Right Honourable Frank Field MP DL
House of Commons
London
SW1A0AA

Dear Mr Field

National Grid pie is taking steps to divide its pension fund into three separate parts each of which will have a part of the assets of the current pension fund assigned to it. Each of the three parts (or sections, as the National Grid prefers to call them) will have a portion of the deficit of the current pension fund assigned to it, and each section will be ringfenced from the others. National Grid pensioners, both those currently drawing a pension and those who are members of the scheme but not yet entitled to a pension, are also being assigned to a section. In the case of long standing pensioners whose previous jobs no longer exist, these have been assigned using some undisclosed methodology. Finally, the assets and cashflows of National Grid pie itself are being divided between each of the sections, so that the claim to make good the deficit of a particular section can only be made on those National Grid pie assets and cashflows assigned to it.

This change seems to have been sparked by the National Grid pie intention to dispose of a further part of its gas distribution business. Reports in the press have suggested that this disposal might realise £5 billion and that this sum will be distributed to shareholders in National Grid, although, as far as I am aware National Grid has not confirmed that this is so.

The three sections are Gas Distribution, Gas Transmission, and the rest of the National Grid business, which is presumably its electrical grid business.

As you will see from the attached email, which is the last of a quite protracted correspondence over the last few months, I have some concerns about these proposals. The email gives some detail about my concerns, however, my reason for writing to you is to draw your attention to the fact that it can extremely difficult for pensioners, whose pension funds are undergoing profound change which might affect their future pensions, to obtain any facts or information about the change beyond bland assurances that everything will be alright and payments will continue as before.

In the case of the National Grid, this seems to be because the Trustees of the Pension Fund have entered into some confidentiality agreement with the National Grid. Given that Pension Trustees are supposed to represent the interests of pensioners, present and future, and given that the sectionalisation changes might result in profound change in the security of future pension payments, it seems to me to be astonishing that Trustees could agree to any confidentiality agreement which effectively deprives pensioners from judging the proposed changes for themselves. We are, it seems, expected to remain ignorant and take things on trust, just like the pensioners of BHS, the Maxwell Group, Carleo, Tesco and perhaps others. This is the first of my concerns: the lack of any flow of meaningful information from the Trustees to the pensioners.

The second of my concerns, which is linked to the first, is the failure to give any reason why this
change needs to take place in the first place. As you will see in my email, I have my suspicions that this is to limit the damage to National Grid plc in the event that its revenues from certain assets should decline. As I and other pensioners are being given no information, it is difficult to know whether these suspicions are justified or not but they have been expressed in previous correspondence to the Trustees and they have not been refuted either outright or in a reasoned way.

Of course, if my suspicions are correct, these changes could be the cause of a future pensions scandal.

My third concern is the role of the Pensions' Regulator. Following consultation with the Pensions Advisory Service, I wrote to the Regulator to describing my concerns about the proposed changes to the National Grid Pension Scheme. I asked whether they were satisfied with the proposed National Grid changes. I received an email from the Regulator which said that they did not answer the "complaints" of individuals and referred me and my "complaint" (really, they are concerns not "complaints", I do not have sufficient information to complain) back to the Pensions Advisory Service.

The email was sent using some elaborate security whereby the letter self-destructed after a limited time period and required passwords to open it for reading. Consequently, although I have read it, I do not have a copy of it. Such security for emails of that nature seems excessive but more importantly, if the Pensions' Regulator is uninterested in the concerns of pensioners, how can this office effectively regulate pensions? It seems to be taking its role to be that of investigating after a pensions scandal has occurred (closing the stable door after the horse has bolted: BHS) or intervening as it has in the case of Carclo, at the eleventh hour. Perhaps, if it listened to pensioners' concerns, it might be able to take more timely action.

I am not sure whether these concerns are the sort of things which the Work and Pensions Select Committee would consider. However, as a pensioner, who is trying to obtain information to satisfy himself that the future income of himself and his wife is secure, I would urge that the Committee does so.

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