House of Commons

Public Accounts Committee

Oral evidence: Civil service pensions, HC 888

Thursday 26 March 2026

Ordered by the House of Commons to be published on 26 March 2026.

Watch the meeting

Members present: Sir Geoffrey Clifton-Brown (Chair); Mr Clive Betts; Anna Dixon; Rachel Gilmour; Catherine McKinnell.

Member of Public Administration and Constitutional Affairs Committee present: Charlotte Cane.

Adrian Jenner, Director of Parliamentary Relations, National Audit Office, Lee Summerfield, Director, National Audit Office, Max Tse, Director, National Audit Office and Edward Pinney, Alternate Treasury Officer of Accounts, HM Treasury, were in attendance.

Questions 208-360

Witnesses

I: Chris Clements, Managing Director, Capita Pension Solutions and Richard Holroyd, CEO, Public Services at Capita.

HOUSE OF COMMONS

Report by the Comptroller and Auditor General

Investigation into the administration of the Civil Service Pension Scheme (HC951)

Examination of Witnesses

Witnesses: Richard Holroyd and Chris Clements.

Chair: Welcome to the Public Accounts Committee on Thursday 26 March 2026. Before we start questions, I want to be clear that what has happened with the transfer and the early administration of the civil service pension scheme by Capita is unacceptable. Notwithstanding that, you are appearing here today, as you did on 12 February, and we thank you very much for that. It has not been difficult to secure your appearance, you have been forthcoming, we have requested some information from you, and you are facing up to your responsibilities. We thank you for that.

That having been said, as you would expect, our scrutiny will be robust and challenging but fair. We must remember that the Cabinet Office and MyCSP, respectively, are also responsible for the scheme and its current state. Last month we heard evidence from you both about the ongoing issues with the scheme. You told us that the previous administrator, MyCSP, had left you with a large backlog of outstanding work, the size and complexity of which was unexpected and the main reason for service failings. We have also learned through correspondence that hardship loans have been arranged to support civil servants who have been left in financial difficulty as a result of failings in the administration of the scheme. Today, we will look to further determine what action you are taking to address the issues of retiring civil servants who have been experiencing problems in accessing their pensions.

Many scheme members have been left struggling to make ends meet, causing them difficult ongoing stress and anxiety. I sincerely thank every individual who has taken the time to write to the Committee on this issue; it has greatly helped our scrutiny of the whole matter. Although we cannot assist with individual cases, the Committee is committed to the ongoing scrutiny of this failing contract. Today we hope to get further answers from you both about what has been done to put things right.

Without any further ado would you please introduce yourselves?

Richard Holroyd: Good morning, my name is Richard Holroyd. I am the chief executive officer of Capita public service division.

Chris Clements: My name is Chris Clements. I am the managing director of Capita Pension Solutions.

Q208 **Chair:** Before I move on, I extend a warm welcome to the Committee's guest member, Charlotte Cane, who joins us from the Public Administration and Constitutional Affairs Committee, which has also been doing quite a lot of work on this matter, including taking evidence recently from Cat Little.

I would like to start with you, Richard. I am anxious to explore, as we did in the last hearing, what you knew and what you were doing about it before 1 December. In her latest letter, which we published yesterday and which I assume you have seen, Cat Little makes it very clear that "Both the Cabinet Office and Capita knew that the volume of work in progress transferred by MyCSP would exceed the assumed 37,300 cases, and Capita was specifically instructed in July 2025 to prepare for volumes of up to 100,000" cases. In your view, is that correct?

Richard Holroyd: Can I start with an apology?

Chair: Yes, of course.

Richard Holroyd: I think it is important to do that, before all else. I came to the Committee on 12 February and I apologised then for the quality of the service being delivered to members of the civil service pension scheme. I reiterate that apology. The standard of service, although improving—I will cover some of that in a moment—is still not what members deserve, particularly after their length of service to this country, and is not the standard that we aspire to and should deliver. We apologise. It remains the number one priority for Capita plc to restore service.

Before I answer in more detail the question about what we did and did not know, I want to focus for a moment on the stabilisation of the service, which is ongoing. Since the last session, we have focused on stabilising the service and reducing the backlog of cases. Since 1 December we have cleared and closed 145,000 cases. Over the past month, we have cleared the most acute member risks. Death in service and ill health processing are back to normal levels, with priority cases triaged daily with our HMRC and civil service colleagues, and routed for immediate action where necessary. Lump sums are back on track and we are working through remaining retirement cases to return to steady state. Contact centre performance has returned to normal levels, with core answer times and service levels improving markedly. We will maintain surge cover to keep performance stable as the underlying volumes ease.

We have cleared all 15,000 of the unread emails that we inherited—I misspoke when I was last before the Committee, but I think we have corrected it since: it was 15,000 emails, not 16,000—and finalised the allocation of the remaining items into member records. The surge capacity provided by us and HMRC, with the second permanent secretary of HMRC leading it, continues in place, clearing front, middle and back-office processes. We have a clear recovery plan to restore contractual performance levels and clear the backlog, which has been signed off and agreed jointly with the Cabinet Office. Although challenges remain, we are seeing progress and expect services to improve in the coming months.

Chris will take us through some detail on the context to the backlog, which you referred to. I have read the letter from the Cabinet Office permanent secretary, and we recognise the 100,000 number that was given in May. The numbers on that varied, and we have those in detailed lists, but it was certainly higher than the 37,000 that we expected in the initial backlog. The issue is about the context of the backlog and the age and complexity of the cases. As I am sure the Committee will understand, a case about a change of address takes 15 minutes to sort out, whereas a death in service or a complex scheme where somebody has split service can take up to 15 hours. The issue was the depth and context of the cases we inherited, and we inherited several hundred cases that were highly complex and had been outstanding for some time.

Chris Clements: I would like to add my apology to any member who has had to wait longer than is reasonable to expect. The length of waits is a key part of the context of the backlog that we inherited. As we have discussed, we inherited 89,000 cases on 1 December, 13,000 of which had been waiting for more than a year.

To give you some context, as I discussed during my previous appearance before the Committee, I run 250 pension schemes across the public and private sector. When we were told of the 100,000 number referred to in Cat's letter, we planned on it being a normal but large work in progress. To explain what that means, a normal work in progress would be four or five days of work on the operation; a large work in progress might be two or three weeks of working through that backlog, but no individual case would be older than a month. You would do the first in first, and keep that churning through. That is what we planned on and the resource that we scaled up—if you remember, we recruited 180 additional staff—to deal with that.

However, when we received the detail on taking over, started to open the cases and see the age range of them, and combined that with the calls that we were receiving, we realised that these were much, much older than expected. With an old case, the level of emotion attached to it and the speed with which you have to deal with it are much higher. We surged so that we could deal with the cases faster, rather than on a first-in-first-out churn basis, as we had to deal with these 13,000 very old cases.

In the first week of operation, we expected 7,000 or 8,000 phone calls. We received 25,000, with over 17% telling us that they had been told to go away and call back once Capita had taken over. We experienced not just the official cases that were more complex and older, so had higher emotional content for members who had been waiting for so long, but unrecorded cases because members who had called previously had been told to call back. The issue was not just the absolute number of cases, but their nature and content.

Q209 **Chair:** Thank you both for your apologies. I am sure that those listening to this will appreciate that, although they would appreciate more us getting their problems sorted out.

In the next line of her letter, Cat Little states: "Capita were required to carry out a discovery phase with the previous provider, where they had the opportunity to ask questions about all aspects of the work in progress levels and prepare for taking over the service." We covered this last time. Presumably, when you started that discovery phase you were asking questions in writing, so there will be a written trail as to what you did and did not ask. For now, can you briefly tell us what you asked and found? It is all very well saying that the context, age and complexity of cases were larger than expected, but I would have thought that you might have discovered some of that during the discovery phase.

Chris Clements: We asked in writing for the details of the quantity, nature, age and description of the cases. We were given a number of different downloads—a number of different lists. Each of those lists contained different information, none of which was exactly what we had asked for, and we continued to go back and ask for additional information. It was not until we saw the actual cases at go live that we saw the true age of what was there. We wrote to the Cabinet Office 10 December informing them that what we had discovered in the real backlog was different from what had been described to us, and that that was going to mean that we had to surge additional staff and take additional measures to deal with it.

Q210 **Chair:** Nevertheless, surely that discovery phase would have told you. Chris, you quote the huge number of pension schemes that you run and said you made some standard assumptions, one of which was that were you going to take over 37,500 cases, but you had been warned about its being 100,000. You might have got slightly different information, but even the information you got, surely, with all your experience, must have begun to tell you that something had gone seriously wrong here, and that it was going to need serious operations with a staff surge and everything else to put it right?

Chris Clements: Absolutely. We took all of the information that we had received on the quantity of cases and took the assumption that it was a normal but large work in progress—that is, that they were current cases that were being worked on and not cases that had been left for a long time. We built a model to work out the exact staffing that we would need to deal with that in a timeframe that made sense, plus the staffing we would need to deal with the onboarding challenge. That is why when we TUPE'd 330 staff and transferred them from MyCSP, we hired an additional 180 staff on go live.

That modelling and plan assumed that those cases were a normal work in progress, where we would just be able to work through them as we went. However, because they were older and much more urgent than they would have been if they were only 15 or 20 days old, we had to bring in the surge staff. In addition, we had not expected the pent-up demand of people who had been told to call back or had not submitted a case because they knew that the service was in distress. It was those pent-up demands, plus the work in progress and age which meant that our extra 180 staff were not sufficient and we had to surge the additional staff.

Q211 **Chair:** I am still not satisfied that I understand the full complexity of what you did or did not know, and we may well come back to that. I am very anxious to get on to present cases, but I have one more fundamental question. Knowing all that you knew, it seems that your IT systems were not all up and running 1 December—or if they were, they were nowhere near tailored to reach the number and complexity of the cases that you had. Cat Little says that you did not deliver the full levels of IT automation and portal functionality at go live on 1 December.

Chris Clements: In conjunction with the Cabinet Office, before go live we agreed to split the functionality between 1 December and the end of March. There were two releases of functionality: 1 December and the end of March. The combined releases give the full functionality that was promised as part of the procurement. The functionality that we went live with on 1 December was everything needed to administer a pension scheme. What happened then is that we had some teething problems and difficulties with scaling, technology and line availability. They were quickly rectified and we worked through. There are features that we now have successfully gone live with, or are going live with this weekend, to provide all the original features, in the original plan. That split between 1 December and the end of March was agreed with the Cabinet Office before go-live.

Chair: We will come on to some of that in a minute. For now, we will move on from the past to the present, and I am going to bring in Clive Betts.

Q212 **Mr Betts:** Can you tell us what the state of play is with work in progress—not just overall numbers, but how many people have been waiting for more than a month or more than two months?

Richard Holroyd: Certainly. We have lots of data we can take you through.

Chris Clements: I will start, if I may, with member inquiries. We have answered over 100,000 phone calls since we went live. In the last two weeks, for all the priority calls, the average waiting time has been less than 20 seconds; for all the calls, it has been less than 100 seconds. We have now had—

Q213 **Mr Betts:** I will come on to the call centre in a minute; there are some more questions. This question is about the number of cases.

Chris Clements: On the 89,000 cases we inherited, as we promised we have focused on ensuring that everyone who had a quote got their lump sum. We have paid 7,782 lump sums, 165 of which had been waiting for more than a year on 1 December. We have dealt with all the deaths in service and ill health cases, as we discussed.

In totality, there are 140,000 open cases today. Forty thousand of those are general inquiries such as simple amendments to addresses or records, which we have deprioritised so that we can focus on getting out the payments. We have also made sure that we have not closed cases where we got someone a first payment. We have made sure that every single person who was able to get an initial payment got an initial payment, and then paused the case, not closed it. We have written to them to explain that we will then go back and put them in receipt of their normal pension in April. Of the 140,000 cases that are open, 40,000 are general inquiries that we are not looking at, around 15,000 are part worked on, and the rest are lower priority cases. We are focused on those priority cases first.

Q214 **Mr Betts:** Let's have a look at one or two individual cases, shall we? I have been talking to the Civil Service Pensioners Alliance, whom I give great credit for the work they have done in being the port of call for many very distressed people who just don't know where to turn. They are getting sensible, proper advice from them, which is really helpful.

You are talking about priority cases and part dealing with cases. If people got only part of the money, they are likely still to be in hardship. I accept that the cases that I am going to cite to you go back to MyCSP and arose prior to your taking over, but they are still people and this is what matters. We are talking about individuals not having the money they need to live off.

James Fenny is a solicitor up in Darlington, at the Ministry of Justice. In October, tragically, he was given an end-of-life prognosis, so obviously he had not got that long to live and wanted his pension for the remaining part of his life. He did not get any money until you took over. Then he finally got some payments for his pension, going back to November and December, on 10 February, so you might think you dealt with that one quickly. He got payments then, but why haven't you paid for January and February? He is struggling. He hasn't got the money. He is having to borrow off family and friends. He keeps phoning you up and all he gets told is, "The case will be escalated." Apparently, that phrase is quite often used in your call centres; we may come back to that. "The case will be escalated." I don't know whom it has been escalated to, because the escalation has not worked. He still hasn't got those pension payments.

Anna Dixon: And he is dying.

Chris Clements: As I said, I am very sorry for everyone who is waiting for pensions that they have earned. As you will understand, it is very difficult for me to comment on a specific case here. We will write to you regarding the specific details. But as your question highlights, what we are doing is ensuring where we can that everyone gets a lump sum and is able to access hardship loans. We are now getting those people into receipt of their normal payments, and in April we will make sure that all those pensioners who are in a situation like you have described are then in receipt of their recurring normal payment. By the end of April, everyone will be—

Q215 **Mr Betts:** That is another month this man is going to have to wait without his pension.

Rachel Gilmour: He's dying.

Mr Betts: Come on! I think you can be a bit quicker than that in this case.

Chris Clements: Absolutely we will look into this case in detail.

Q216 **Chair:** When you appeared before us last, you differentiated the severity of cases; the most severe were those people who told you that they were either waiting for a lump-sum payment because somebody had died or who were, sadly, in the latter stages of life. That was back in February. Why weren't these sorts of cases picked up?

Richard Holroyd: As Chris is demonstrating, and in cases such as the one you described—a tragic case, which we recognise completely, and the service is not acceptable—we have picked up the initial payment and that payment has been made; then, once we have paid that initial payment, they go on to the list with all the others in the same position, and we are moving through that list as fast as we can to make payments. Your point is totally accepted, though; that process is not fast enough. We are putting all the resources we can into clearing as many of them as we possibly can. We are in receipt of similar emails. I know it is a very frustrating response when the frontline team say, "We are escalating it," but they do, and we are, on a daily basis, clearing off those cases.

This goes back to the complexity of some of those cases, which I referred to: working out the final lump sum due can be quite complex because of split service, length of service, and requirements to get data from employers so that that can be fed in. That is the difficulty. I would point out that, with the support of the second permanent secretary, Angela MacDonald, we have been working really hard with the Departments of State to get that information as fast as we can and turn it around.

Q217 **Mr Betts:** Okay. Some of this may be complicated, but this man had had two pension payments, so you had already done the calculations in that case. It is not difficult to pay him again for the next two months, really, is it? And you talk about priority cases; what is more of a priority than this case?

Richard Holroyd: I agree, although without being able to see the precise details—I am not disagreeing; I am just saying that—

Mr Betts: I suggest that you look at them when you go back to your office at the end of the session.

Richard Holroyd: We absolutely will.

Q218 **Mr Betts:** Right. Widows' pensions: they apparently are not a priority—not on the list that you have given us. I have two very similar cases here: both Mrs Solanki's and Virginia West's husbands or partners died, and they both became entitled to widow's pensions in October—again, before you took over; I accept that. Since then, they have made numerous telephone calls—with long wait times, as we all know—trying to find out what is happening. We are now in March. They were entitled to pensions from last October and no payments have been made. These are two widowed ladies struggling financially, but again, they apparently are not a priority either, are they?

Chris Clements: Again, we apologise to everybody who has had to wait. They are a priority, and, again, if you pass us the details, we will look into those specific cases. We are getting all of the widows' pensions and other bereavement payments transacted as fast as possible.

Mr Betts: What does "as fast as possible" mean? Do you have a date, please—a deadline?

Chris Clements: By the end of April.

Mr Betts: By the end of April? You can look at cases more quickly, can you, when these have been outstanding since October last year?

Chris Clements: Yes, and there are cases that have been outstanding even longer than that, but pass us those and we will look at them.

Q219 **Mr Betts:** You say you cannot talk about individual cases, and I get that you do not have that immediate information, but what the Civil Service Pensioners Alliance are saying to me is that these are just examples of similar cases that are coming to them over and over again. Perhaps some people do not want to have their names read out in public—they feel that is difficult for them to do. These are people who are prepared to have their names read out to you, in very difficult circumstances, because they are so frustrated; I know that other people are as well.

Richard Holroyd: Again, absolutely, we see that, because we read the emails and escalations on a daily basis. We receive them personally, and I read all of them. I am responding personally to each of them, and we are putting them into the escalation process.

What we are talking about goes back to what we inherited. The volumes are large. We are deprioritising all things that could be described as, though still important, administrative issues. When I receive written complaints from people asking for their tax code to be adjusted, we are saying, "That's very important to you and we recognise that, but right now we are trying to pay people who have suffered bereavement and make sure that we put them at the top of the pile."

Q220 **Mr Betts:** Why were these never mentioned as a priority before? Widows were never mentioned as a priority.

Richard Holroyd: I think we mentioned them under the category of bereavements, and that is how we understand that category. Somebody who is bereaved is entitled to a pension, and that has been in the priority list.

Q221 **Mr Betts:** So it takes five months for priorities to not get resolved.

Richard Holroyd: I cannot dispute the point: it is taking five months, and it should not. We recognise the cases you read out of people in the backlog, and we have met and listened to some people outside today who are in a similar position. We absolutely hear it and we are driving as hard as we can. The volume of cases that we are able to process is increasing daily.

Q222 **Mr Betts:** So all these bereavement cases will get paid by the end of April.

Richard Holroyd: That is the plan right now.

Q223 **Mr Betts:** I did not talk about what the plan was; I was explaining what happened.

Richard Holroyd: No, but as you can imagine, we have committed to the plan. We have a plan that is running and working, and, as the permanent secretary, Cat Little, says in her letter, the joint plan with the Cabinet Office is working. It is being done in sprints, each of which is landing exactly the outcomes that we set out in the first place, and it continues to deliver.

Q224 **Mr Betts:** I will give you one more case from another group of people: McCloud cases. I think part of the agreement was that you would not take on board new McCloud cases, but some were outstanding from MyCSP, and there were cases where a person had applied and been accepted before you took over.

Christopher Whitman had his case accepted, as the forms had been sent in and acknowledged. The issue of "immediate choice" option forms was then suspended, but his case was already in the system. It was back in August that he received confirmation that the option form had been received.

Chris Clements: As we said in our written response to you, because we focused on the highest priority cases, as was agreed with the Cabinet Office, the entire functioning of the service will not be back to normal until June. McCloud and other such cases are in the backlog and the inherited case list, and we are going through and doing every one of those cases in the priority order that we agreed with the Cabinet Office.

Q225 **Mr Betts:** But that is eight months in receiving his remedy lump sum, just not the pension. We are talking about lump sums—it was eight months.

Richard Holroyd: Yes. The prioritisation of the cases is done in conjunction with the Cabinet Office. I am not saying that it is a Cabinet Office decision, but we have done it in partnership and are prioritising on that basis. In some cases, people who have an outstanding McCloud remedy case are lower down the priority order than the bereavement, the death in service and the hardship cases.

Q226 **Mr Betts:** Apparently 400 cases like Mr Whitman's are "on hold", although they do not know what that means. They have been told that it is a "work in progress".

Richard Holroyd: Which it is.

Q227 **Mr Betts:** It seems as though there is no work in progress at this stage on these schemes.

Richard Holroyd: Forgive me, "work in progress" refers to cases that have been opened—as that one clearly has—and are not yet closed. That would be the technical term.

Q228 **Mr Betts:** But you are not doing anything with these cases at present.

Richard Holroyd: As I said a moment ago, we are prioritising.

Q229 **Mr Betts:** I did not ask you about the other cases but about these cases—you are not doing anything with them.

Chris Clements: They are already in receipt of a pension—already in receipt of money. We are, as agreed, first prioritising those people who have waited years and have got nothing.

Q230 **Mr Betts:** So you are doing nothing with cases such as Mr Whitman's. You can just say "no"; let's at least be honest with people.

Richard Holroyd: From the detail you are giving us right now, and from the prioritisation, the answer is that I think we are not prioritising that case through right now because, from the details you have provided, he is in receipt of a pension.

Q231 **Mr Betts:** The language seems to get changed. Your idea of "not prioritising" actually means you are doing nothing with it.

Richard Holroyd: Yes.

Q232 **Mr Betts:** So it will be June before these cases are dealt with—these cases will be processed by June.

Chris Clements: By June we will be under normal service.

Q233 **Mr Betts:** Can we have a straight answer? Will these cases be prioritised and dealt with by June?

Chris Clements: Yes.

Q234 **Chair:** During that discourse, Richard, you said that on a daily basis you are answering cases that have been escalated to you. That is presumably after Chris's team has gone through the whole lot. How many are escalated to you each day?

Richard Holroyd: It varies. Sometimes it is two cases, sometimes four. They do not, by the way, go through others first. The members of the civil service pension scheme have quite rightly identified an email address of the CEO to write to and therefore they often write directly to me. Usually they have been through our front office team first, and therefore they write directly to me as an escalation. Some have been through others too, and we go through regular reviews of the triage to see where we are.

As I think we have been demonstrating, this is about the sheer volume. Chris gave you the volume, the number of cases that we have that are waiting to be dealt with, or are being dealt with—I am trying not to use technical terms such as "work in progress". That is where we are.

Q235 **Chair:** Two does not seem very many, considering the really serious cases that are out there, as Clive outlined, some of which are being dealt with in part and some of which are not. Presumably you are receiving data on a daily basis on all these categories—yes?

Richard Holroyd: Yes, we are.

Chair: No, not "we", you.

Richard Holroyd: Yes, I get a copy of the daily dashboard for all the performance, from the speed of answering in a call centre to wait times and to cases being done. I am going to correct. You asked me how many I am getting now. It is two to four a day. Previously, back in January, I was getting many more than that.

Q236 **Chair:** What does "many more" mean?

Richard Holroyd: On some days I was getting eight to 10 cases. The members of the civil service pension scheme are as aware of what processes to use as good professionals would be. I recognise that they are writing to me, to the group CEO and to Chris, as the managing director. The ones that land with me personally are not necessarily reflective of a trend. I am referring to the fact that I see some directly because they write to me directly.

Q237 **Chair:** Between two and eight—that still does not seem a lot when there are all these really serious cases out there. Given the numbers that are out there and the numbers you have given us, I would have expected you to be seeing many more, even if they are filtered by Chris's department.

Richard Holroyd: If we were to give you the number of escalations and complaints that we are getting, as opposed to the ones coming to me directly, that would give you a better feel.

Q238 **Chair:** Perhaps we could have a note of the numbers of complaints you are getting every day, the trends and all of that.

Richard Holroyd: Yes, we have all that.

Chair: We would like to see that.

Q239 **Anna Dixon:** I declare an interest: I have a small civil service pension from the time I worked at the Department of Health. You ran through a lot of figures at the top of the session about what you are dealing with. One of our significant concerns, which was raised in February, was that according to the Cabinet Office there were 8,500 members who had retired but had either not received any pension or not received their full pension entitlement. How many of those are still waiting?

Chris Clements: We have paid out 7,782 lump sums. We have written back to the member or Department to ask for additional information on 860 people because we do not currently have enough information to pay them a lump sum. We are now moving the people who have had the lump sum into retirement, as we have just discussed.

Q240 **Anna Dixon:** Is there any chance that that is an underestimate? Clive gave some very clear cases, and one of my constituents has been waiting. These are the cases you described as more aged and complex than you were expecting who have been trying to access pensions since May 2025—again, I realise that was before you took this on. They had poor experiences being cut off trying to contact your service. The last contact they had with MyCSP was being given an incorrect CSP quote, and they have never been issued with a new one. Is that sort of case among the remaining ones or is there an iceberg below the tip of the 8,000 people you were aware of who may still be sitting there and not even in your system?

Chris Clements: They are in the system. There are people who have requested a quote. We are getting to quotes. Once they have a quote, they will be put in for the lump sum. The hardship program is available to those people. We are currently working through the quotes we inherited and making sure that all the people in that situation get their quote.

Q241 **Anna Dixon:** How many of those do you think there are additionally?

Chris Clements: We have issued 2,500 quotes for people who asked for a quote beforehand. There are around another 5,000 quotes.

Q242 **Anna Dixon:** Outstanding?

Chris Clements: To be clear, many of those quotes may no longer be valid because that person did or did not retire, has changed their mind, or may have requested more than one quote. There will not be that many individuals in that number; that is just how many quotes there are on the system for us to process.

Q243 **Anna Dixon:** My constituent has been waiting since May 2025. They cannot even get through to you. They are due a quote. How confident can we be that they are in the 5,000? When will they receive the updated quote or a request for more information? They have not heard anything.

Chris Clements: The call centre is now fully functioning and answering the calls.

Anna Dixon: We will come on to that.

Chris Clements: If they called and asked, they would get that information. If they register for the portal, they will also be able to access the information. If you pass me their details, I will look at their case personally.

Q244 **Anna Dixon:** I can do that. That is part of the problem. They get passed around. They are told to set up an account and go online but cannot. Then they call, and they get switched between the two. I will not go any further. In addition to the 8,500 cases—it seems that you have dealt with the majority, with 860 remaining—you are effectively saying that below the surface there are potentially up to 5,000 quotes outstanding. Those could be quite historical cases where people have not even received a quote and therefore are not even in the system to get payments in April, June or whenever you get back on track.

When you say that you expect everyone to have received their full pension entitlements and be back to normal by June, does that include the backlog of an extra 5,000 that I have just heard about?

Chris Clements: To be clear, we will be in a normal service whereby any task that we are asked to do or step we are asked to take will be taken in the normal agreed timeline. Some of the journeys of getting into retirement that you have just described are very complicated and take a large number of steps. When we are in normal service, if you ask for a quote, you will receive a quote in the right number of days. If you ask to be retired, you will get your payment within the right number of days. We will be able to put you through that process at the correct speed.

Q245 **Anna Dixon:** For new people. What about the other people?

Chris Clements: If they are halfway through the process, we will be able to take them through the remaining steps of that process at the normal speed. This is when I talked about partly closed cases earlier. When we are going through it, we are trying to find the people who have been stuck for a long time, maybe halfway through a process, and getting them some money as fast as possible and getting them through the rest of the steps. These steps are all about making sure that the very complicated rules of the scheme are followed, and that everyone gets all the money they deserve for their service in the civil service.

We are trying to get the service back to a stage where every step can be done in the correct timeline, but also make sure that the people who have waited a long time to get halfway—or whatever percentage they are through their journey—get some money as fast as possible.

Q246 **Anna Dixon:** I feel like there is a slight contradiction in the responses. I have a McCloud case similar to the one that Clive put forward, and it does not sound like these cases are going to get their payments by June. They are just going to have a normal level of service by June.

Richard Holroyd: I think it is worth differentiating at this point, because I accept that it sounds confusing. By the end of June, we will have this service running normally—that would mean a normal level of work in progress.

The intention is to have cleared the backlog, because we are clearly getting new cases in right now, and because we are prioritising complex then old. The complex cases and the ones with high priority—the bereavements we have been talking about and so on—we are eating our way through. We are then getting to the people who, quite rightly, are very upset with us because we are not getting to their cases, as they are not quite at the top of the priority list, and we are eating through them. Then, when we get to the end of June, we should be at the point where we have normal work in progress.

As Chris has referenced, this is a very complex scheme, with lots of members with split service, who have worked in different Departments of State. Therefore, when we compile information to give a quote, we have to go to those Departments of State to get information. We need to get more information from the member, because we have the scheme details. We then work with the Department of State to get the rest of the details that we require to provide a quote. The work done hand in glove with the team led by Angela MacDonald has been so important to help us speed that process through with the various Departments of State and to clarify and simplify the processes.

Since we were last here, we have launched another set of functionalities, so now we have an ability that has just gone live for the first time ever. For the people who have what we call split pensions, because they had split service, we will be able to see live on a portal their two pensions and bring them together to get a quote. That has just gone live. That has never been available before; they could only ever see one pension number, then they had to go through a manual process to get the other one. That is helping us clear through some of the complex elements of the backlog. The track my case process has gone live. It has basic functionality in it, but it enables people to see where they are in the process—has their case been opened? Is it being worked on? Is it being closed?

As the permanent secretary at the Cabinet Office referred to earlier, we agreed a level of functionality that we would go live with. They had some teething problems with that—

Anna Dixon: Yes, we heard that before.

Richard Holroyd: It is just important to note that we are chewing through faster and faster.

Chair: We have got a lot to cover. Are we done, Anna?

Anna Dixon: I just observe the complexity being described should be usual business. That is nothing to do with the handover from MyCSP. It is just how civil service pensions work.

Chair: Charlotte, we are very pleased to have you as a guest from PACAC.

Q247 **Charlotte Cane:** Thank you for letting me guest today. I need to declare an interest; I am also a civil service pensioner, a retired member of the FDA, and indeed, a member of the Civil Service Pensioners Alliance.

My first group of questions is about the telephone answering service. We have heard of the problems that people are having—inevitably, they are trying to ring to find out what is going on. Mr Clements, at the last session, you said you would be meeting the service level expectations of answering 80% of calls within 30 seconds by the end of February. Have you achieved that?

Chris Clements: In the last two weeks we have answered 72% of calls within 30 seconds, so we have not achieved the 80%, but it is on an upward trajectory. Three out of five days we achieve the 80%.

Q248 **Charlotte Cane:** You said that the average wait time for people with a general query, not one of your priorities, is less than 100 seconds.

Chris Clements: The average wait time for all calls is 101 seconds.

Q249 **Charlotte Cane:** When does the wait time start from? Calls start with the instruction, "If your call is about X, press number 1," so is the 100 seconds measured from when they get through to that, or from when they are speaking to a person?

Chris Clements: It is from when they finish entering the option to when they speak to a person.

Q250 **Charlotte Cane:** So it is 100 seconds until they speak to a person, and for the higher priority lines it is less than 20 seconds before they speak to a person.

Chris Clements: Correct.

Q251 **Charlotte Cane:** Are you also measuring how many calls are dropped?

Chris Clements: We are running in the high 90s—most days it is a 98% answer rate, which is normal for a call centre of this nature. Calls dropped are at 2% or less.

Q252 **Charlotte Cane:** Once somebody is answered, are any of those calls dropped partway through—do you measure that?

Chris Clements: Partway through the call—we do measure that, but I do not have the figure in front of me. I can write to you with that figure. That is when someone has already answered, and then the call cuts.

Q253 **Charlotte Cane:** They are speaking to a person and then the call gets cut off.

Chris Clements: We do measure that, but I do not have that information in front of me.

Q254 **Charlotte Cane:** It would be interesting to see that, and to see the trend. The suspicious person in me thinks that, when you have a KPI, there is a temptation to drop calls so that you can answer calls within the required time.

Chris Clements: We would not ever do that or have a policy of doing that. If there is a technical reason or a problem with the mobile phone signal, it would drop, and that is why we measure it, but we would never have a policy to do that. That would not be the way to run a call centre.

Q255 **Charlotte Cane:** I am not suggesting there would be a policy, but it is a behaviour that has been found on lots of other KPIs.

Richard Holroyd: Prior to working for Capita, I worked in utilities with large call centres, and I understand what you are describing. There is no incentive here whatever for our staff to do that. The incentive is actually the other way around, which is to keep the caller on the line and therefore resolve the case. One of the things that I have to call out about the team that we inherited from MyCPS on TUPE is that they are domain experts with huge passion for this subject. When we go and sit with them, their knowledge is superb and their commitment to the pensioners is huge. But we will give you the details.

Q256 **Charlotte Cane:** That is good to hear, but I would like to see the figures. As you know, at PACAC there was discussion of insensitive call handling. I understand from the media that you consider the particular case that was raised to have been during MyCSP rather than Capita. Could you talk us through the sort of training you are giving people to ensure that they are handling these cases, because as we have heard, some of the callers must be in a very stressed state?

Richard Holroyd: I am going to take the first part of the question. As a result of getting the detail on that case, we listened to the tapes. As far as we know and believe, those words were not used. That is not suggesting that the person who made the complaint did not hear them, but we cannot find that, and we have listened through those tapes. Certainly, that would not be acceptable. I go back to the same people who transferred across, and having spent time with them, it is not in their nature. Their passion for what they do and their belief in the process is huge.

Chris Clements: First of all, any time that we receive a complaint about the content of a call, we listen back to those calls and look for lessons learned. Those lessons learned are of two types. One is specific lessons for the handler—what they said or the way they said it—and the other is lessons for us as an organisation about how we do the training and how we explain it. We then use examples and other training tools to make sure that people learn what is good and the best way to handle calls.

All of our agents receive training on the technology and on how to handle calls. They all have daily stand-ups where they are told the lines to take for anything that has happened that day, any new developments or technology that has been released, and so on. We have performance monitoring and the normal appraisal and training processes to make sure that everyone is performing in the call centre.

Q257 **Charlotte Cane:** How many complaints have you had regarding inappropriate service from call centre staff?

Chris Clements: I do not have that specific number in front of me, but I can write to you with that.

Q258 **Charlotte Cane:** What are your current customer satisfaction scores, and how are they measured?

Chris Clements: At the end of every call, we ask for customer satisfaction. Those who answer score out of 5. The scores are on an upward trajectory: they are between 1 and 2 out of 5, and they started off between nought and 1. So we are improving as we go, and we will continue to until the service is back to normal and everyone is getting the things that they need as they come. It will be very hard to have higher satisfaction scores because, quite rightly, people are asking for their information and what is going on with their case.

Richard Holroyd: I think the responses we are getting are accurate. They are telling us that our service is not at the standard, and those results are reviewed by me and the PLC board.

Q259 **Charlotte Cane:** Do you ask for this at the end of every call? How do you do that?

Chris Clements: It is part of the close-down of the call. It is automated—

Richard Holroyd: It is an automated element that says, "Please stay on the line," so it is not the agent and there is no personal pressure to go either way. It is an automatic process: "Would you stay on the call and use your keypad to punch in numbers?"

Q260 **Charlotte Cane:** Are you sure that is working correctly and consistently?

Chris Clements: I will double check that for you.

Charlotte Cane: As I mentioned, I am a civil service pensioner, so I have had the pleasure of calling those helplines. I do not remember being asked for my satisfaction, particularly on the two occasions when I was told that, even though I had been on the line for nearly two hours, the office was now closed. I certainly was not asked for my satisfaction at that point, which would have been somewhere below 1.

Richard Holroyd: It is a very good question. We will come back with the precise detail on how that process works, because I am not sure it applies to every single call we receive—certainly to a percentage of them—and also with the stages at which that bit of the technology went live, including whether it was there on 1 December. We will write to you with a full, detailed report.

Q261 **Chair:** What we want to know is not only whether it applies to all calls, but the split down of the satisfaction rates. Presumably it is rated one to five stars or some similar system.

Witnesses indicated assent.

Q262 **Chair:** Could we have a complete breakdown of the number of calls you are getting each day and the satisfaction rates, so we can see whether the number is declining—hopefully it is—and what the satisfaction is? Clearly, someone waiting two hours and being told the office is closed is going to rate you less than one star.

Q263 **Rachel Gilmour:** Is there a zero option?

Chair: We perhaps ought to have a zero option.

Chris Clements: There is.

Chair: We now move on to Catherine, followed by Anna, please.

Q264 **Catherine McKinnell:** I appreciate that this is, I would hope, your number one workstream and priority at the moment. You will appreciate that, as Members of Parliament, we are contacted on a range of issues. However, this is the second biggest issue in my constituency inbox. That is to give you a sense of how important this is to constituents and how far up the priority ladder it is. From the stories I have read from constituents—let alone the work we have done on this Committee—I know the amount of stress, inconvenience and hardship it is causing. I wanted to raise the issue of hardship and hardship loans.

From the outset, I have to say that I take issue with the "hardship" description. I will come to that and what could be done about it, but will you give us an update on how the hardship loan process is working with the Cabinet Office, and to what extent are you confident that members are receiving any financial support that they need?

Chris Clements: Absolutely. The taskforce is run by the second permanent secretary at HMRC, Angela. She runs the hardship process for all the Departments. Anyone who is a serving civil servant or has been a serving civil servant in the previous 12 months can contact their Department directly to get a hardship loan. We are not involved in that process, but if someone of that nature rings us, we direct them to the Department. Each of the Government Departments has set up their own process for that. For someone who is a deferred member who left more than 12 months ago, we look at those cases and we ensure that they are in receipt of a lump sum very quickly or that they have access to a hardship fund, if that is needed.

Catherine McKinnell: Sorry, how did you describe that? As a hardship—

Chris Clements: Loan.

Q265 **Catherine McKinnell:** How many of those loans has Capita issued to date, and what is their total value?

Chris Clements: Capita has not had to issue any to date—

Catherine McKinnell: You do not provide any of the money towards that process.

Chris Clements: Please, no. Of all the members who are more than 12 months deferred, the small number who contacted us, we looked at their cases and managed to get them a lump sum immediately.

Q266 **Catherine McKinnell:** Would you call that a loan though?

Chris Clements: No, that is not a loan.

Q267 **Catherine McKinnell:** How would you describe that? As a lump sum payment?

Chris Clements: That is how much they were owed, yes.

Q268 **Catherine McKinnell:** That requires the process to work out how much they might be owed before any of those payments are made.

Chris Clements: If they then say to us that there is a continued problem or that we cannot do that for some reason, we would do a loan, if that were needed.

Q269 **Catherine McKinnell:** Would you do that as a hardship process, in those circumstances? How do you prioritise those?

Chris Clements: We prioritise people as they describe their situation to us on the phone and as they self-identify as needing the money. If they say, "We need this money", we put them into the hardship process.

Richard Holroyd: They might say, "We have no income, we have nothing. We are expecting a pension, but have no income", but they might have left the civil service over 12 months ago—some people left the civil service some time ago, have a civil service pension, but were not in the employ of the civil service when they retired, so they might be in a position of having no income, because they were relying on their civil service pension. If they identify that to the agents, the agents will prioritise that case. As Chris described, we get them a lump sum, which is why we are not describing that as a hardship loan. That is a lump sum payment. If they have retired within the past 12 months, the Cabinet Office team picks that up and goes to the Department, and the Department pays a hardship loan in order to tide them over until we can get their pension processed.

Q270 **Catherine McKinnell:** Okay. Can you give us an update on how many of those are still outstanding, in terms of Capita members?

Chris Clements: How many loans are still outstanding?

Catherine McKinnell: Yes. How many requests for lump sum payments have not been paid yet?

Richard Holroyd: For people who left the civil service prior to 12 months ago—

Chris Clements: I do not have today's number. I will have to write to you with that specific.

Q271 **Catherine McKinnell:** Can you give us a rough estimate?

Chris Clements: It is not very many, because we prioritise those. Most people who are retiring are current civil servants, or in the past 12 months. I think in Cat's letter, she details the specific number that the Government have issued.

Q272 **Catherine McKinnell:** You are not able to give us a sense at all today of how many people might be awaiting payments still.

Richard Holroyd: For those who left the civil service over 12 months ago and are saying that they need some money, we do not have the precise number with us, but we believe it to be a very small number. We will be able to get you those numbers this afternoon, but there is not a large number requiring those. The majority of cases, which I think the permanent secretary at the Cabinet Office has identified, are coming from people who are leaving the civil service and need some money to tide them over. That is where the majority of the demand is.

Q273 **Catherine McKinnell:** This does not quite make sense to me in terms of the evidence you have given previously. The widows have been described to you, and the people who have been waiting since October. You are making it sound like a very efficient process, with people self-declaring as being in hardship and you being able to issue them with a lump sum payment. That is the impression you are creating now, but it does not make sense, when we hear the situation people are living in.

Richard Holroyd: We are answering with complete honesty the specific question you are asking. I understand what you are saying, which is that if somebody's partner was in receipt of a pension, and had been for some time, then under the bereavement process we described earlier, the widow or widower will be entitled to an element of the pension. That takes an element of calculation, as you would appreciate, and that is the bereavement process that is a priority.

I spent some time with our team in Sheffield that process this, and in some cases—to go back to their commitment—they have to elicit in the right way answers from the people calling, to try and elicit whether they are in hardship. I agree with you about the terminology: I think there is a point of pride about whether you are prepared to say, "I'm in hardship," so we never use those words.

What we are trying to get out of people is, "Do you have money?" If we ascertain that they do not, we put them into that process to make sure we can get them something. If we do not elicit that and they say that they are in need of a pension, then we follow that process through. I am not trying to obfuscate; I am trying to be clear. This is a complex area, and we are doing our best to be clear about what we are doing.

Q274 **Catherine McKinnell:** I have to say that it is not clear at all. I have some figures here that were, I believe, correct up to 23 February 2026. They say that you received 1,804 hardship cases: 798 were from active retirees in the last 12 months, 923 deferred for longer than 12 months, and 864 have had a lump sum paid. That could be the whole lump sum that they are entitled to, or it could be some of it. I have constituents who have received just some of it, but they keep being told that they have had their lump sum, which causes confusion and concern. A further 375 cases were at the quote stage, and 545 are still being handled because of potential additional information being required.

I can give you the figures up until 23 February 2026—about a month ago—so I am really surprised that you cannot give the figure to date. But I am probably more confused than I was at the start of this hearing about what your role is in this, because you are suggesting that there is no problem at the Capita end and that the problem is at the referring them for the hardship loan end. I am sorry, but what you are saying makes no sense.

Chris Clements: We are trying to make sure that we deal with all those cases as quickly as possible and that get people their money as fast as possible.

Q275 **Catherine McKinnell:** Yes, but how is that going? That is what I asked, and you are not able to give me an answer.

Chris Clements: I think we gave the answer earlier about the lump sums. We have now paid all the lump sums to people who we have the paperwork and quotes for.

Q276 **Catherine McKinnell:** Right. What do you mean by "all the paperwork and quotes"?

Chris Clements: Everyone who has a valid quote. We talked earlier about the 800 people we have written to for further information, and there are 5,000 quotes from before we took over that we are working through.

Q277 **Catherine McKinnell:** Okay. As long as all the information is correct when it comes to you, you will pay out a lump sum. But obviously that is not going to be the case for quite a lot of people. Therefore, you defer that to the Cabinet Office for a hardship loan?

Chris Clements: If they are an active civil servant or left the civil service in the last 12 months.

Q278 **Catherine McKinnell:** It is around 800 people waiting for that, did you say?

Chris Clements: No—

Richard Holroyd: No, we didn't say that.

Chris Clements: The 800 people are who we have asked for paperwork for.

Q279 **Catherine McKinnell:** That is literally what I just said to you; I said around 800 people who you are waiting to process.

Chris Clements: Sorry, but not all those people have necessarily then gone and said that they would like a loan.

Q280 **Catherine McKinnell:** Right, but if they are struggling with hardship, they may refer themselves—

Chris Clements: Yes.

Q281 **Catherine McKinnell:** Or you will refer them?

Chris Clements: We will advise them that they can—

Catherine McKinnell: You will advise them to refer themselves—

Chris Clements: That they can if they wish.

Q282 **Catherine McKinnell:** And then those who are simply waiting for a calculation—are you able to give a figure for those left with nothing in the interim?

Chris Clements: As I said earlier, there are 5,000 quotations from before we took over that we are still working through.

Catherine McKinnell: I have no further questions, but I am not massively clearer.

Chair: Nor am I. Charlotte, do you wish to come in on this?

Q283 **Charlotte Cane:** Yes, I do. We heard at the beginning about the gentleman who is terminally ill and not yet receiving regular payments, and about some widows who are not receiving them. Why are they having to come up with the magic words to ask for a loan? Why don't you automatically offer them a loan?

Chris Clements: When we talk to them, they will be informed that they can have a loan if they wish. Most people don't ask for a loan. Most people will ask to get their case processed, and most of those people we have got a lump sum to as fast as possible.

Q284 **Charlotte Cane:** I hear that, but you are not able to do it in those three cases we heard about, so why don't you simply say: "We are sorry that it is taking us so long to resolve this properly. We are working as fast as we can. In the meantime, we would like to offer you a loan"—

Rachel Gilmour: To tide you over.

Charlotte Cane: "Until we sort this out." Why are you not just offering it to them and making it, as it were, their right, because they are owed that money?

Chris Clements: We are—absolutely. We will look into exactly the wording that we are using in the context—

Q285 **Chair:** Rather than stuttering this morning—you can hear the Committee's extreme concern about this issue, particularly about the people who are recently bereaved and those who are terminally ill. I would have thought that in either case, if you have the relevant piece of paper—either the death certificate or the doctor's certificate—it would be possible to offer them an immediate loan. It would probably be less than their lump sum payment or due entitlement, but at least you would get something out there quite quickly. So could you take that away?

Witnesses: Yes—

Chair: I don't want an answer today; I would rather have a firm answer on all these subjects, because these are really sensitive cases of people at a very difficult time in their life.

Q286 **Catherine McKinnell:** Chair, my apologies, but could I also just put this on the record? We should not be talking in terms of hardship, and it is welcome that you both don't, and I don't think anyone should, because actually this is about money that is not paid to people who are owed it. Therefore, if you make a payment—I very much hope you do go away and look at this—it is an advance. It is not a loan; you are not loaning people money or bailing them out. This is money that they are owed and, in the absence of having what is needed to pay that from your end officially, you are going to advance them a sum so that they can get on with their lives.

Richard Holroyd: Yes, agreed. Again, we are doing this in partnership. Those words were not designed to be used externally—it is an internal set of terms—because I agree with you entirely. To the point, "Why don't we?", what we are operating at the moment is the processes that we have jointly agreed. We will absolutely take that away. That is a perfectly reasonable, acceptable thing, and we will absolutely do that and come back.

Chair: That is really helpful. Will you let us have a note on that, Richard, please?

We will now take a break for five minutes. Would members of the public please leave? Don't worry: you will be invited back in again shortly, when we resume. Thank you for all your forbearance this morning. The clock is now at 11.20. Could we be back fairly promptly at 11.25? We still have quite a lot to go through.

Sitting suspended.

On resuming—

Chair: Clive Betts, please.

Q287 **Mr Betts:** Mr Clements and Mr Holroyd, you probably wish that you were not back here—I think we do as well, and that things had actually improved since your last visit—but perhaps you read the report of our meeting on 12 February. At that stage, you were making commitments to sort out all these problems by the end of March. What went wrong?

Richard Holroyd: I am very conscious that a set of dates have been moving around. What I committed to, or believed I was committing to when I answered your question, was that we would have all the key areas that we were dealing with—on bereavement, death in service and so on—dealt with by the end of March, and the technology up and running by the end of March. I absolutely understand, having read the report afterwards, that you took my answer to be for all service levels, and that we would be into absolutely normal running. I apologise if, in any way, I created the wrong impression or misled the Committee.

Q288 **Mr Betts:** You created the right impression at the time; it has just turned out to be wrong since.

Richard Holroyd: I answered, in good faith, the question I thought I was being asked.

Q289 **Mr Betts:** You told us that you did not anticipate the scale or complexity of all the cases you inherited in December, but when you talked to us in February, you had had all the information that you needed for two and a half months. Why were you not aware of the situation? Why did you come and make promises about everything being sorted by the end of March, when you clearly knew the information?

Richard Holroyd: To go back to my point, I answered in good faith the question I thought you were asking, which was about where we were on the critical lines of inquiry around widows, bereavements and deaths in service—the tragic cases we were dealing with. We had agreed with the Cabinet Office a programme plan to complete by the end of March, and it was that on which I was answering the question.

I repeat that I subsequently discovered that that had been interpreted in a different way. I obviously did not answer the question that you asked, and for that, I apologise. Did I know that it would take us beyond March to get to absolutely normal jogging? I absolutely did, and on that I apologise if I misled you.

Q290 **Mr Betts:** You said, "we have a committed date to return to SLAs by the end of March." That seems pretty clear.

Richard Holroyd: Yes. Again, it was those elements I was talking about, but your point is correct and I accept it.

Q291 **Mr Betts:** So is the commitment you have made today to get everything sorted by the end of June a firmer commitment than when you talked to us previously, in March?

Richard Holroyd: It is. I am very clear about the question, and I am very clear in my answer. I know that a plan is a plan, but we have a plan and we have been executing on it. The plan involved clearing the key lines that I described by the end of March and launching the various technologies, which we have done. I believe, in all good faith, that the rest of the plan will land absolutely in line with expectation.

Q292 **Mr Betts:** To make sure that we are absolutely clear, it might be helpful if you write to the Committee and clearly set out all the things that will be done by each date that you have now committed to.

Richard Holroyd: I am very happy to do that.

Q293 **Mr Betts:** I have a couple other points. We talked before about McCloud cases, which are complicated—we all know that they are complicated, whatever pension scheme you are in. I raised the case of a McCloud pensioner who had got in all their paperwork back in September, and you said it would be June before you dealt with those cases. What about cases where McCloud pensioners did not get all their information agreed and into the system with the previous pension providers by September last year? A lot of those cases are around, aren't there? When will you have dealt with their cases?

Chris Clements: There are around 100,000 cases where the previous administrator had not started the McCloud work. We are currently working with the Cabinet Office on a plan and a separate engagement to the main administration contract to get those resolved by the McCloud deadline of quarter one of 2027—next April.

Q294 **Mr Betts:** When you say the McCloud deadline, does that mean there will be no detriment to any of those pensioners?

Chris Clements: That is what we are working through with the Cabinet Office.

Richard Holroyd: As you said, it is the deadline the Government have set for all Departments and all of us to have everything cleared by. We are not working on the basis that we will not do it until then; we are working to a plan to get those cases chewed through before that deadline.

Q295 **Mr Betts:** Have you any way of identifying whether some cases within that 100,000 might be more of a priority than others?

Chris Clements: Yes. We will prioritise those cases. Those are the cases that the previous administrator did not start. There are also our current work in progress cases, as you described. We are also working with the Cabinet Office on a separate plan to ensure that they are—

Richard Holroyd: I think your specific question is whether we are able to go through those cases to identify where people have greater need or hardship. We will have to take that away and come back to you on.

Q296 **Mr Betts:** I think we need a note about that. There are the cases that were already in train that will be dealt with by June, and the others that will be dealt with by April next year, and you also need look at whether you can prioritise any that need prioritising in the meantime.

Richard Holroyd: Yes.

Q297 **Mr Betts:** Let us know about that.

Going back to the awful case I raised right at the beginning of Mr Fenny, who is terminally ill, the phrase "This case will be escalated" apparently comes up over and over again. What happens to a case that is escalated? What happens when someone phones up and is told that?

Chris Clements: The person speaking to them on the phone will send it to their team leader, who will look at that case and then send it to the ops manager. Then there is an escalations team that looks at the case and ensures that we are prioritising.

Q298 **Mr Betts:** That is quite a lot of steps to get to someone who can make a decision.

Chris Clements: The first step is the escalation. What is the nature of the escalation? Where should it go? The second step is what we do about that escalation.

Richard Holroyd: I think the point you are getting at is that there is an escalation manager who looks over the list of escalations—as you can imagine, we are getting a lot of escalations at the moment—and then prioritises the escalations to try to get the most crucial ones dealt with fastest. Again, I have been up to Sheffield, sat among the teams and watched them following this process. With the detail they have, they literally move things up to try to get the right outcome.

Q299 **Mr Betts:** Just in case there is any doubt, we are not in any way criticising the people doing the work.

Richard Holroyd: I understand that.

Q300 **Mr Betts:** They clearly have a difficult job. When people phone back in a month's time and are told that their case has been escalated, when they have already been told that it has been escalated, that basically means that nothing happened before.

Richard Holroyd: I recognise that. At the moment, the frontline staff can see that it has been escalated and they escalate it again. You can see that some cases have been escalated several times. When I was with the teams, I looked at a case that had been escalated several times because their tax code needed to change and they disagreed with the tax code that they had been given. Part of the issue we have is trying to unpick the escalations that are not at the top priority level from the escalations that are. I understand why a member would keep saying, "But you haven't done it yet," and I would not want them to do otherwise. They are right: we have not sorted their tax code yet, because we have been trying to sort out somebody who—

Q301 **Mr Betts:** Is there any feedback to people?

Richard Holroyd: Sorry?

Q302 **Mr Betts:** When someone phones up and is told that it has been escalated, is there any feedback about what happens then?

Richard Holroyd: In some cases. I will try to bring it to life. You sit with the screen, and the agent will tell the person on the other end of the phone everything that they can see. They will say, "It was escalated on this date. It is with the escalations team." We give feedback on where the process is. In cases where we know it is a low priority, we will say, "This isn't in the top priority list right now", so somebody who is asking—

Q303 **Mr Betts:** Are people told that?

Richard Holroyd: Yes, but the piece that I—

Mr Betts: There are a lot of people shaking their heads behind you.

Richard Holroyd: I spoke to some of the people behind us this morning, because I think they all have incredibly valid cases. In some of those cases, the complexity of what they are asking about means there are several bits of data and information, and that is harder for the frontline staff to answer. In those cases, it will be incredibly frustrating, because they will be told, "It's with the escalations team".

I spoke to a gentleman this morning who was told, "You will get a payment", and he is very frustrated that he has not received that payment. I understand why, because we are not moving it fast enough for him, and we are not running it at the right pace either.

Q304 **Mr Betts:** It does not seem to me that the feedback is particularly helpful in many cases. If you do not see the tax code cases as a priority, wouldn't it be easier just to say to someone on the phone, "I'm sorry, your case isn't a priority. We won't be dealing with it for the next two or three months"? That will stop them phoning back all the time.

Richard Holroyd: And we do. Again, you will appreciate that in order to make sure we are actually prioritising this, I have sat with a headset on and listened to people who asked for a benefit statement being told, "We are unable to give you a benefit statement, and we will not be processing benefit statements until—", and we give dates for those.

I totally understand that, if you want a benefit statement and you want it now, being told that you are not going to get it for another two or three months is not an acceptable service. We completely agree, and I sit there nodding when I hear the frustration coming from the caller.

Q305 **Mr Betts:** So people do not have to wait and keep pushing you to say what is happening. Do you proactively tell people where things are up to?

Chris Clements: If they call, the call handler will be able to see it on the screen and tell them. There is also technology, as we promised for the end of March. The "Track My Case" feature is now live on the portal, so members can log on and see where their case is using that feature. Over 22,000 people have logged on to check their cases.

Q306 **Mr Betts:** Does it say on there, "I'm sorry, your case will not be dealt with as a priority"?

Chris Clements: No, it doesn't.

Richard Holroyd: No, it doesn't.

Q307 **Mr Betts:** Wouldn't it be helpful to do that?

Chris Clements: It does explain some of the prioritisations that we do. It says what stage your case is at, and below it gives lists of the cases that are not priorities.

Q308 **Mr Betts:** Why doesn't it just say to someone, "We've got the information we need from you, but because it is a tax code or something, it is not going to be dealt with as a priority, so there will be a wait"? Why don't you just tell people that?

Chris Clements: We will look at how we describe it, but at the moment, it says what cases are being prioritised. It explains the status of the operation.

Richard Holroyd: It does explain, "These are the ones not being prioritised." Whether it is specific enough is something we will take away. The intention is to increase the functionality of "Track My Case", because we recognise that at the moment it says, "This is where we're up to with your case." What we will be looking to do is break that down into further steps so that people will be able to see where it is with ever more granularity.

Q309 **Chair:** I want to be really clear about this recovery plan by the end of June. I quote to you the words on this from Cat Little in a letter published on 24 March: "My clear expectation is that all core pension functions, including new retirement processing and quotations, return to standard contractual levels by the end of June 2026". Do you agree with that, and will it happen?

Richard Holroyd: I do agree, and that is what is going to happen.

Chair: That is what is going to happen?

Richard Holroyd: Yes.

Chair: Thank you.

Q310 **Charlotte Cane:** Mr Holroyd, you told this Committee in November 2025 that the new portal website would be ready to go live on 1 December. Why is it still not functional for all members four months into your administration?

Chris Clements: The portal, as you say, went live on 1 December. The additional features that we just talked about—Track My Case and the AI chatbot—went live last week, as planned, at the end of March. It is available to all members, with the exception of multi-stint members. As we have discussed, there has been a problem in the data as to how that works. That fix goes in this week, so it will now be available to all 1.7 million members, rather than the 1.6 million who are not multi-stinters. This week, all the features and functions that were promised in the original plan for the end of March are live.

Richard Holroyd: That is the technology and plan agreed with the Cabinet Office. I think what you are referring to is that, when we went live on 1 December, there were some teething issues with the portal. In fact, in this Committee on 12 February, we talked about changes even to the degree of moving buttons so that they were more visible for people to register questions. The portal went live on 1 December, but additional functionality has been delivered since, and we have the numbers available for how many people are using it.

Q311 **Charlotte Cane:** So how many people are using it?

Chris Clements: We have had 1.3 million visits to the website, and a quarter of a million members are registered.

Q312 **Charlotte Cane:** What number were you expecting four months in?

Chris Clements: That is where we were expecting to be. I expect that, as we get through to the end of the tax year, that is when pensioners will register. Most of our registrations so far are active and deferred members. As we get to the end of the tax year, pensioners will register and that number will increase significantly.

Richard Holroyd: The short answer is that it is in line with expectations.

Chris Clements: It is in line with where we expected.

Q313 **Charlotte Cane:** Have you done any testing to ensure that absolutely everyone can now get on it?

Chris Clements: Yes, we have. As I said, there is one small group of people with the multi-stint data problem. That fix goes into the website this week.

Q314 **Charlotte Cane:** So they still cannot access it?

Chris Clements: It will be tomorrow.

Q315 **Charlotte Cane:** And multi-stint is people who left the scheme—

Chris Clements: And rejoined.

Charlotte Cane:—partway through service and then came back in again?

Chris Clements: There are 122,000 of those.

Richard Holroyd: Those people, up until this stage—until tomorrow—have never been able to get all their pension details in one place. That is part of the additional functionality that we contracted to deliver. We were very clear that it was not available on 1 December, because it requires moving the data into our systems and then merging it to create that portal.

Q316 **Charlotte Cane:** I am interested in what testing you have done. I have a constituent who is now on the portal, but I was regularly told that he could get on and to ask him to try again. He could not, and it turned out to be because he had an asterisk in his name. Are you absolutely certain—

Richard Holroyd: If I may, that is not a case of the portal not working. Most portals will not accept symbols like asterisks, because they have a software meaning.

Charlotte Cane: It was not working for him, and your staff knew he had an asterisk in his name. If there was an issue with how he had to enter his name, he should have been told. That should be clearly in the instructions.

Richard Holroyd: Yes. Again, we can take that away and look at it in more detail. If staff had identified that—you can imagine there is a screen—they would have been looking to understand his email address or his log-on. People can select their log-on, and there is a set of instructions on what that should look like. We will go back and re-look to make sure that what we are saying is correct. But like most portals, it will not accept a variety of symbols.

Charlotte Cane: I understand that.

Richard Holroyd: I draw attention to that because there is a difference between the portal not working and someone selecting a log-on that the portal cannot accept.

Q317 **Charlotte Cane:** Okay. Let's move on to another example. You said that multi-stint is people who left the scheme for a period and then came back in. As I said at the beginning, I am a civil service pensioner; I have tried several times to register with the portal. My last attempt was last night, and it still failed, but I do not fall into that category. I am only one person, but how many of the other over 1 million people who have access to this portal, in theory, but have not logged on yet, are still unable to because there is a problem with the system?

What happened last night, just so you know, was that I got to the point where you have to set your password, and I was bumped back to the home page of your website. I tried several times, and when I tried to redo it, it of course told me that I had already put in that email, so it would not let me use it. I am not concerned about me—I will sort myself out in due course—but it shows that it is not only multi-stinters who cannot access the portal.

Richard Holroyd: I am sorry to hear about the issues you had yesterday—

Charlotte Cane: Don't worry, it's an example.

Richard Holroyd: Yes. We have provided the data on the people who are using the portal and are active on it now. We will take this away and identify—because, as you can imagine, we do not have all the data on everything with us, but we should be able to identify this—those people who are attempting to log on but are not successful. We will pull that data, and we will again provide it to you.

Q318 **Charlotte Cane:** It would be very interesting to see that data. There is still not all the data on there, and all the functionality is meant to be on by the end of March, isn't it?

Chris Clements: The last bits of the functionality, yes; the modeller goes live this weekend and, as I said, Track My Case and the chatbot went live last week. The benefit statements for 2025 that MyCSP did not hand over to us are now all there. As I think we communicated previously, we are recreating the more historical benefit statements that were not handed to us after the 2026 ones are produced.

For the service and other items, the data is there. As we have talked about before, there are inherited errors in that data, so if someone identifies some data on the portal that is not right, it may be an inherited error. There is a "contact us" form to tell us about that, and we will get it sorted. We have a process to go through to sort all that inherited data. But, yes, all the features will be live by the end of March.

Q319 **Charlotte Cane:** I am told by a constituent that they wanted to make a lump-sum payment. On the previous portal, they were able to do that online. On the new one, they had to download a form, print it out, fill it in and either scan it back in again or post it. Was that a temporary workaround, or is that now how it's going to work going forward?

Chris Clements: That is one of the things on our continuous improvement plan—to improve more and more features to be straight-through on the portal.

Q320 **Chair:** I understand that the CSP site at the moment has a note on it saying: "You will be unable to access both our Member and Employer Portals from 8:45am on Saturday 28 March due to essential maintenance. The service will be offline until Sunday evening. We apologise for any inconvenience this may cause." Is that because you are adding a whole lot of functionality, getting ready for having everything ready by the end of March?

Chris Clements: That is the final drop of fixes and features for March.

Chair: What concerns me is that people will be listening to this hearing today, and there are only 250,000 on the portal at the moment, out of a total of 1.7 million members. If everybody starts logging in on Monday, for example, is the whole thing going to crash?

Chris Clements: The portal is hosted by Microsoft, and it is all built on scalable cloud technology. It is all tested to receive those volumes.

Richard Holroyd: It is designed not to crash.

Chris Clements: It is designed not to crash.

Richard Holroyd: And, as you will understand, we regret that we are having—

Rachel Gilmour: What website is designed to crash? *[Laughter.]*

Chair: Just to be serious—I understand my colleagues' exasperation, rather than mirth, I think, over this—can we be assured that any scheme member, from Monday, will be able to log on to the portal and see where their case is?

Chris Clements: Any scheme member will be able to log on to the portal, look at Track My Case and see their data.

Chair: That is really helpful.

Q321 **Catherine McKinnell:** We have obviously had the update that HMRC is providing surge capacity to assist Capita in reaching the outcomes that were committed to in March—well, that is now. How is that going? Are you still requiring the HMRC surge support, and to what extent? Has that been helpful?

Richard Holroyd: We cannot emphasise enough how essential the joint working with the second permanent secretary of HMRC, Angela MacDonald, and her surge team has been. As I say, a lot of this process involves going back and forth to Departments of State to pull out data, and they have been essential in helping us with that and helping us focus the plan of record that we talked about earlier.

The surge capacity remains in place. We are in constant dialogue with that team, and it continues to operate as described.

Q322 **Catherine McKinnell:** Could you be more specific in terms of how it is operating? For example, how many full-time staff are working on the scheme? How many HMRC staff does that include? Are you adding surge capacity from the Capita end as well?

Chris Clements: We transferred 330 people from MyCSP. We recruited additional staff so that on go-live we had 500 staff. When we identified the additional problems, we surged 150 Capita staff to match the 150 HMRC staff, so that is a total of 700 staff.

We are now working every day with the team to work out how those staff are deployed. It is important to understand that, in a scheme and an administration like this, there are lots of very different roles. There are contact centres, there are administrative tasks and there are highly complicated, high-skilled senior pensions administration staff. We have worked closely with Angela and her team to ensure that the surge staff are doing jobs that allow the senior pensions administrators to be released to do the complicated work. It is a constant balance between getting everyone doing the most effective work to get through the work.

As Richard said, we will not withdraw any Capita staff at any point until the service is into full function. We are constantly reviewing, with Angela, what the HMRC surge team are doing and when those could be returned to the Government without any detriment to the members.

Q323 **Catherine McKinnell:** Do you expect, in terms of the timeframe, that they will still be required?

Chris Clements: We will continually review it, but my view is that at the end of April we should be able to start releasing them without any impact to the plan. But that is going to be constantly kept under review and looked at. It is important to understand that it is not a single, homogeneous service. There are so many different parts to it, and so many different skillsets that we have to balance. Obviously, some of those skillsets do not come from the surge team; some of those skillsets come only from the pension experts.

Richard Holroyd: The decision on when to withdraw the HMRC surge staff is one for the Cabinet Office and Angela. We of course, as I think the permanent secretary has reflected, have daily conversations.

We are very conscious that those civil servants may be required elsewhere. Therefore, we will be working hard to help and aid their release at the earliest possible opportunity. You will understand that that cannot be our decision, but we can make sure that we are throwing everything in there to allow them to be released.

Q324 **Catherine McKinnell:** In order to meet your contractual expectations that would enable that.

Richard Holroyd: Yes. We have contractual requirements to meet in addition.

Q325 **Chair:** To clarify, as I read out, we really want those categories back on an even keel by the end of June, and we want the service going forward to work properly. You must have an idea of how many permanent staff you are likely to need on this scheme going forward. What is that?

Richard Holroyd: We have discussed this. I feel—the Capita board agrees—that right now, the right activity on our part is not to start figuring out when we might start scaling back.

Q326 **Chair:** But you hinted at that in your previous answer.

Richard Holroyd: What I referred to was civil service staff, because we recognise that they have come in as a surge to support, and therefore the first priority is releasing the civil servants back, as part of their scheme. The direction that I have is that we will not release one single Capita paid-for member of staff until the service is up and running. At the moment, I will not countenance discussions about when we might release, because that is not the right focus now; the right focus is restoring service.

Q327 **Chair:** Not only restoring service—my question actually covered running it going forward, as per the contract. We want to see a perfectly run service after June.

Richard Holroyd: I agree. My use of "restoring service" means that it is running not just per contract, but as per expectation. The reason why I am differentiating between the two is that in this case, it would be too easy to point at KPIs and say, "We are all good," when we have scheme members with their net promoter score numbers—which we are collecting—all in the wrong place, as we talked about. We need to be working to make sure that the service is at the standard they expect.

Q328 **Chair:** I get that. I am sorry to labour the point about my previous question on the performance of the portal. Still out there is a huge difference in the actual data that you have. When you came before us, you said that you had 20,000 lines of corrupted data. The Cabinet Office seems to think it is 1,000, or MyCSP seemed to think it was 1,000. What is the position with corrupted data?

Richard Holroyd: Referring back to the permanent secretary's letter, I think they refer to 1 million, rather than 1,000—

Chair: I apologise. You are quite right. I am looking at that very figure now—1 million.

Richard Holroyd: There are an awful lot of figures flying around. I thought we wrote after the previous Committee, but in fact we did not on this subject. We inherited 20 million lines of—the phrase we used—corrupt data, by which we meant data that had errors in it that need to be changed. We have had a discussion with the Cabinet Office about the use of that term, because some people might mean that that is unreadable data, but the data is readable; it just has errors in it. For example, we identified places where a member of the pension scheme is deceased without a dependent due to receive pension, but is still being paid the pension. That is an example of where we have lines of data that are not correct. Therefore, it is a subject that we continue to work with the Cabinet Office to resolve.

Q329 **Chair:** Richard, I am sorry to be boring about this, but in answers a few minutes ago, you said that the whole thing would be up and running by the end of March. However, it cannot be functioning properly until this problem of data is sorted out, can it?

Richard Holroyd: That is one of the major project lines that we are working on, which is to resolve data. Chris will pick this up, because this is his area of expertise, but I will use a live example that I went through the other day. If you are running a payroll that runs the payments to the pension receivers, and there are 8,000 data errors in there, that means that those pensioners might be receiving too little pension, the pension might be going to the wrong bank account, or the pension support slips are going to the wrong address, etc.

You are right that getting that data absolutely clean and clear is really important to make sure that nobody is being either overpaid or underpaid. The point of issue that we have at the moment, which we are working through, is that we need to clean that data. Some of that data will have minor errors in it that are not showstoppers, and some will have bigger data errors, which is why we are referring to it as "20 million lines" of data errors, because of the definition of corruption. That is where we are, but that is a clear line to solve. There was a workshop just last Monday with the second permanent secretary working through those elements.

Q330 **Chair:** Because of that problem, you cannot be absolutely certain that any one of your 1.7 million members can log on to the portal and get a true update of where their case is, because you might have one of those—

Richard Holroyd: I think there is a difference between where their case is and whether the data line—

Chris Clements: If I may, the data errors are in the standing data for the member. That includes your service record, date of birth, address, name, etc. Every time we receive a new case, the first thing we do is data triage it to check whether one of those data errors is in your case and whether it will impact your case. At the moment, since we took over, 70% of cases have required a fix in data triage.

In answer to your question, you can run a normal service with an underlying data error if you build in a step to fix that error before it gets into a case that needs to be worked. The individual cases that have been created have already gone through that triage, so they exist on the portal with the data relevant to them. It is the underlying member data where the errors lie, and we deal with that in the triage process.

Q331 **Chair:** I have now received additional information. Apparently, there is a notice on your portal about requests about pension benefit statements, which leads to a message saying, "Please try after the 31st of March. Historic statements will be continued to be loaded throughout 2026." When are they all going to be resolved?

Chris Clements: As I mentioned earlier, when we inherited the service from MyCSP, they did not transfer the benefit statements; they transferred a list of details that we had to turn into benefit statements. We agreed with the Cabinet Office that the 2025 benefit statements will be produced before the end of March. That is being done and they have been loaded on over the last few weeks; they will all be there at the end of March. We will then do the 2026 benefit statements—it is our responsibility to process those end-of-year statements. Once we have done that, we will then go back and do the 2024 and 2023 statements that we did not receive from MyCSP. We agreed that as part of the original plan with the Cabinet Office.

Q332 **Chair:** Golly. So some people have been waiting since 2023 for a statement.

Chris Clements: No. They received those statements from MyCSP, and MyCSP produced those statements. They received a paper copy from MyCSP, but when we inherited the data, MyCSP did not give us those statements, so we cannot put them on the thing. They gave us a spreadsheet.

Richard Holroyd: It is the difference between them being on the portal versus what they have received. I am a member of the armed forces pension scheme, and I get a benefit statement every year from my armed forces pension. I get it in the post, but if I wanted to go on the portal to get that benefit statement—what Chris is describing is the historic ones for 2023-24 that were not transferred to us; we have to create those. It is not a case that the members never had it, but they may not have it to hand or may have mislaid it, so they are looking for the historic one—that is what we are having to rebuild.

Q333 **Chair:** It is a terrible situation. If somebody is expecting a statement from 2023, how long will it take them to get an updated one? A lot of that information may well be out of date—you may need a completely new statement by then.

Richard Holroyd: A benefit statement is for a point in time.

Chris Clements: They will have the 2025 benefit statement and the 2026 benefit statement—they will have the most up-to-date ones. They would have had the paper copy, so it is only the historic records that we are having to recreate.

Richard Holroyd: It is like a bank statement.

Q334 **Chair:** Okay, but those people would have an expectation that you would be able to reproduce those statements. When will that all be resolved?

Chris Clements: That will all be resolved once we have done the 2026 ones. We will then use the same resources—

Q335 **Chair:** You have said that. What I am asking is how long it will take to get the result.

Chris Clements: September.

Chair: September. Okay.

Q336 **Anna Dixon:** It was just occurring to me, having filled out my own tax return, that you need the previous four years of pension statements to be able to calculate it. I am hoping that you will have it in place so people will not be delayed in submitting their accurate self-assessments.

Richard Holroyd: Certainly that is our expectation. I reiterate that that would have been sent to them previously.

Q337 **Anna Dixon:** But if they have lost the copy—

Richard Holroyd: Yes. If their filing system is like mine, they may well need to look it up on the portal.

Q338 **Anna Dixon:** When we have met you before, you have obviously held up a lot about automation and AI. Those are part of the efficiencies that were going to be in the contract that you signed with the Cabinet Office. In answer to Charlotte's question, you said that all the AI and automation features have been in place since last week.

Chris Clements: Yes, the AI chatbot on the portal went live last week.

Q339 **Anna Dixon:** Oh, the AI chatbot. Have the other automation and AI features that you were expecting to implement by the end of March also been done?

Chris Clements: All the member portal stuff is done. The AI that we use in our back office is in. We are working on it, and we are continuously improving it. We are also continuously improving the automation of the calculations. They changed the handling times. We talked about going from one hour to five hours or eight hours. They are not experiential to the member—they are not part of the member experience on the portal.

Q340 **Anna Dixon:** No, but they are critical to your staffing, your efficiency and the accuracy of your work. You say that those features are in and that you are improving them. Have you fully deployed the AI and automation technology that you expected?

Chris Clements: We have fully deployed calculations on all the calculations, and we are testing all those. We will always continue to improve. We will forever improve them and increasingly get them better. That will never stop.

Richard Holroyd: As I am sure you know, AI continues to learn—

Q341 **Anna Dixon:** Depending on what you feed it. If it is rubbish, it doesn't learn.

Richard Holroyd: Yes. Hence, we are deploying it, we are testing and learning, and the AI is testing and learning. What we are seeing is that the actual handling time for some of the tasks is improving. One of the reasons we are now eating through ever more cases is that we are able to bring more of that technology to bear. Some of the handling times that were in a couple of hours are starting to reduce. That is one of the reasons for the confidence in the plan by the end of June. So yes, it is deployed, and we will continue to deploy more.

Q342 **Anna Dixon:** Are there any things that you are still having to do manually? You talked about uploading benefit statements. Where are you having to do heavy lifting that you did not expect?

Chris Clements: The biggest area where we are having to do heavy lifting that we did not expect is in the quotations—the way that we are pulling together complex quotes for people with many different services and sets of rules. To be clear, we are continuing to develop and push that. That process of improvement will continue for a very long time as we go through this contract.

Richard Holroyd: I am not a pensions expert, so I have been on a learning journey—a quite fast one. Going through the process, you can see that there are manual pieces. Our experts are operating between various Departments, and various bits of information are provided by the pension scheme member. Those are manual right now. As we are able to deploy more AI, we will be able to ingest that data. Instead of having to upload some of that data manually and do cross-checks—I am using my finger, because that is my age—we are able to bring that together.

I saw some pilot trials the other day, as we bring this together, that show the ability to do things in bulk. Where you have a basic requirement like address changes, you can load them all, and they will all be done in bulk. Again, that will take the pressure off and will allow the pension scheme experts to spend more time on the complex cases. That is where we are focused.

Q343 **Anna Dixon:** Given that your plan was to use AI, how far off are you from a full roll-out of your functionality? I realise that you will always improve it.

Richard Holroyd: The plan of record around deployment of what Chris described as the experiential things, so those things that the member gets—

Q344 **Anna Dixon:** I understand that arrangement.

Richard Holroyd: Yes. Internally, we have delivered most of the planned AI, but, as I say, it learns and develops; that is the nature of the technology.

Also, we are behind to a degree because of course, as we have described, the volume of what we received meant that the wrong thing to do was to start driving how we deploy technology. We needed to create enough of an air-gap to be able to start moving teams on to training on the new tech.

We have reached the point that the teams are now able to be trained on the new technology. It is that classic pivot moment, where you have got enough under control to be able to start to launch new technology, and to train people on the new technology, and then get the benefits.

Q345 **Anna Dixon:** So you have gone slower, but you are starting to deploy?

Richard Holroyd: Yes, and it is speeding as we go.

Q346 **Mr Betts:** Looking forward, you have been given another contract, which is the shared services contract. I think that the PCS union, among others, has expressed some concern that, given your performance on the civil service pensions contract, you have been given another one before you have sorted that one out.

Richard Holroyd: Yes. I met with the permanent secretary for the Department for Work and Pensions, and with the director general overseeing that, and the team that sits beneath it. We have worked through all the lessons learned that have come from this contract mobilisation and transition, and we have an active plan to ensure that there is not a repetition of those sorts of activities.

In particular, there are pieces around ensuring data quality and detailed pieces of work understanding what the backlog may be, although the backlog in that space would be very different to the backlog in this space; this is a very different style of contract, with a very different style of services.

We have also pulled together a charter that we are going to work together to sign, to ensure that all parties—because all these things are always a joint effort around the current incumbent. In this case, it is up to four Departments of State and ourselves to make sure that we are working in lockstep. On 1 April, we have a joint session between all the parties to work through this and understand the priorities as we go. So there are lessons to learn in this.

I might add that we run many hundreds of Government contracts and we are measured by the Cabinet Office on many of them; I think that it is 47. I have had a day with lots of numbers; it is actually 57 contracts, where our KPIs are running at 95%. Again, that shows that we are in good shape, and I can go into detail on the ones that aren't.

Q347 **Mr Betts:** When does this new contract begin?

Richard Holroyd: We are 18 months or so before it goes live.

Q348 **Mr Betts:** So, it is a similar time to the time you had before you began the civil service pension scheme. You had that time to understand what was happening with that scheme, and to analyse the backlogs and the processes. Why should we be convinced that the same amount of time that you are going to have now to do the shared services scheme will be better used than it has been on the civil service pension scheme?

Richard Holroyd: Again, I would point to success elsewhere. As I said before, we have lots of lessons that we need to learn.

Q349 **Mr Betts:** What lessons in particular show that you perhaps got things wrong on the civil service pension scheme and you can get them right now?

Richard Holroyd: I think I just described that. I mean, we talk about the data issue. We talk about the age of the backlog.

What we are going to run in Synergy is a very different style of contract to here. For example, there are payrolls involved. A division of Capita already runs payroll for about 40,000 public servants elsewhere. In terms of that process, and of course in terms of payroll, we went live with the first payroll on this scheme before 1 December, because it was a requirement, and I think that we paid out £1.7 billion of pension payments. So, when we go to evidence around the ability to deliver on the nature of that contract, we have an extremely good track record, and it is one of the things that went extremely well here. And we did it before contract start date.

As I say, we have been working with the team from Synergy to go through each of those elements of the points of stress here, the lessons learned, and lessons learned to date. When I was here last time, I described the fact that it is really important for all parties to go back and examine in detail the lessons learned here, to prevent repetition.

Q350 **Mr Betts:** You keep telling us about lessons learned, but which lessons have you learned, specifically?

Richard Holroyd: As I think we said at the start, when getting to the detail about the aged backlog, and the complexity of the scheme—and the complexity that sat within the scheme—we asked several times what the numbers were. We got various numbers, but it was clear that it was higher than 37,000, and I accept that. What it did not say was that there are this many that are aged for three years—

Q351 **Mr Betts:** Should you have asked those questions?

Richard Holroyd: We did ask those questions.

Q352 **Mr Betts:** And you did not get correct answers.

Richard Holroyd: We did not get the level of detail that we needed. If we had, although we put more than 100 additional staff in, we would have put more than that in.

Q353 **Mr Betts:** You say you did not get the level of detail, but how specific were the questions you asked?

Richard Holroyd: We can send you the documentation.

Mr Betts: I think that would be helpful.

Chair: We would definitely like to see that.

Q354 **Mr Betts:** You are saying that you asked questions, and effectively you were misled.

Richard Holroyd: It is not for me to say that anybody was actively misleading us.

Q355 **Mr Betts:** I did not use the word "active", I just said misled.

Richard Holroyd: Again, there is a piece of me about integrity, because I just do not believe in saying, "You misled me." I have met the MyCSP team who are the people who operated it, and they were acting in good faith. The blunt fact is that we did not get the level of detail that we were asking for, and we asked for it on a number of occasions and raised it in meetings.

Q356 **Mr Betts:** What you are really saying is that the people who gave you it either deliberately misled you or were incompetent—one or the other.

Richard Holroyd: Perhaps.

Q357 **Chair:** Before we leave this, I will put on the record what this is all about. This is a £700 million contract—it is a big contract. It sits within the Synergy shared service cluster and is part of a wider strategy to collapse 286 legacy systems into five major platforms through a single cloud-based Oracle Enterprise Resource Planning system that covers HR, payroll, finance and procurement. It is a massive project. Can we be absolutely assured, because most companies—and, indeed, the public sector—are very short of digital specialists, that no digital specialists will be withdrawn from the civil service pension until the software and hardware are up and running properly?

Richard Holroyd: Yes, and on the detail of that, what you described was the full load of Synergy. We are not contracted to deliver the base technology elements of that. We are contracted to run the services over the top—they are two separate bits of the contract. What I described earlier is the importance of all those elements coming together to ensure a successful service. In terms of the commitment, we absolutely have named resources that are committed to that contract. We have shared the names of those resources with the Department. Those resources are not deployed on this contract. The Department has met a number of those people, and there is a total separation between the two.

Q358 **Rachel Gilmour:** This Committee is called the Public Accounts Committee. For a moment, I would like you to think about it as the public accountability Committee. I noticed that you had been in the Army for 20 years, which is something I have great respect for as a sister of two Army officers. Sitting behind you is a gentleman who is a retired member of the senior service, and he and his colleagues have been consistently shaking their heads at practically every word you have said. Going back to the point of integrity and accountability, have you ever thought of falling on your sword?

Richard Holroyd: Yes, is the honest answer.

Rachel Gilmour: Good.

Richard Holroyd: If I may, I spoke to the gentleman earlier, and I think he served in customs and excise.

Rachel Gilmour: Oh well, never mind.

Richard Holroyd: We have talked in some detail about his case. I totally understand why he feels that way, and he is right. In answer to your question about falling on my sword, that, frankly, would be the easy way out. After a career of delivering for the citizens of the UK, my commitment is to work hard to make sure that we get this service back in the right place, and I am sure you would agree that that is the right thing to do, rather than to opt for frankly turning to the left and leaving it to others.

Q359 **Rachel Gilmour:** I would find it very difficult to have a conscience that has been as traumatised as yours.

Richard Holroyd: We are—I speak here for the plc board, too—traumatised by the service that members of the pension scheme are receiving.

Q360 **Chair:** We have one final question. We have for asked a certain amount of information this morning, and this session is all on the record, so we will go through it and make sure that you do supply it. You have got three months between now and the end of June, so in addition to that, can we have a progress report on every single category at the end of April, at the end of May and at the end of June so that we do not read it in the press that something is going wrong? We want to know from you, with complete candour, whether it is up to speed or not, and then at least we know what is going on. If I could have that, I would be really grateful.

Richard Holroyd: Absolutely. We came to this Committee to be utterly transparent and honest about where we are. That is exactly what we are seeking to do. We have no issues at all with providing the data you are asking for, because only by being honest and straight will we get the service back to where it should be.

Chair: I think that is the sort of integrity that Rachel was referring to. I thank you for that and for your candour today. Hopefully, it all goes as you have told us it will.

It has been a long session, and we will look at your evidence very carefully, but we do thank you both very much. An uncorrected version of the transcript will be available in the next few days, which obviously you will want to look at. We will consider very carefully your evidence and what follow-up action we may wish to take. We hope not to have to see you too soon in the future, with the best will in the world, because that will mean that things are beginning to go right.

We now have a slight alteration to our normal procedure. I would like members of the public to leave and the witnesses to stay.