

# Pensions Action Group Press Release

## Immediate Release

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### Pensions Action Group takes DWP to ASA over “misleading adverts”

The Pensions Action Group (PAG) has today lodged a complaint with the Advertising Standards Authority regarding the ongoing media campaign by the Department for Work and Pensions publicising automatic enrolment for workplace pensions. PAG considers that the adverts are using celebrity endorsements which are misleading.

In an earlier letter to the DWP, PAG asked it to amend or cancel its current advertising campaign which is costing £3.5 million, in which a series of celebrities and business leaders appear, together with the catch phrases “I’m in” and “we’re all in”.

The Pensions Action Group argues that this is misleading, for the following reasons:

The adverts were first aired before the start of automatic enrolment on 1 October.

Furthermore many, if not all, of these people are experienced and well-paid business people. It seems most unlikely that they would take out a pension which has been specifically designed for the low-paid.

In particular, Nick Hewer, who is the central figure in many of the advertisements is 68 and therefore not eligible for auto-enrolment. It was reported recently that he only has one pension plan and that he is not paying any contributions. Karren Brady was recently reported as saying that she has no pension plan at all because she considers that “I am my own pension”.

There is also no indication that a workplace pension may not be the best financial choice for everyone, especially those nearing retirement age, in receipt of means-tested benefits and with large amounts of high-interest debt (such as credit cards).

Since lodging the complaint today, a response has been received from the DWP but this does not address the central concern that the celebrity endorsements are misleading. Accordingly, the complaint to the ASA will go ahead.

The Pensions Action Group is made up of people who lost part or all of their final salary pensions when their schemes were wound up underfunded, usually because their companies went bust. They have been fighting for adequate compensation since 2003 and, as a result, there is some assistance from Government compensation schemes but most will still get less than 90% of what they were

promised, and some less than 50% in spite of the Government having promised that “your pension is safe whatever happens to your employer”.

“We were misled by government information then and had to pay the price” said spokesman Peter Lapinskas, “and it looks like they are up to their old tricks again.”

“There are nearly half a million workers and pensioners who are in our position, having lost a big chunk of the pensions they had paid for. They were not feckless: they took care to save for their retirement, just as the DWP is now urging, but their savings were taken away from them.”

“They are hurt and angry about the way they have been treated by successive governments and will make sure that all their friends, relatives and colleagues know about it. That’s why advertising, misleading or not, will make very little impact on workplace saving until they receive the pensions they were promised. Only then will trust in government pension promises be restored.”

Peter Lapinskas

Issued on behalf of the Pension Action Group

28<sup>th</sup> September 2012

See our website [www.pensionstheft.org](http://www.pensionstheft.org) for details of our campaign

#### **Contact Details**

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Notes for editors:

1. A full copy of the original letter sent to the DWP is available on the PAG website at [http://www.pensionstheft.org/documents/120928\\_letter\\_to\\_dwp.pdf](http://www.pensionstheft.org/documents/120928_letter_to_dwp.pdf) or <http://is.gd/0ywISB>
2. A copy of the DWP reply is here: [http://www.pensionstheft.org/documents/121003\\_letter\\_from\\_dwp.pdf](http://www.pensionstheft.org/documents/121003_letter_from_dwp.pdf) or <http://is.gd/Dggb20>
3. A copy of PAG’s response is here: [http://www.pensionstheft.org/documents/121005\\_letter\\_to\\_dwp.pdf](http://www.pensionstheft.org/documents/121005_letter_to_dwp.pdf) or <http://is.gd/KZrul1>

4. A copy of the statement of complaint to the ASA id here:  
[http://www.pensionstheft.org/documents/121005\\_asa\\_complaint.pdf](http://www.pensionstheft.org/documents/121005_asa_complaint.pdf) or  
<http://is.gd/ubnl4x>
5. Karren Brady has no pension was reported in "Auto-enrolment cheerleader admits: 'I don't have a pension myself'", Daily Telegraph, 1 October 2012.  
<http://www.telegraph.co.uk/finance/personalfinance/pensions/9579464/Auto-enrolment-cheerleader-admits-I-dont-have-a-pension-myself.html> or <http://is.gd/v5w49D>
6. The Pensions Action Group consists of individuals who lost all or part of their company defined benefit pensions when their schemes were wound up, largely as a result of their employer becoming insolvent.
7. Members of schemes which fall into the above definition whose employers became bankrupt between 1997 and 2005 are covered by the Financial Assistance Scheme which is financed by the Government. Those whose schemes wound up later are covered by the Pension Protection Fund (PPF), which is funded by a levy on surviving company pension schemes. Both schemes are administered by the PPF and further details are available on their website (<http://www.pensionprotectionfund.org.uk>).
8. Automatic enrolment in workplace pensions is a framework created by the Government in order to encourage people to save for their retirement. It is being introduced on a rolling basis and will eventually require all employers to automatically enrol their employees into an approved scheme unless the specifically choose to opt out. Further details are available here: <http://www.dwp.gov.uk/newsroom/press-releases/2012/sep-2012/dwp103-12.shtml>