Attention of Mr Damien Green

Sir,

Essentially the PPF, which is still flawed in many ways, was established to be a lifeboat for private pension schemes in the event that a sponsoring company became insolvent. There is a very worrying trend developing in this organisation, whereby struggling companies endeavouring to sell their business, often to extremely wealthy potential buyers (mostly foreign), who then state they only want the business without any liabilities attached to the employee pension scheme. In this event, I do not believe that it is the role of the PPF to step in to take on the scheme as the company is not insolvent, and their action is way beyond the intention of the scheme. The argument that by offloading the pension scheme might keep the business and jobs alive is disgraceful if their is a real cost to many people in the pension scheme, and this action could be used for almost any business in the UK which currently has a pension deficit and a way to avoid facing up to the promises made to their employees. The latest to use this scam is Bernard Matthews, where the deficit at present is not that large and could well improve over the forthcoming years, but the incredibly wealthy potential purchasers (foreign) are seeking to do one of these prepack deals to make the company insolvent and then subsequently buy the assets. This is not good enough and the Pensions Regulator must be given increased powers to stop this action becoming acceptable as the norm to prevent current and future pensioners losing their savings.

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