

Trustees of the BT Pension Scheme, Ford Pension Schemes and Marks and Spencer Pension Scheme to seek Judicial Review of the decision effectively to replace RPI with CPIH from 2030

The trustees of the BT Pension Scheme, Ford Pension Schemes and Marks and Spencer Pension Scheme (“the Schemes”) today announced that they are seeking a judicial review of the decision effectively to replace RPI with CPIH from 2030.

The Trustees of these defined benefit schemes, which represent nearly 450,000 members and £83bn of assets, believe the far-reaching implications of this decision has not been fully considered.

It is estimated that over 10 million pensioners*, through no fault of their own, will be poorer in retirement either from lower payments or lower transfer values as a result of the effective replacement of RPI with CPIH. Women will suffer the most from this change as they typically live longer.

The reform also significantly reduces the value of RPI-linked assets held to meet pension promises to members, weakening schemes’ funding positions and, in turn, adding pressure on sponsoring employers.

The decision to pursue action has not been taken lightly, but the Schemes believe that a judicial review is necessary to protect scheme members and scheme assets from the detrimental effects of this decision.

*Estimate from Insight Investment.

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