

## Atomic Energy Agency Technology (AEAT) pensions

162. Non-indexation of pre-1997 benefits was an issue that had affected members of the AEAT pension scheme when it entered the Pension Protection Fund. They had chosen to transfer into that scheme from their existing public service pension scheme. They had been provided with information to support that decision, including by the Government Actuary's Department. In a report in June 2023, the Public Accounts Committee (PAC) said the Atomic Energy Agency Technology (AEAT) pension case had highlighted "gaps in the routes of appeal available for people raising complaints about their pensions, and is another case of government not giving people enough time or support to make complex financial decisions."<sup>328</sup>

163. The PAC concluded that people who transferred their accrued pension benefits to AEAT on privatisation had done so based on "incomplete information from government" and had "ended up losing money as a result". The information provided—including the note from the Government Actuary's Department (GAD) which was intended to outline main factors to consider—did not make it clear that the AEAT scheme, as a private sector DB scheme, offered less security than staying in their existing public sector scheme. Nearly 90% transferred to the new scheme.

164. When AEAT went into administration in 2012 and the scheme entered the PPF, scheme members lost money in real terms, in particular because of the indexation rules. The PAC said that the Government had not commissioned any independent review into the complaints by scheme members and "all the relevant ombudsman services have said they cannot investigate the information government provided in 1996."<sup>329</sup> We wrote to the then Minister for Pensions in September 2023, asking her to support the recommendation of the Public Accounts Committee that "the Government should ensure that members' complaints about the AEAT pension case can be independently reviewed, for example by a relevant ombudsman." In response, the current Minister said that a forthcoming independent review of The Pensions Ombudsman provided an opportunity to look at this recommendation. He was engaging with other Departments in relation to wider ombudsmen powers.<sup>330</sup> The Minister also said that the Government accepted the PAC's recommendations in principle. DWP officials were talking to those in the Cabinet Office on "how to ensure people have adequate means of redress." He was aware "how important ombudsmen are for a sense of justice and fairness, but also how infernally complex they seem to be." He confirmed that the specific case of the AEAT pension scheme would be part of the discussions.<sup>331</sup>

165. We support the recommendation of the Public Accounts Committee that the Government should "ensure that members' complaints about the AEAT pension case can be independently reviewed, for example by a relevant ombudsman." We agree with the Pensions Minister that it is important for a sense of justice and fairness that people should have an adequate means of redress. *The Government should report back to us by the summer recess on how it intends to ensure an adequate means of redress for AEAT pension scheme members.*