

**Pensions Action Group**  
[www.pensionstheft.org](http://www.pensionstheft.org)

The Prime Minister  
The Right Honourable David Cameron, MP  
10 Downing Street  
London  
SW1A 2AA

15<sup>th</sup> May 2010

Dear Mr Cameron,

Firstly please accept our congratulations on your new position. We sincerely hope that the new coalition between your party and the Liberal Democrats succeeds in achieving sound policies based on your stated principles of Freedom, Fairness and Responsibility.

As you know, the 140,000 workers who suffered the loss of most of their company pensions under Labour's regime since 1997 have endured immeasurable stress, destruction of their aspirations for a relatively comfortable retirement and financial and physical hardships for themselves and their families.

Gordon Brown was the instigator of the demise of occupational pensions, and showed himself incapable of accepting his responsibilities, completely ignoring his own proclamation of fairness, and equally ignoring the Parliamentary Ombudsman and the High Court. Yet when it came to insolvent banks he was able to support their pensions schemes in full, along with savings in foreign banks.

When the previous government did eventually, and reluctantly, provide some limited help in the form of the Financial Assistance Scheme and the Pension Protection Fund, it did so with a very mean, and unfair spirit.

Both the Conservative and the Liberal Democrat parties recognised the injustice that was still being imposed by the limitations of the FAS. Indeed we have had many messages of support from you over the recent years of our campaigning, and at our various meetings with your parties. In particular we recall the following comments that were made in the 2008 FAS regulations Legislation Committee on 7<sup>th</sup> July 2009:

*Steve Webb: When it came to people who would have lost their pensions who worked, for example, for a building society that was about to become defunct, the*

*Government did not come along and say, "We will fill 90 per cent. of the gap", as they do in these (FAS) regulations. Instead they said, "We will fill the whole pension fund shortfall." For some of the rescue packages for financial and other institutions in recent months and years, the Government have for some reason decided that a 100 per cent. bail-out is appropriate. However, for FAS pensioners, 90 per cent. is seen as appropriate.....it is clear that the figure is not 90 per cent. and that some pensioners will get far less than that on day one. Indeed, most, if not all, of the pensioners who are affected—about 114,000 people—will see a decline in their real living standards year by year, decade by decade.*

*Nigel Waterson: ...of course, it is said that not having full indexation rapidly undermines the Government's claim—the Minister's claim—that people are getting 90 per cent. of what they would otherwise have received.*

Now that you are in a position to be able to correct this injustice, can we please ask that you do so without delay. Many of our members will not receive anywhere near the 90% of their pensions as proclaimed by the previous government, mostly because of the lack of pre-1997 inflation protection, the failure to provide payments for those who had retired before the start of FAS in 2005, restricted pre-retirement re-valuations and tax free lump sums, and the current cap.

Some of our members are extremely ill, and they and their families need the security of the full pension that they had saved for. Sadly many have already died. Time is of the essence.

We are very encouraged by your swift and decisive action over the Equitable Life disaster, and would point to the similarities between their position and our own. We are sure that your principles will mean that you will treat us with similar fairness.

We were impressed with George Osborne's statement at Conference and more recently that the Conservative Party would '*reverse the effects on pensions savers of the 1997 abolition of the dividend tax credit for pension funds*'. We are the living testament to the human damage caused by this scandal, and we are the very people that you yourself recently referred to when you stated that '*If you save money your whole life, you will be rewarded*'. We have yet to see these rewards in full.

We paid for 100% of our pensions, but New Labour restricted our 'assistance' to nearer 50%. It is time that this injustice was put right, once and for all. You cannot ask the nation to save for its retirement while injustices are left undone. The cost of restoring our full pensions is not great. The cost of not doing so will be borne by future generations. For example, to provide scheme level indexation to our pre-1997 pensions is estimated at an average of £12m pa for 40 years.

We were heartened to see mention of our campaign and statements of intent to improve our situation in some of your MP's General Election manifestos. We hope that this increased your vote from those concerned about pensions savings.

We do hope you can now put into action the supportive words we have heard from you in the recent past. We learned that we could not trust Gordon Brown to deliver his promise of 'A Future Fair for All', but we sincerely hope that you and your team can stand by your stated principles of Responsibility and Fairness. To restore the public's trust in Parliament surely it must start to respect its own Ombudsman and to treat people in a decent and fair manner?

We look forward to your reply. We are in constant touch with the FAS team at the DWP, and we are available, with Dr Ros Altmann, to meet you or any of your team at any time in the near future.

Please act to right this wrong. This has been one of the biggest injustices in our time. If nothing else we would much rather be inside your Party Conference than outside on the beach, still 'Stripped of our Pensions'!

Our contact details are below. We look forward to your swift reply.

Yours Sincerely

**Pensions Action Group**

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