

# "Beyond Parsimony"

Bulletin No. 19



**Happy New Year! 2024 starts strong for Campaign.**

## Bulletin highlights

- Legal Letters - Watching Brief
- Campaign Objectives Update - 11% becomes 17%
- Steering Group Offsite - Highlights
- New 'Member Get Member' Initiative
- Political Support Grows
- BP's 'Update Statement' - Charity Handout and 'Information Session'
- Social Media Activity

## Welcome to Bulletin 19

You will be pleased to know that the Campaign hit the ground running in January as we entered the period when BP and the Trustees have some key decisions to make. **Top of the list are how to respond to our legal letters and whether to make a discretionary**



**increase to the pension in 2024 that addresses what is now a 17% shortfall in the value of our pensions.**

See '[Campaign Objectives Update](#)' section.

As they prepare to meet soon to discuss the 2024 increase, we have issued individually tailored letters - written in the strongest possible terms - to the Chairman of Trustees, Independent Director Law Debenture Corp, Company Nominated Directors, and Member-Nominated Directors.

These letters remind them - inter alia - of their fiduciary duties in respect to the Fund and Fund members and the written policy, agreed by BP and the Trustee, of "increasing pensions fully in line with the cost of living wherever possible, and provided the Scheme has sufficient resources". The letters also suggest that certain directors should consider recusing themselves from the Board's discretionary increase deliberations if they feel conflicted by their relationship with BP, and therefore unable to pursue the matter objectively and vigorously with BP.

We have also given BP and the Trustees some other things to consider as well!

- With the great support of **Alastair Carmichael MP**, a **Westminster debate was secured involving the new Pensions Minister, Paul Maynard, who has said that he will now take a close look - in tandem with the Pension Regulator** - at what has gone on at the BP scheme and whether regulations are working as intended. See '[Political Support Grows](#)' section.
- This has generated a great deal of media interest and coverage of our campaign including the Sunday Times, Bloomberg, Yahoo and specialist pensions and financial media as well providing fresh material to help drive our social media activity.
- Meantime, we launched a new 'member get member' initiative aimed at those of you who joined the campaign in recent months. **We urge you to help the campaign grow** by spreading the word to all your BP contacts using the materials provided in the special bulletin that was sent to you on 11<sup>th</sup> January.

## **Campaign Focus - January 2024**





## The Solicitor Letters - watching brief

As you may know, **legal letters were issued in December** by our solicitors, Stephenson Harwood, to named individuals at BP and BP Pension Fund Trustee Ltd. **They have since been acknowledged by both** BP Legal and by Linklaters, the solicitors acting for the Trustee.

We have also learned that a former senior BP employee with particular knowledge has written to both BP and the Trustee and challenged the suggestion that the Trustee or the Company has ever withdrawn, or stepped back from, their commitment to the pension inflation-proofing policy. We believe that the credibility of this individual and of the representations made are such that they will need to be taken very seriously by BP and the Trustee alongside our legal letters (please note that this individual does not wish to be identified at this stage and we ask all our members to join us in respecting their anonymity).

This week, we also received a letter directly from the Chairman of Trustees, Brendan Nelson who said: "We are currently considering the points raised by the BP Pensioner Group and intend to provide a single response directly to Stephenson Harwood LLP through our legal advisers, Linklaters LLP". **This is the very first time that the Trustee has acknowledged the existence of the BPPG after nine months of correspondence.** It's a very small step but a welcome one all the same.

**Of course, the question at the forefront of all our minds is - 'when is it reasonable to expect a substantive response to the legal letters from each party?'**

We recognise that a solicitor's letter running to 15-pages of carefully framed legal points and questions requires time to be weighed and responded to properly. We know it took our own team and external counsel many months to examine the evidence and legal arguments before putting pen to paper. We are also aware that the Christmas break and the appointment of a new Executive Vice President for BP Legal on 1st January have intervened.

We have not set a deadline for response at this stage, but we are not complacent and with our solicitor we are keeping a close watching brief. BP and the Trustee's lawyers

will be well aware that a failure to explain their actions and to answer the legal letters satisfactorily, will count against them should these matters have to be determined at court.

We will keep you updated on this.

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## Campaign Objectives Update

We last revised the campaign objectives in August 2023 since when much has happened. At our Steering Group Offsite Meeting earlier this month (see below), we took the opportunity to review and update them.

First, we now know that December RPI inflation was 5.2%, so we know exactly what the guaranteed increase will be and what increase is required in May 2024 to restore the real value of our pensions and to compensate us for the last two years' loss.

**That number is 17%.**

Second, as 2023 progressed, it became clear that there's strong linkage between the pension increase, the surplus in the Pension Fund - claimed as an asset by bp - and the likelihood of a 'hiving-off' of the Fund's pension obligations to an insurer through buy-ins and buy-outs. **These issues were set out in our evidence to the Work and Pensions Select Committee in October last year and are part of the national debate on pensions.** Click [here](#) to view Select Committee evidence.

### **Our updated 2024 objectives are therefore:-**

1. BP and the Trustee to restore the real value of the pension to the level of May 2021 with a 17% increase\*.
2. BP and the Trustee to honour the 2002 written policy of "increasing pensions fully in line with the cost of living wherever possible, and provided the Scheme has sufficient resources".
3.
  1. All existing discretionary benefits to be preserved on partial or total buy-out, including the commitment to increase pensions in line with the cost of living.
  2. Fund governance to be improved to provide more pensioner input and eliminate sponsor conflicts of interest.
4. Any surplus assets left after completion of a buy-out to be distributed between member beneficiaries and bp on a fair and equitable basis.

*\* comprising 11% for absent discretionary increases in 2022 and 2023, 5.2% to cover annual RPI inflation to December 2023, and the remainder to make good the underpayment since May 2022.*

We know that in January, the Trustee will normally be weighing up whether to make a discretionary increase recommendation to BP. **We think it extremely important that the new figure of 17% is recognised by all parties as the level of increase now required to fully restore the pension to a position that complies with BP and the Trustee's agreed policy.**

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# Steering Group Offsite - Highlights

This was only the second time that the Steering Group had met 'face to face' since the Campaign began - and it was a welcome relief from the limitations of the Zoom world. The location was within a stone's throw of BP HQ and the UK Parliament which seemed entirely appropriate in the circumstances. Proceedings were briefly interrupted by The Sunday Times photographer who dragged us away for a quick photo-shoot on a very cold Westminster Bridge.

The following are some highlights:

**First, we reviewed and revamped the 2023 objectives** which have served the campaign so well. The new 2024 objectives are set out above.

**Second, we reviewed the campaign strategy and tactics** in the light of the new objectives. Forgive us if we don't share too much here. In just eight months, the campaign has put down some impressive foundations - organisational, financial, legal, communications. **We reviewed the robustness of the PG structure and developed our thinking for sustaining the campaign for as long as it takes to achieve the new Campaign objectives.** If anyone has been advising BP's senior leadership that the UK pensions issue would 'wither away' then they completely misjudged the 2,600 members of the BP Pensioner Group.

That said, we know the challenges involved when dealing with a large, inflexible entity whose leadership has let the issue become unnecessarily entrenched. After 8 months we have not secured the Campaign objectives. We reminded ourselves in our meeting that everything we do as a campaign must have a connection and clear line of sight to their delivery. It's something all of us involved with the Campaign must keep front of mind so we are not distracted.

**Third, we discussed the role of the Pension Fund Trustees.** We have long believed that the Trustees find themselves in a very difficult position with conflicts of interest not of their own making and informed by what appears to be an incomplete understanding of the policy documents to guide their decision-making. This is their moment for each to stand up, engage with the important issues that 2,600 members of the Fund have raised with them and put this right. That is the reason for and the nature of the letters that we decided to send to each trustee director - regardless of whether they are BP-nominated, Member-nominated or Independent.

**Fourth, we reviewed our communications activities** and their efficacy and impact. We leave you - our members - to form your own judgements on this - as you read your newspapers, see social media and receive communications such as this Bulletin. Getting the tone, balance and targeting right is not always easy. But the sheer volume of activity alone has been remarkable for a fledgling volunteer organisation.

**Fifth and finally, we discussed our plans for the company's Annual General Meeting** - which will probably take place in May this year - around the time we would normally receive a bulletin from the Trustees advising of the annual pension increase. With your support, we have secured enough BP shareholders with the requisite number of shares to allow us to table a resolution at the AGM and we have received advice from BP's Company Secretary on the timetable should we proceed. We will announce a

range of other activities that we have planned leading up to and on the day of the AGM to exercise our rights as shareholders to highlight the legal jeopardy and reputational damage to the Company as a result of poor leadership on the UK pensions issue. **Watch this space.**

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## Member-get-Member Initiative

As you are probably aware, our Pension Fund Trustee has declined to acknowledge the existence of our 2,600 strong Pensioner Group and refused to carry even basic contact information for the Group in the BP Pensions newsletter (paid for by members' funds). This is quite extraordinary - especially now formal legal letters have been received by the Trustee on behalf of such a significant group of members.

This has meant we have had to rely on 'word of mouth' to grow our membership and enable more of the 58,000 members of the Fund to become aware of the campaign. Early on, we promoted a 'member-get-10-members' initiative which was a great success. You looked into your contacts book, found former BP friends and colleagues and reached out to them to make them aware of the issue and campaign.

This month we've written to 900 of our newest members to ask them to undertake a similar exercise using materials that we have prepared. Click to view and download the '[Prepared invitation](#)', '[Q&As](#)' and '[Campaign Summary Infographic](#)'. **Introducing just one new member each would increase our membership by 33% - three new members each and you double the entire membership!**

**If you are one of our 1700 early joiners** - and think you have BP contacts who might now be persuaded to join - please take a look at the prepared materials which explain the importance of the campaign, especially to BP pensioners on low pensions [click [here](#) to view or download].

We understand that not everybody wants to join the BPPG of course for a wide range of reasons - which means casting your net as wide as possible among all your close and distant BP contacts is the most productive approach.

**Please take the opportunity to assist the campaign by this important initiative.**

Thank you.

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## Political Support Grows

**Things have come to a boil on the campaign political front.** As you may know, thanks to our members, more than 160 constituency MPs have received information about the campaign and more than 60 took the time to write to BP's CEO/Chairman.

This paid off just before Christmas when the MP for Orkney and Shetland, **Alistair Carmichael**, took the opportunity in the House to ask a question of the newly appointed Pensions Minister **Paul Maynard**. He told the Minister that BP appeared to be "**dealing from the bottom of the deck**" on pensions and the Minister has since held a personal

meeting with the MP.

In January, another **MP Siobhan Baillie**, who had been contacted by one of our members, questioned the Minister about the BP dispute when he appeared in front of the Select Committee Inquiry into the UK's Defined Benefit pensions. On the 17<sup>th</sup> of January, **Alistair Carmichael** secured and led a 30-minute Westminster Hall debate involving the Pensions Minister on 'Regulation of Defined Benefit Pensions' with many references to the BP pension scheme - see the [debate](#), [transcript](#) and [media statement](#) for further details. **Mr Carmichael likened the BP pension issue to 'the canary in the coal mine' for the UK's Defined Benefit pension schemes.**



The Pensions Minister's response was encouraging: "it is difficult not to have sympathy with pensioners who have planned on the assumption of receiving certain increases, no matter how discretionary they may be, but then find that their income is not increasing as they had expected or planned on. As much as I can do, I will look closely again at the situation regarding the scheme that I have heard about in this debate ....and try to understand fully what has happened and whether the arrangements currently in place in regulation are working as intended. I will do this by discussing it with the Pensions Regulator in particular."

**Our sincere thanks go to all the MPs supporting our campaign**, especially **Alistair Carmichael**, **Wendy Chamberlain** (North East Fife), **Justin Madders** (Elsemere Port & Madders), **Jim Shannon** (Strangford, NI) and the Pensions Minister **Paul Maynard** (Blackpool North & Cleveleys) who all spoke during the debate.

And a big thank you to all 200+ of our PG members who wrote to their local MP and have kept them up to date with the BP pension issue. **It's not too late** for any of our members to **write to their constituency MP** and especially draw their attention to the Westminster Hall debate and the growing political concern about the UK's Defined Benefit pensions in which the BP case is a good example.

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## Update Statement from BP - charity handout & information session

In our December Bulletin, click [here](#) to view, we gave our response and short shrift to the 'Update Statement' [click link below] that BP published on its website on 29 November.

[An update on UK pension concerns / News and insights / Home \(bp.com\)](#)

Since then we issued a [2-page-briefing](#) and an [updated rebuttal](#) which we hope you find informative and useful. We were pleased to see extensive use was made of this by [Alastair Carmichael](#), MP in the Westminster Hall debate and in particular his comment about [BP's Helios Fund charity offer](#) which we think hit the mark when he said: ***"Pensions aren't charitable handouts. This is money that people have earned in the course of their working lives."***

In regard to BP's proposed 'information session', **we have heard reports that this will be announced very shortly.** As a campaign, we will keep an open mind until we know more - and we will then write to all BPPG members with our thoughts and intended response - again watch this space.

Our rebuttal document provides important context as to why we believe BP's 'response' to date has not been well thought out - **so please feel free to share it.**

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## Social Media Activity

January has seen a range of new materials supporting the Campaign's rebuttal of claims made in BP's November 'Update' statement and building on the political activity that has highlighted our pension issue at Westminster.

**The team are constantly developing new themes that can be effective in helping gain wider support for the campaign** - for example from bp staff and members of other pension schemes - or themes that deploy the strongest evidence to rebut incorrect and misleading public statements by BP.

You may not be an active user of social media but if you have ideas for useful themes or would like to get involved then please contact the SM team at [social@bppensionergroup.org](mailto:social@bppensionergroup.org)

As well as this Bulletin and our two WhatsApp groups (see below), another way to stay in touch is via social media on the LinkedIn BP Pensioner Group (called BPPG) with around 770 members and on Facebook with around 670 members.

[Join LinkedIn Group](#)

[Join Facebook Group](#)

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Don't forget all the documents mentioned in the bulletin are in [The Library](#) as well as all the previous bulletins if you've missed out.

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**THE BP PENSIONER GROUP NEWS**  
SELECT COMMITTEE SPECIAL  
[HTTPS://BPPENSIONERGROUP.ORG](https://bppensionergroup.org)  
**10TH JANUARY 2024**  
UK PARLIAMENT'S WORK & PENSIONS  
SELECT COMMITTEE INQUIRY:  
DEFINED BENEFITS PENSIONS

Pensions Minister Paul Maynard gave oral evidence today to the Select committee Inquiry into Defined Benefits Pensions.

Referencing the recent input to the inquiry from pension groups including BP where the system for seeking and achieving discretionary increases is not working, MP Siobhan Baillie asked:

"How can the interests of the (Defined Benefits) scheme members be protected better?"

Mr Maynard replied:  
"I am meeting a fellow MP next week regarding BP specifically"

[click to access all Bulletins](#)

You can [download](#) a set of 'business cards' to hand out at any BP events you are attending or other celebrations, birthday or retirement parties etc!

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## Next Bulletin

February is set to be another busy month for the campaign with a **focus** on preparing for a response to the legal letters, **maintaining** political pressure, **continued** media & social media action and the member-get-member **initiative renewal**. **We will seek to keep you fully informed by bulletin or email.**

Did you receive this bulletin from an ex-colleague, friend etc? Would you like to become a member of the BPPG and receive future bulletins & important news about the campaign? Follow this link to join <https://bppensionergroup.org/join/>

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## WhatsApp group

If you haven't signed up to one of the WhatsApp groups yet - follow the links below and join the melee or just get the critical info!

[Join 'Chat' WhatsApp](#)

[Join 'Info' WhatsApp](#)

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## Key Questions & Answers

To help you answer any questions here is an updated key Campaign information guide - "[Member get Member Initiative Questions & Answers](#)"

Feel free to cut and paste it into any of your emails, social media comments and letters!

[Click to view Q&As](#)

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Thanks for getting involved and supporting the campaign.  
You can contact the Steering Group at [contact@bppensionergroup.org](mailto:contact@bppensionergroup.org)



## BP Pensioner Group



### BP Pensioner Group

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