Sir Stephen Timms MP
Chair of the Work and Pensions Committee
House of Commons
London
SW1A 0AA

9 April 2024

Dear Sir Stephen,

Following the letter sent to the Committee by Dominic on 3 April 2023, I wanted to give you some additional detail on Questions 114 and 115 (scams we have investigated that are of a comparable scale to Norton (Q114), and the scam which had a chess grandmaster involved (Q115)). I determined the cases mentioned at the Work and Pensions Select Committee session on 20 March 2024,when I was the Pensions Ombudsman and, in the case of Focus Administration Pension Scheme, more recently as the Deputy Pensions Ombudsman, and so thought it would be helpful to provide you with some further information.

First, in relation to the Optimum Retirement Benefit Plan, 288 members lost their pension savings and I directed payment of £12.5m to compensate them, but with interest accumulating at the rate of 8% per annum this is now in excess of £13.4m. I held three individuals to account. Mr Gordon Craig, Mr Gerard Reilly and Mr Martin Kelly. Mr Kelly had considerable experience in various regulatory roles in the finance industry and Mr Reilly is a practising solicitor. I have reported Mr Reilly to the Solicitors Regulation Authority. I sent you a note on this case together with a copy of the Determination on 20 December 2022. It is currently subject to High Court appeal.

With regard to the Focus Administration Pension Scheme, there were two FIDE Chess Grand Masters behind the sophisticated scam. Mr Glenn House, sole director of the Scheme's Administrator, Brambles and Mr Simon Williams the Trustee. Various attempts were made to stop my investigation by offering sums of money to complainants in order for them to withdraw their complaints.

During the course of my oral evidence, I mentioned that the Fraud Compensation Fund (FCF) began operating in 2020, as Dominic has said it was actually set up in 2005 when the Pension Protection Fund (PPF) was established. At that early stage it only dealt, however, with cases where fraud had been proved in the criminal courts. The first scam case which I Determined in 2019, the Henry Davison Limited Pension Scheme, and then the Norton Schemes, June 2020, was the catalyst for discussions with PPF and The Pensions Regulator of the possibility of using the FCF to compensate scammed members. A briefing note regarding the two cases was prepared to assist PPF's Counsel in the successful November 2020 High Court application (PPF v Dalriada Trustees [2020]).

I am pleased that Dominic feels as I do, the importance of the Pensions Dishonesty Unit and the need for its funding to continue. It has a vital part to play in providing pension scheme members with a voice and to bring about justice for each of them.

Yours sincerely,

Anthony Arter CBE

Interim Chair

Deputy Pensions Ombudsman and Pension Protection Fund Ombudsman