



Work and Pensions Committee

House of Commons, London, SW1A 0AA
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Charles Counsell
Chief Executive
The Pensions Regulator
Napier House, Trafalgar Place
Brighton, BN1 4DW

25 April 2022

Dear Charles,

There have been significant developments since I last wrote to you on the Norton pension schemes in August 2020: Parliament has passed the [Pension Schemes Act 2021](#) giving the Pensions Regulator more powers to protect scheme members; the Committee has published its report on [pension scams](#), there was a significant [High Court judgement](#) on the Fraud Compensation Fund and the [Compensation \(London Capital & Finance and Fraud Compensation Fund\) Act 2021](#) has enabled the Secretary of State to make a loan to the Board of the Pension Protection Fund to enable the payment of compensation to eligible occupational pension schemes following that judgment.

I did not write to you last year because of outstanding legal proceedings. However, Derby Crown Court having passed sentence on Mr Garner on 31 March, this seemed an appropriate point to write to you again with some questions about progress in securing funds to compensate scheme members. I have noted the [announcement](#) you made following the sentence, providing an update on other actions.

Unfortunately, the process has been frustratingly slow for members of the schemes. I am aware that there have been complaints about the communications from the trustee, Dalriada, which has so far incurred costs of £496,800. If the funds are recovered these costs may well be worthwhile; we found in our report on pension scams that there is an inevitable trade-off between lower fees and better communication. But members of the schemes face a long wait to find out when and how much of their savings will be returned.

I would be grateful for answers to the following questions:

1. Has TPR reviewed, or made plans to review, its interactions with the Norton schemes?
2. In your previous letter you assured the Committee that, in cases where pension savers' money has not been properly safeguarded by trustees, TPR always carefully considers if it can and should take forward any regulatory action. Please could you outline the factors taken into consideration and if these have changed over the last 18 months?
3. What work has TPR undertaken since August 2020 to review the risks posed by small schemes?

4. The schemes' trustee, Dalriada, has published guidance on possible routes of compensation for members and issued warnings about the risks posed by secondary scammers. Does TPR support trustees in developing this guidance and what support is available to members seeking alternative routes of compensation?
5. What is the process for determining whether the schemes are eligible for the Fraud Compensation Fund?

I look forward to hearing from you.

With best wishes,

A handwritten signature in black ink, reading "Stephen Timms". The signature is written in a cursive style with a horizontal line above the name.

Rt Hon Stephen Timms MP

Chair, Work and Pensions Committee