

Debbie Abrahams MP
Chair of the Work and Pensions Committee
House of Commons
London
SW1A 0AA

26 June 2025

Dear Debbie,

TPO Pensions Dishonesty Unit (PDU)

I step down as The Pensions Ombudsman (TPO) Interim Chair on 30 June. I am aware that the current Ombudsman Dominic Harris has written to you re the DWP's decision to end funding for the PDU pilot given the government's current financial restraints. I decided that I would also write to you as I am aware of the interest that the WPSC has had in respect of the PDU, and in particular Stuart Garner regarding the three Norton pension schemes, where I appeared as a witness at two of the WPSC Norton hearings having held Garner to account for the repayment of £10.5m.

As you are aware, in my former role as the Pensions Ombudsman, I established the Pensions Dishonesty Unit pilot in November 2021. I recognised that I had unique and wide-ranging power to hold pension fraudsters to account on the civil standard of proof, no other body has this power.

Norton was the first of a total of 12 Determinations that I made (£40m in redress).

The PDU was a significant development for the industry, providing a new way to hold wrongdoers to account through final, binding and enforceable Pensions Ombudsman Determinations. It also enabled quicker redress and the recovery of funds that may otherwise not be achieved, either directly from the party at fault or through compensation schemes.

As a direct result of the work of the PDU, The Pensions Regulator (TPR) used one of my Determinations as sufficient evidence to appoint Independent Trustees. Those and other Independent Trustees have also used TPO's Determinations to make

successful claims on the Pension Protection Fund's Fraud Compensation Fund (FCF), for the benefit of scheme members.

Although, PDU Determinations have provided justice for those who have been scammed, wrongdoers have been able to delay payment, by appealing the Determination, or avoid liability by filing for bankruptcy. This has meant that the actual recoveries to date from the individual wrongdoers are substantially more modest than the £40 million directed. However, although important, the recovery of monies is only one measure of success. The PDU has enabled claims to be made to the FCF because where there is a finding that assets have been lost due to dishonesty, FCF can compensate the scheme for the benefit of the affected member(s).

It should also be noted that individuals have been banned from being a director, and prohibited from future Trusteeship. If they have filed for bankruptcy, given the finding of dishonesty, they cannot be discharged from bankruptcy until the directed sums are repaid. It assists in reducing future scams and curtailing the fraudsters ability to scam others.

I have seen first-hand the positive effect on affected members in recognising their loss and suffering and publicly holding wrongdoers to account.

TPO has an important part to play, working in partnership with other agencies such as Action Fraud and TPR in order to reduce pension fraud. I would hope that if there is a future easing of public finances monies will be found to continue this important work. When one looks at pension complaints surely one of the most serious complaints is where someone has lost their entire pension savings through being scammed.

Yours sincerely



Anthony Arter CBE

Interim Chair