



Sir Geoffrey Clifton-Brown MP
Chair, Public Accounts Committee
Simon Hoare MP
Chair, Public Administration and Constitutional Affairs Committee
House of Commons
London
SW1A 0AA
(via email)

15 May 2026

Dear Sir Geoffrey and Simon,

Dealing with Civil Service Pension Scheme (CSPS) member complaints about the impact of the unacceptable performance of scheme administrators

Thank you for the work of your respective committees in holding the CSPS managers and administrators to account for the unacceptably poor service being delivered to members.

I am writing about serious concerns that I have about a particular aspect of the process of recovering the service and remedying the position of members: handling complaints.

I completely understand, and agree, that the priority of civil service officials is the recovery of this service and the processing of delayed pensions and retirement quotes.

However, the handling of members' complaints has the potential to cause significant additional distress and bring management of the scheme into further disrepute and, therefore, warrants further attention.

When your committees meet together on 7 July to take stock of the urgent work of the scheme managers and administrators, it is important that plans for processing members' complaints and paying compensation are also addressed.

There are several reasons that the Cabinet Office's plans for handling complaints arising from the unacceptable performance of scheme administrators are important:

(1) The unprecedented scale of the problem

Many tens of thousands of scheme members have been affected by the current problems with the scheme, many thousands of them very seriously.

About 8,500 retired members were waiting for their delayed pension to be paid on 1 December 2025, while about 7,000 dependents' pensions were outstanding on the same date. On 23 April there were 23,000 delayed retirement quotes in the queue for processing.

All the above members are likely to have grounds to claim for financial and / or non-financial losses arising from this maladministration.

Prospect
100 Rochester Row
London
SW1P 1JP

0300 600 1878
info@prospect.org.uk
prospect.org.uk

On top of this, tens of thousands of other scheme members have been affected in various other ways and could also potentially submit complaints.

It is impossible to know what proportion of potential claimants will submit a complaint, but tens of thousands seems plausible.

For comparison, the Pensions Ombudsman received 9,610 complaints in respect of all occupational pension schemes in 2024-25.

(2) Cases are not fully resolved until complaints are determined and compensation paid

Recovering the service and processing delayed pensions is only part of remedying the position of members.

A member who incurred financial losses, and / or significant distress and inconvenience, as a result of months-long delays in receiving their pension will not be made whole again until their pension is paid and they are appropriately compensated.

Confidence in the management of the scheme will not be restored if thousands of members who waited months for delayed pensions, then must wait years for determination of their complaints and payment of compensation.

Committee members have raised numerous examples of cases that will require payment of substantial compensation to be fully remedied.

Ensuring that there is a robust, and adequately resourced, process to handle the unprecedented caseload of complaints arising from these problems is fundamental to fully resolving this situation.

(3) Substantial extra resources will be needed to handle complaints

In 2024-25, the then scheme administrator (MyCSP) received 339 Internal Dispute Resolution (IDR) Stage 1 appeals. The Cabinet Office received 143 Stage 2 appeals.

Clearly, a significant multiple of the resources available to process Stage 1 and Stage 2 complaints in 2024-25 will be needed to deal with the unprecedented caseload the scheme is about to receive.

Even with significantly increased resources, processing times are likely to lengthen, and the proportion of appeals is likely to increase.

Prospect has had no indication that the Cabinet Office is ramping up resources to deal with the expected increase in caseload.

I would be grateful if your Committees could inquire into plans for determining the thousands, or even tens of thousands, of complaints that could be received.

(4) Appropriate compensation for non-financial losses

I also have some concerns about the initial attitude that Cabinet Office officials seem to have taken towards the determination of compensation for non-financial losses.

Preliminary discussions have given us the impression that Cabinet Office officials do not foresee circumstances where compensation of more than £2,000 would be payable. This is line with Pensions Ombudsman guidance that indicates that compensation of more than £2,000 is only payable in exceptional cases.

But the unprecedented scale and nature of the problems incurred by scheme members means that many will have been impacted in ways that would previously have been considered exceptional.

Committee members have raised numerous cases of constituents and members suffering distress and inconvenience that we believe meets the Pension Ombudsman's guidance for compensation of more than £2,000.

Thousands of members have experienced significant delays of many months in receiving their pensions, and these also seem likely to have suffered distress and inconvenience at a level that the Pension Ombudsman would usually consider exceptional.

I have attached a letter I sent to the Pension Ombudsman with further detail on points related to compensation for non-financial losses.

I would be grateful if your Committees could inquire into the Cabinet Office's approach and attitude towards paying compensation of more than £2,000 for non-financial losses.

(5) Liability for paying compensation

The Cabinet Office usually decides who is responsible for paying compensation that it determines members are owed.

In this situation it may be more difficult than usual to attribute blame (for example, between the previous and current administrators) and to recover payment.

Given the potential for tens of thousands of complaints, and awards of several thousands of pounds in some cases, the overall liability could be tens of millions of pounds.

I would be grateful if your Committees could inquire into how the Cabinet Office thinks this liability is likely to be shared and the steps they will take to ensure payment to members.

Thank you again for the work of your committees on behalf of CSPS members. Please let me know if you would like any further information on this issue.

Yours sincerely,

Steve Thomas

Prospect Deputy General Secretary