not allowed us to make the inroads into the queue of complex cases that we need to achieve.

## **2024/25: Setting an ambitious target**

We have set ourselves an ambitious target of bringing waiting times down to a more sustainable level. Over the next 12-18 months we will be implementing findings from the 'root and branch' review of our Operating Model in order to drive meaningful and lasting change.

We are a small organisation with limited capacity but have an amazingly agile and committed staff that are passionate about the service we provide. We are ambitious and focussed on delivering the changes both at pace and in a way that brings the pension community and wider public with us.

## **2024/25: a year of change**

This Corporate Plan has been developed to span one year. As we are focussed on making this a year that will deliver significant change for the organisation.

Our priorities:

- ▶ Reduce waiting times to a sustainable level.

- ▶ Deliver a reduction in the number of older complex cases from the historical caseload.
- ▶ Improve our signposting and pre-application journey with self serve information so that the 'right' complaints come to us.
- ▶ Secure Ministerial approval for the long term funding of the PDU, to ensure it continues its valuable work.
- ▶ Expand and build our expertise.
- ▶ Reviewing our systems to ensure we have a clear view of requirements to deliver further efficiencies and the projected increase in demand.

We are conducting a 'root and branch' Operating Model review that covers our entire customer journey to ensure that we have identified all areas for driving improvements and streamlining processes. The outputs are being built into a transformation plan that will look to drive efficiencies at every stage in the customer journey to bring customer waiting times down to a sustainable level, while at the same time maintaining our high standards around decision-making and customer service.

The improvements we are looking to make will be a major shift in our approach. With a more targeted use of TPO resources, earlier decision-making, and a streamlined approach to both the informal resolution and the formal determination of complaints.

The work fits broadly into three key areas:

#### 1. Reducing the number of complaints we handle

- ▶ Providing clearer information and signposting for customers before they make an application so that the number of invalid applications we receive is reduced.
- ▶ Working with the broader pensions sector to improve complaint handling.
- ▶ Engaging earlier with stakeholders for issues that may result in a significant volume of complaints and optimising 'lead cases' where possible - this will help to inform their complaint handling of the issue.
- ▶ Work with DWP to inform developments to pensions legislation so that the industry has clear guidance to follow.
- ▶ Continue to build on our strong relationships with the pensions regulatory sector to drive collaborative solutions to pensions sector issues.

## 2. Driving efficiencies in case management

- ▶ Robust triage over the complaints we take on to investigation.
- ▶ For appropriate complaints, looking for earlier opportunities in the customer journey to make decisions, through short form Determinations (akin to a summary judgment in the court process).
- ▶ Reducing the number of handovers between teams.

## 3. Tackling the older complex cases

- ▶ Ringfencing resource to focus on specific topics in the historical caseload.
- ▶ Identify and categorise cases that are blocked due to issues outside of our control, for example where the subject matter is subject to legal appeal.

The programme will have multiple workstreams focussing on different areas of change all reporting into one transformation board. Quick wins identified within each strand are being rolled out in an agile 'test and learn' approach. We will also be engaging with our stakeholders to get their feedback and identify further opportunities.

### **Pensions Dishonesty Unit (PDU)**

The PDU continues to make significant progress investigating cases of suspected pension scheme dishonesty. To date, the PDU has issued Determinations, directing redress of approximately £19m and affecting 428 members across six pension schemes. The PDU has further strengthened relationships with The Pensions Regulator (TPR), the Fraud Compensation Fund (FCF) and independent trustees. In particular, we have alerted TPR to a number of schemes which are likely to require an Independent Trustee to be appointed. We have also provided evidence to TPR to support this work. We are working on ways to utilise our combined powers to allow earlier intervention and additional protection for members.

In addition, we are developing our relationship with Action Fraud and providing scheme intelligence to it to enable other bodies, such as the National Fraud Intelligence Bureau and Police to look at pension fraud from a criminal perspective. This also supports efforts to enhance the reliability of national figures on pension crime.

The priority for 2024/25 will be concluding the six ongoing investigations (regarding eight schemes) that affect around 500 members and involve £26m of lost pension funds.

PDU cases are complex and resource intensive. Funding for the PDU currently ends in March 2025. So, we will be working to secure Ministerial approval for funding to safeguard this valuable work which is often vital in providing members with redress when they fall victim to scams or dishonesty.

### **Spending Review**

Our current three-year spending review period ends this year. We will be working with colleagues at DWP to shape future funding proposals that address the challenges we are facing in terms of increasing volumes and complexity, and the ambitious Operating Model review programme that we are taking forward. Agreeing a settlement that is more responsive to the changing demands that are being placed on the organisation and one that delivers a longer-term and more permanent staffing model will be a critical to our success and in meeting the high expectations that the public and wider pensions sector have in the Pensions Ombudsman.

### **Our next three-year strategy: 2025-2027**

We will use the learnings from this year to inform the development of our next three-year strategy to cover the remainder of the current term of the Pensions Ombudsman. We will aim to publish this at the start of 2025/26 and expect to have a much more informed understanding by then of how our Operating Model review programme is making a difference and what our future funding settlement is likely to be.

### **Making TPO a great place to work and volunteer**

In November 2023, as part of our People Strategy, we conducted our annual staff survey. This provides us with technically robust survey findings and an opportunity to benchmark our results against the Civil Service.

The response rate of the survey was 83% (2022 = 77%).

Some highlights that compare the results against the 2022 results and the Civil Service survey are as below.

Category	Score	Difference against 2022 TPO survey	Difference against 2023 Civil Service survey
Employee engagement index	67%	-3%	+ 3%
Leadership and managing change	63%	- 3%	+11%
Learning and development	61%	- 1%	+ 5%
My Team	82%	+3%	-1%

For the 2024/25 strategy, staff members from across the organisation came together and formed a working group to review the outputs from the staff survey and to engage the broader organisation to develop the People Strategy.. Building on the success of last year and reflecting the wider transformational change planned, the group have identified the following six areas of focus:

- ◆ Well-Being
- ◆ Collaboration
- ◆ Culture
- ◆ Managing Change
- ◆ Learning & Development
- ◆ Recruitment, Retention and Reward

Delivery of the plan will be overseen by the HR team to ensure equality, diversity and inclusion actions are embedded in each strand.

Our volunteers are experienced current or former pensions professionals and they are essential in supporting the work of the organisation, using their pensions knowledge and experience to make a difference for hundreds of members each year. 440 cases were assigned to volunteers to investigate in 2023/24.

This year we will be focussing on the following key activities as part of a comprehensive volunteer strategy:

- ◆ Expanding and strengthening our volunteer network.
- ◆ Testing where volunteers can best support members through the customer journey as part of the Operating Model review programme.
- ◆ Providing development support for volunteers through training and guidance.

# Strategic goals

Our three strategic goals and risk appetite are set by the Corporate Board. The goals are supported by activities defined in our business plan.

The Board have changed our first strategic goal for this year's plan – it has transitioned from 'Providing a customer-focused service for the resolution of occupational and personal pension complaints' to explicitly capture the ambition of reducing waiting times. The risk appetite for this has also changed from 'Open' to 'Hungry'.

Strategic goal one	Priorities for 2024/25
<p>Providing a customer-focused service, maintaining quality while reducing the time taken to resolve occupational and personal pension complaints.</p>	<ul style="list-style-type: none"> <li>• Develop a new three-year strategy.</li> <li>• Deliver outputs from the 'Root and Branch' Operating Model review – to ensure all efficiencies possible are realised, within the constraints of our resource and budget.</li> <li>• Work with DWP to inform funding requirements for the spending review and reviewing a sustainable funding model for TPO to address our long-term growth.</li> <li>• Focus on building pensions expertise and topic based working groups to reduce blockages that can occur when there is a shortage of specialists to work on a topic.</li> <li>• Renew our focus on complex and older cases.</li> <li>• Review our Equality, Diversity and Inclusion development work.</li> <li>• Develop our business case for PDU work to continue past the current funding cycle.</li> <li>• Evaluate current recruitment, output and support needs of volunteers and creating a new long-term strategy.</li> </ul>
<p><b>Risk appetite – Hungry**</b></p>	



Strategic goal one	Priorities for 2024/25
<p>Supporting and influencing the pensions industry and the wider alternative dispute resolution sector to deliver effective dispute resolution.</p>	<ul style="list-style-type: none"> <li>• Work proactively with the sector to identify upcoming issues and utilise lead cases more effectively so it can inform their handling of the issue and stem future complaints coming to us.</li> <li>• Develop a new insight strategy to allow us to share learnings more effectively from our data and expertise.</li> <li>• Relaunch our sector relationship managers to build effective relationships with specific organisations to improve complaint handling and our ability to resolve cases faster.</li> <li>• Increase our external presence at sector conferences and deliver more events for the sector.</li> <li>• Deliver new and refreshed 'on demand' content for stakeholders on good complaint handling and learnings from determinations.</li> </ul>
<p><b>Risk appetite - Hungry**</b></p>	
<p>Transforming and improving our services and processes</p>	<ul style="list-style-type: none"> <li>• Undergo a Public Bodies Review and delivery plan for recommendations.</li> <li>• Develop a Digital and Technology Strategy.</li> <li>• Develop a Data Strategy and MI strategy.</li> <li>• Revising our People Strategy, incorporating outputs from the 2023 staff survey creating and implementing a Learning and Development plan.</li> <li>• Refresh our policy development plan and legislative strategy.</li> </ul>
<p><b>Risk appetite - Open*</b></p>	

\* **Open** - A willingness to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward and value for money.

\*\* **Hungry** - An eagerness to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).

# Progress review – 2023/24

## Key Performance Indicators for 2023/24

The performance against KPIs in 2023/24 was affected by the cyber incident.

Targets	Performance
<b>Effectively use our resources to deliver a high-quality output</b>	
<ul style="list-style-type: none"> <li>Revised KPI 90% of General Enquiries resolved within four weeks (28 calendar days)</li> <li>Average number of total pension complaint** closures per month is <b>above 680</b></li> <li>Average overall score from the Quality Assurance Framework is above <b>85%</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ 99% of General Enquiries were resolved within four weeks (28 calendar days)</li> <li>✗ Average number of total pension complaint closures per month was 553</li> <li>✓ Average overall score from the Quality Assurance Framework was 87%***</li> </ul>
<b>Deliver a balanced Service to customers at all stages in our pension complaint process</b>	
<ul style="list-style-type: none"> <li>% of total pension complaints closed within 9 months from valid application is above <b>35%</b></li> <li>% of total pension complaints closed within 18 months from valid application is above <b>65%</b></li> <li>Reduce the total number of active pension complaints aged over 18 months by <b>25%</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ % of total pension complaints closed within 9 months from valid application was 68%</li> <li>✓ % of total pension complaints closed within 18 months from valid application was 82%</li> <li>✗ The number of active pension complaints aged over 18 months increased by 23%</li> </ul>

Targets	Performance
<b>Reduce waiting times for customers at key stages in our pension complaint process</b>	
<ul style="list-style-type: none"> <li>• Waiting time for Assessment** pension complaints to be allocated – reduced to <b>5 months</b></li> <li>• Waiting time for Early Resolution** (now Resolution Service***) pension complaints to be allocated reduced to <b>5 months</b></li> <li>• Waiting time for Adjudication** pension complaints to be allocated reduced to <b>12 months</b></li> </ul>	<ul style="list-style-type: none"> <li>✘ The waiting time for Assessment is currently 12 months</li> <li>✘ The waiting time for Resolution Service is 11 months</li> <li>✘ The waiting time for Adjudication is 15 months</li> </ul>
<b>Staff satisfaction</b>	
<ul style="list-style-type: none"> <li>• Annual staff survey engagement score increase on 2022 score (70%)</li> <li>• Annualised staff sickness rate (all types) – at or below the Civil Service Rate</li> </ul>	<ul style="list-style-type: none"> <li>📉 2023 Annual staff survey engagement score was 67%</li> <li>✅ 6.02 days lost through sickness per employee compared with 7.9 days for the Civil Service</li> </ul>

\* **General enquiries** these are enquiries from people who are looking for information or support on a pensions issue where we need to provide tailored advice or guidance.

\*\* **Pension complaints** These are completed applications we receive. Each application will need to be reviewed by our assessment teams. Valid applications that meet jurisdiction can then be progressed through either our informal Resolution Team or by our formal Adjudication Team

\*\*\* The Early Resolution Service is now called Resolution Service to better reflect the fact that it is an informal service suited to certain types of complaints as opposed to our formal adjudication service.

### 2023/24 KPI reporting

The cyber incident impacted our ability to report on our performance. The changes are summarised as below:

- ▶ The KPI related to general enquires had to be changed in the year due to the cyber incident. We reverted to our previous method of reporting which captures the time spent on an enquiry from the point it is allocated.
- ▶ We were unable to run the comprehensive quality assessment programme over the whole year due to resourcing challenges and the cyber incident.  
\*\*\*The Quality Score of 87% is based on three months of data.
- ▶ The customer service survey could not be run as the cyber incident would have impacted the methodology, and as such the results would not be robust or comparable to previous years.

### 2023/24 KPI performance

Our performance against our KPIs last year is not what was hoped. The gains we had made in 2022/23 were reversed in 2023/24.

This was due to a number of factors such as:

- ▶ The cyber incident.
- ▶ Challenges in recruiting and retaining skilled staff on short-term contracts.
- ▶ The number of complex cases that remain in our historical caseload.

# 3. Looking Forward



# Looking Forward

## Trend Forecasting

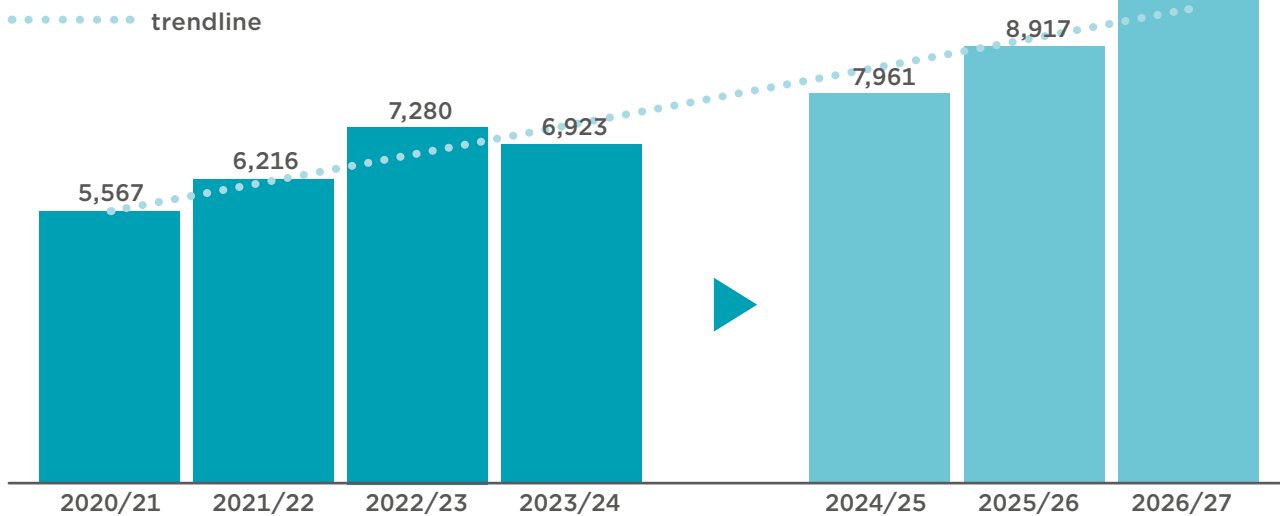
	Actual 2021/22	Actual 2022/23	Actual 2023/24	Forecast 2023/24	Forecast 2024/25	Forecast 2026/27
<b>New contacts and enquiries</b>						
Total contacts	11,442 (-31%)	9,841 (-14%)	9,923 (-1%)	9,923 (+0%)	9,923 (+0%)	9,923 (+0%)
General enquiries	8,436 (-27%)	8,592 (+2%)	7,778 (-9%)	7,778 (0%)	7,778 (0%)	7,778 (0%)
<b>New pension complaints</b>						
Overall total	6,216 (+10%)	7,280 (+17%)	6,923 (-5%)	7,961 (+15%)	8,917 (+12%)	9,987 (+12%)
<b>Closed pension complaints**</b>						
Overall total	5,221 (+8%)	7,784 (+49%)	6,634 (-15%)	7,563 (+14%)	8,130 (+7.5%)	8,740 (+7.5%)
Applications & Assessment	3,118 (+26%)	5,438 (+74%)	4,788 (-12%)	4,750 (-1%)	5,106 (+7.5%)	7,158 (+7.5%)
Early resolution	1,319 (-9%)	1,572 (+19%)	1,268 (-19%)	1,614 (+27%)	1,735 (+7.5%)	1,865 (+7.5%)
Adjudication	784 (+3%)	774 (-1%)	578 (-25%)	1,199 (+107%)	1,289 (+7.5%)	1,386 (+7.5%)

## Demand

In last year's Corporate Plan, we predicted demand to rise by 12% over the next 3 years. However, in 2023/24 actual demand was down by 5% on the previous year due primarily to the impact of the cyber incident. For example, the switch from an online application to a PDF version and our messaging concerning the impact on our services which led customers choosing to delay making their applications.

Nonetheless, the long-term trend is one of increasing demand, and increases of 12% year on year is our long-term projection. To factor for the artificially reduced year in 2023/24 we are projecting 15% growth for 2024/25 before it returns to 12%.

### New pension complaints



### Assumptions for demand

The forecasts above are based on several factors that may impact the number of complaints we receive.

- ▶ Macro-economic and social trends such as an ageing population, the 'baby boomer' generation coming to retirement age, and increasing career mobility leading to an individual holding multiple workplace pensions.
- ▶ Pensions industry developments and legislative changes can significantly influence future demand for our service, even if there is a time lag. Due to the nature of TPO's role there can be several years between activity in the wider pensions landscape and an individual becoming aware of an issue with their own pension that they wish to raise with us as a pension complaint.
- ▶ Pensions sector intelligence such as general issues with administration and complaint handling due to a stretched sector and a shortage of specialist pensions skills in the recruitment market.

Some of the developments that may impact our service are briefly summarised below.

### Automatic enrolment

The introduction of automatic enrolment has contributed to more than 10 million additional people enrolling in a workplace pension scheme. This has significantly increased the number of people who could potentially bring a pension complaint to us.

There are also complaints raised that are explicitly about auto-enrolment. There are many employers who are now offering or administering pensions for the first time.

### **Pensions Dashboard**

The introduction of the new Pensions Dashboard will raise pensions awareness and enable individuals to scrutinise their pension arrangements. This has been pushed back and will now be delivered in 2026. We expect that schemes are likely to discover issues in getting their data ready to publish on dashboards and we also expect that access to dashboards will lead to more people identifying issues earlier.

### **Pensions freedoms and transfers**

The expanded options to transfer/drawdown pensions from the age of 55 rather than traditional pension age (introduced in April 2015), has meant the number of people moving into retirement earlier has risen. This led to a considerable increase, which still continues today, in general transfer related issues as the main topic that people bring to us as a pension complaint.

In addition, the Pension Schemes Act 2021 and the Conditions for Transfers Regulations impose additional conditions on a member's statutory right to transfer accrued pension rights to another scheme. While this may reduce the number of pension scam transfers, it is also likely to lead to an increase in members' complaints to us that trustees have, in their opinion, wrongly blocked their transfer.

### **TPR focus on underperforming schemes**

TPR is encouraging smaller schemes that do not demonstrate value for members to be wound up. Scheme buy ins and buy outs and schemes winding up often identify issues that can give rise to complaints.

### **Recent Court judgments that may have implications for TPO**

- ▶ The McCloud case upheld allegations of age discrimination which has implications for many public sector schemes. The implementation of the McCloud judgment may drive an increase in cases regarding immediate detriment and in due course, claims that the remedy is insufficient.
- ▶ GMP equalisation following the Lloyds Bank Cases 2018/2020 High Court judgments. Trustees are still making changes stemming from these cases and we anticipate that these may result in challenges and pension complaints, especially where a person has transferred from another scheme in the past.



## Scams

Scams continue to be a major issue, especially with the current economic climate. We are working with partners to improve the sharing of data, intelligence and to consolidate collaborative working across the industry, law enforcement and regulatory partners. Though we do not get significant volumes of complaints about scams, the cases we do receive are often extremely complex and resource intensive.

## Operational Impact

There are also operational levers that we can pull to affect demand on our services.

Including:

- ▶ Effective communication through the pre application stages of the customer journey so that we receive fewer enquiries and 'invalid' applications.
- ▶ Working with the pensions and regulatory sector to ensure complaints are appropriately signposted to the best people to resolve them.
- ▶ Providing training and guidance to improve administration and complaint handling within the industry.

## Pension Protection Fund Ombudsman (PPFO)

We continue to receive a small, but steady number of PPFO cases each year. These are identified early and treated separately to standard TPO work. We had 21 open PPFO cases as of 31 March 2024, which is an acceptable level. We continue to maintain our PPFO case capacity at a level that ensures we can meet any unforeseen increase in demand.

## Our key performance indicators for 2024/25

As reported above – our KPI performance last year was impacted by the cyber incident.

To ensure we effectively track our performance across a whole reporting year and to support our stabilisation, we are rolling forward the majority of the KPIs from the previous year. The KPIs support our broader ambitions set out in the Operating Model review. We acknowledge that these are stretching long term targets, but they are necessary to track progress against our ambition of reducing waiting times to a more sustainable level.

KPI	KPI Measures
<b>Corporate Strategic Goal:</b> Provide a customer-focused service for resolution of occupational and personal pension complaints.	
Effectively use our resources to deliver a high-quality output.	<ul style="list-style-type: none"> <li>• % of total General Enquiries responded to within 28 days of first contact is above <b>90%</b></li> <li>• Average number of pension complaint closures per month is above <b>630</b></li> <li>• Average overall scores from the Quality Assurance Framework are above <b>85%</b></li> </ul>
Deliver a balanced service to customers at all stages in our pension complaint process.	<ul style="list-style-type: none"> <li>• % of total pension complaints closed within 9 months from valid application is above <b>35%</b></li> <li>• % of total pension complaints closed within 18 months from valid application is above <b>65%</b></li> <li>• Reduce total number of active pension complaints aged over 18 months by <b>25%</b></li> </ul>
Improve customer satisfaction and meet customers' expectations.	<ul style="list-style-type: none"> <li>• Average Customer Survey score for providing a good service is above <b>60%</b></li> <li>• Average Customer Survey score for providing clear decisions is above <b>65%</b></li> <li>• Average Customer Survey score for providing clear information is above <b>70%</b></li> </ul>
<b>Corporate Strategic Goal:</b> Transforming and improving our services and processes	
Staff Satisfaction	<ul style="list-style-type: none"> <li>• Annual staff survey engagement score at or above the average of previous staff survey engagement scores</li> <li>• Annualised staff sickness rate (all types) – at or below the Civil Service Rate</li> </ul>

# 4. Finance



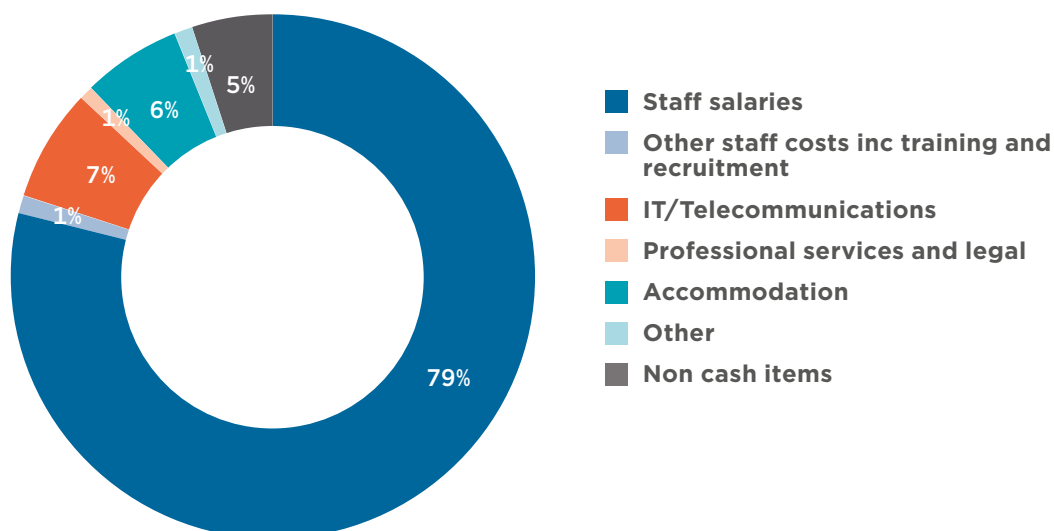
# Resource allocation

Our funding is set by our sponsoring department, DWP. The agreed business-as-usual budget for 2024/25 is **£12.13 million** (this includes funding for the PDU, which is due to come to an end in 2025). We set a balanced budget with staffing costs equating to 79% of our total expenditure.

	2022/23 Spend	2023/24 spend	2024/25 Forecast spend
	£'000	£'000	£'000
Staff salaries	8,824	10,201	9,626
Other staff costs inc training and recruitment	240	167	132
IT/Telecommunications	593	1,064	916
Professional services	97	3,407	115
Legal costs	143	589	15
Accommodation	309	419	680
Other	222	460	145
Total operating costs	10,428	16,307	11,629
Non cash items	395	575	500
<b>Total comprehensive expenditure</b>	<b>10,823</b>	<b>16,882*</b>	<b>12,129</b>

\* In 2023/24 the organisation incurred net expenditure of £16.82 million. The increase in expenditure from £10,823,000 in 2023/23 is due to the cyber incident.

## 2024/25 spend £'000





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