Business and Trade Committee

Work and Pensions Committee

07 December 2023

Nicola Parish
Executive Director of Frontline Regulation
The Pensions Regulator (TPR)
(By e-mail only)

Dear Nicola,

Wilko pension scheme

Further to previous correspondence from the Chair of the Work and Pensions Committee relating to the Wilko pension scheme (the Wilkinson Group Retirement Benefits Scheme), we are writing in reference to evidence that has been taken by the Business and Trade Committee about the collapse of Wilko. In particular, we urge TPR to take full account of evidence provided to the Committee by the former Chair of Wilko, Lisa Wilkinson.

In the Committee's hearing, on 28 November, Kevin Hollinrake MP, Minister for Enterprise, Markets and Small Business at the Department for Business and Trade, was clear that, while "no evidence of director misconduct" at Wilko had come to light so far, there was more work yet to be done (Q137). He acknowledged that directors have a duty to "take into account things like pension liabilities" when paying dividends (Q139) and confirmed that it would be appropriate for TPR to use its anti-avoidance powers to claw back dividends to help plug the gap in the Wilko pension scheme if the Regulator could "identify wrongdoing" (Q161).

In its evidence, the GMB Union (which represents former Wilko staff) told the Committee that it had written to TPR, asking you to use your anti-avoidance powers in relation to the shortfall in Wilko's pension scheme. The union's representative told the Committee that "we are hoping, as a result of [TPR's] investigation, that it finds that Lisa Wilkinson has to reimburse the pension scheme" (Q35).

Meanwhile, Ms Wilkinson, in her explanation of the pension fund deficit, decisions about payments to the fund by the company and decisions about dividends paid by Wilko, was unable to explain in detail how these decisions came together (Qq90–94, 96–109, 121–124).

We fully understand that TPR is not able to comment in any detail on this case while it is ongoing. We would be grateful if, at the end of any investigation, you could consider producing a report under Section 89 of the Pensions Act 2004, setting out how you used your powers in this case—or, if you did not use those powers, why you did not do so.

The evidence referred to in this letter, taken in a one-off session, has been published on the Business and Trade Committee's website.

Yours sincerely,

Rt Hon Liam Byrne MP
Chair, Business and Trade Committee

Rt Hon Sir Stephen Timms MP
Chair, Work and Pensions Committee

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