

# "Beyond Parsimony"

Bulletin No. 22



## Third Time (Un)Lucky - Trustee Request for 2% Discretionary Increase Refused

### *Bulletin highlights*

- *Trustee Turned Down for Third Time - Important Request*
- *Legal Matters - Important Update*
- *BP's Annual General Meeting*
- *Government Plan to Enable Employer Extraction of Pension Surplus*
- *Pensions Debate in House of Commons - 2<sup>nd</sup> May*
- *Helios Fund*
- *Social Media Activity*
- *Membership Recruitment - Reunions*

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## Welcome to Bulletin 22

Dear {{ contact.FIRSTNAME | default : "Valued Member" }},

**Welcome to our latest bulletin which captures a flurry of news and activity. Most important of these is the announcement that BP has just vetoed – for the third consecutive year – the Trustee’s attempts to grant a small discretionary increase to the pension to partly offset the 11% erosion in the value of our pensions.**

You can read BP’s website statement that seeks to justify this latest decision (click [here](#) to view). This is based on the same assortment of irrelevant reasons (in law) that we do not believe will survive an appropriate legal test.

You can read our earlier rebuttal of BP’s arguments in these two statements - click on the following links to view these statements - [statement 21-02-2024](#) and [statement 15-01-2024](#).

**We think that now is the right moment for all our BPPG members to write to the Trustee directors in an individual capacity and invite them to test the legality of BP’s reasons for vetoing their recommendations.** We provide a template (document attached) for you to personalise your communication. The Trustee remains an important advocate for the Fund members, and this is an opportunity to request politely that they stand up for you.

In this bulletin, **we also provide an update on our legal campaign** which we hope you find helpful – especially our newer members. As you know, we remain constrained by legal privilege which continues to restrict our ability to answer some of the questions that members might have. As ever, we ask for your continued patience.

As we go to press, we’re hearing that BP staff planning to retire before the age of 60 have received dispiriting news that **BP is planning to increase the discount on early retirement pension entitlement by a staggering one-third.** Staff and deferred pensioners are understandably upset – and there seems to be a common theme here of BP acting to erode pension benefits without consulting or communicating. **What is going on?**

We didn't find any answers to this conundrum at BP's AGM this past week. We provide a report from the Pensioner Group members led by **Phil Clarke** - an old hand at attending and asking difficult questions at shareholder meetings. The Financial Times who were there summed it up nicely: "*BP's main critics at this year's AGM are not climate activists but former BP employees. Don't mess with pensioners.*"

Meanwhile, in Whitehall, the **Department of Work & Pensions closed its consultation proposing to introduce a ‘statutory override’** that would make it easier for employers to extract surpluses built up in defined benefit pension funds. You’ll be pleased to know, that we made a detailed submission with suitable warnings of unintended consequences and a burning need for safeguards.

In Westminster, we’re gearing up for a **3-hour Parliamentary debate** next week led by **Alistair Carmichael, MP** which should throw more uncomfortable light on BP’s actions as well as by other employers who are sponsors of DB pension schemes.

Read on to find out more about the campaign's social media activities, Helios Fund and how to encourage fellow pensioners to join the BPPG.

*We hope you find this bulletin useful.*

**Many thanks and best regards**

[Suzie Baverstock](#)

[Colum Doyle](#)

[Mike Hennessy](#)

[Jonathan Popper](#)

[Mike Slingsby](#)

[Adrienne Tallents](#)

## *Trustee Turned Down for Third Time - Important Request*

**By now, you should have received a communication from the Pension Fund Trustee informing you that BP has once again refused the Trustee's recommended discretionary increase to your pension.**

For 2024, the Trustee requested that BP support a discretionary increase of 2%; a modest attempt to restore a part of the 11% drop in the value of pensions over the past two years.

Despite such a small request – one that would have made **little** impact on our Fund's record surplus - this is the **third consecutive year** in which BP's current leadership has **blocked** any effort by the Trustee to secure some protection against the erosion of pensions by inflation.

**We think this has particular significance.**

At the BP-hosted Pensioner Information Session in February, when answering a pre-submitted question, BP's new Chief Financial Officer **could not** describe any circumstance where a discretionary request might be granted in the future.

Up to this point, our campaign has been addressing the failure to apply the long-established policy of increasing pensions "*fully in line with the cost of living where the Fund has resources*" and what we consider to be irrelevant reasons used by BP in its attempts to justify blocking the Trustee recommendations.

What we must now consider is that BP's apparent position is to veto any and all recommendations by the Trustee to use its discretionary power to protect our pensions when inflation exceeds 5%.

This puts our Trustee directors in a very difficult position. However, there is still one course of action open to them – and that is to seek a ruling on the legality of BP's decisions given the great importance of this to Fund members and the Trustee's fiduciary duty to protect the value of member pensions.

### **Writing to the Trustee – *Important Request***

**This is the right moment - immediately after this latest Trustee announcement - for as many individual pension fund members as possible to make this simple request of the Trustee.**

However, it is vitally important that this is done in a polite and measured way. The Trustees now have the opportunity to settle this matter for the long-term good of not just the Fund members, but the Company and the Trustee board directors themselves. We want them to see the degree of support that such action would attract.

For that reason, we have prepared a template letter that we ask **all members** to personalise and send to the Trustee. The template is attached or click [here](#) to download. It contains the Trustee's email address and postal address should you prefer to send it by mail.

Once you have submitted it, please let us know by sending an email to [contact@bppensionergroup.org](mailto:contact@bppensionergroup.org) so we can get an idea of the numbers submitted.

**Thank you.**

# *Legal Matters - Important Update*

As members know, the Steering Group is obliged to tread extremely carefully to avoid breaching legal privilege and confidentiality in what we share with members. That said, we are acutely aware that our members funded the campaign's legal work and need to be kept abreast of developments as soon and as much as possible. As our membership approaches the 3,000 mark, many new members are not fully aware of the legal journey we have been on, so a look-back brief is appropriate.

In summary, our legal campaign is progressing well – albeit more slowly than we would like – although this is the nature of most things legal. As a Steering Group, we continue to believe we have a good case – but our challenge remains to ensure we can translate that belief into actions that secure the Campaign objectives.

## **Recap**

Research and legal preparatory work was first conducted last year by a small team of Pensioner Group members who prepared a detailed instruction to the external lawyers. Members helped by sending us copies of all the relevant pensions documents stored in their attics and donated monies to fund initial legal advice by one of the country's leading pensions law specialists, **Andrew Spink KC**.

Acting on the advice received, the Steering Group asked you - our members - to fund the appointment of Andrew and his team at Outer Temple Chambers and solicitors **Stephenson Harwood** to research and prepare legal letters for submission to BP and the Trustee. We exceeded the funding target and were obliged to close the CrowdJustice facility within hours after 700 members had swiftly donated – leaving many frustrated at not being able to add their donations.

In December 2023, lengthy and detailed legal letters were sent by our solicitors to named directors of BP plc and the BP Pension Fund Trustee on behalf of named members of the BP Pension Fund and BP Pensioners Group.

## **Our Confidential Correspondence with BP and the Trustee**

The correspondence we previously sent to BP and the Trustee focused on the discretionary pension increase decisions made in 2022 and 2023 and sought to establish the facts behind the decisions made by both parties - an essential prerequisite before any future possible legal action could be considered. In particular, the letters drew together the evidence of the decision-making available so far and asked searching questions about this, with a view to seeking to obtain any further available evidence. This was with the intention that any further evidence obtained would be analysed carefully by our legal team, in the context of considering potential breaches of the duties owed to members of the Scheme.

The correspondence considered key questions about, inter alia :

- the application of the long-established policy which informs how and when a discretionary increase to the pension should apply.
- the relevance of the reasons used by the parties in reaching decisions about discretionary increases.
- the degree to which such reasons and decisions might and should be challenged by the Trustee.

## **Responses by BP and the Trustee**

A few weeks ago, lengthy responses were received from **Herbert Smith Freehills** (for BP) and **Linklaters** (for the Trustee). In short, **both parties deny that they acted in breach of their duties** and point to evidence as to why they believe this to be the case. We hope to receive a copy of this evidence shortly (although please note that we will not, unfortunately, be in a position to share any such material more generally with the wider Scheme membership as

confidentiality undertakings have been requested before the material will be released). However, please be assured that we are satisfied that the work we have undertaken so far has now secured us further information which may be of great assistance to our group in formulating its next steps.

## Our Immediate Next Legal Steps

### May - June

- Finalise confidentiality undertakings with both BP and the Trustee.
- Detailed review of legal letters and supporting (confidential) evidence by our solicitors and Counsel Team.
- Additional fundraising exercise in support of ongoing legal work. Details of this – and expenditure to date - will be provided in a special bulletin.

As ever, **we ask for your continued patience** so that we – and our external lawyers - can take the necessary time to assess the evidence and prepare our next steps.

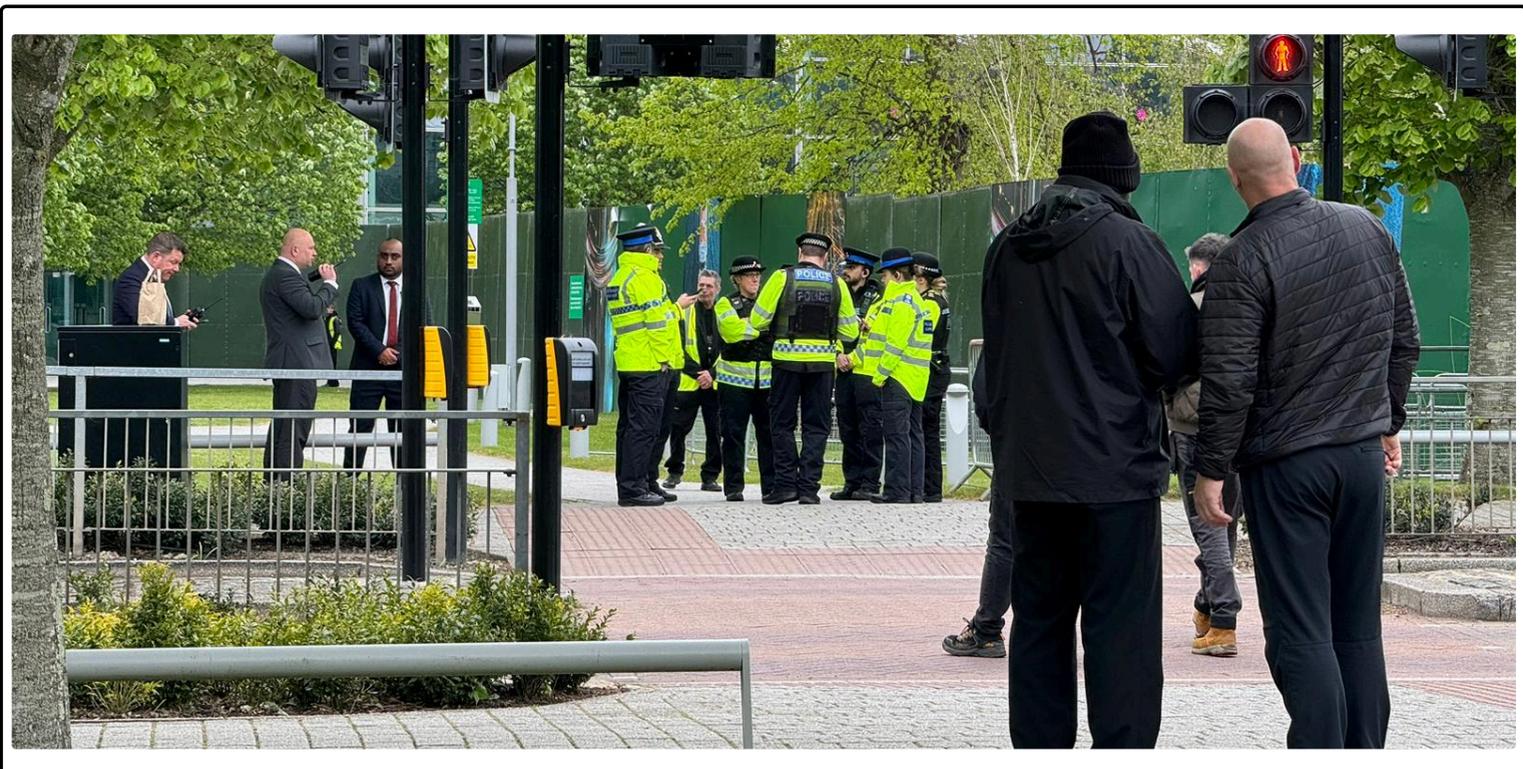
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## BP's Annual General Meeting

The AGM took place this week at the BP offices at Sunbury. The day started promisingly as The Times published a lengthy article that shone a spotlight on BP's treatment of its pensioners - click [here](#) to read the article.

At Sunbury, shareholders were greeted by an extraordinary scene with the leafy campus turned into a walled fortress (see photo below), 300 security staff hired, employees told to work from home and local schools issued with warnings about possible protests. Visitors were told to take their cars to Kempton Park Race Course or take a train and bus. If one were implementing a plan to deter shareholders from attending the AGM and asking questions of the Board, this appears to be a template.



Once again, the BPPG leaflet team were in action sharing information about the campaign with shareholders despite the tight security.

**Phil Clarke** and a group of 14 intrepid BPPG members managed to gain access to Fortress Sunbury after running the gauntlet of security checks. Being retirees they know how to turn up early and bag the best seats - which was just as well as security were filtering other shareholders into a room to watch proceedings remotely.

**We were astonished that eight of BP's Non-Executive Directors (NEDs) failed to show up to hear directly from shareholders.** That left the Senior Independent Director to put in an appearance - her final act as she departed the Board immediately after the AGM concluded! Our members' accounts from the meeting report that the directors who did show up appeared rather miserable and the new CEO was disinterested and dismissive in his remarks about the pensions issue. **The Company Secretary sought to close down the subject by claiming questions about pensions were not a matter for the AGM. Yet, all this didn't deter 7 of our members from managing to grab their moment and fire 11 uncomfortable questions at the Board.** Some of the questions even drew applause from the audience - and members reported that BP shareholders whom they met had sympathy for our cause and were puzzled by the Company's intransigence in not resolving the UK pension issue.

A report of the questions asked by BPPG members and the answers received can be found in the Library - click [here](#) to view or download.

Meanwhile, thank you to everyone who submitted the set of questions by email ahead of the AGM. You should have received answers to these by now. The questions and BP's answers can be viewed in the Library - click [here](#) to download.

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## ***Government Plans to Enable Employer Extraction of Pension Surplus***

**While we keep our focus on the campaign's principal objectives, we remain alert to new legislative or regulatory developments that have significant implications for our pension fund.** Indeed, one of our objectives concerns the fair distribution of the pension fund surplus. It's no good fixing the discretionary increase tap while someone else removes the bath plug and lets the surplus flow away.

This consultation by the Department of Work & Pensions was stirred by **Chancellor Jeremy Hunt's** Autumn Statement which floated ideas to stimulate investment in the UK economy - such as enabling employers to extract monies deemed 'surplus' from UK pension funds. Our pension fund deed only allows surplus extraction at the point the Fund is wound up - and the deed requires the Trustee to first consider enhancing member benefits before returning any balance to the employer.

The government proposal is to introduce a '*statutory override*' that would overrule the Trust Deed. In fairness, the government consultation seeks to find ways to ensure that any such extraction is undertaken to the benefit of both members and employers.

You can get a quick sense of our response in the media release [here](#) and the full response with BPPG '7 Point Plan' is [here](#). We are extremely grateful to **Nick Coleman** and colleagues for developing this paper - it is this paper that stirred the Financial Editor of The Times, **Patrick Hosking**, to write his detailed article on 25<sup>th</sup> April - to read the full article click [here](#).

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# *Pensions Debate in the House of Commons - 2<sup>nd</sup> May*

A big thank you to the 115 members who contacted their MPs to alert them to this debate in the main House of Commons Chamber on 2<sup>nd</sup> May.

The exact timing of the debate has not been announced yet, but if you wish to view or record the session – keep an eye on this Parliament TV website where the details will be added soon to the Event calendar allowing you to click through to the event itself.



<https://www.parliamentlive.tv/Commons>

While such debates tend to be lightly attended – and this date clashes with some local council elections – it does not detract from the opportunity for the issue to be given a proper airing, and for the Ministerial department to respond by speaking into the debate. This is all captured and shared on the public record.

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## *Helios Fund*

It didn't escape our notice that BP's latest website statement on refusing the Trustee request for 2% was also happy to trumpet that BP's Helios Fund for pensioner hardship had received 6,500 applications for a charity grant of £2,500. It is hard to understand how the Company leadership is unable to see how tone-deaf and cynical its behaviour has become and that forcing its former staff to apply for charity rather than pay the pensions they are due is really something to keep quiet about.

As **Alistair Carmichael, MP** recently told Parliament: "*Pensions are not charitable hand-outs; this is money that people have earned in the course of their working life. BP seeks every step of the way to play one group off against the other.*"

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## *Social Media Activity - Crosses Time Zones*

**THE BP PENSIONER GROUP NEWS**  
**BREAKING NEWS - BP AGM**

HTTPS://BPPENSIONERGROUP.ORG



On 25 April 2024 BP transformed its Annual General Meeting venue into a fortress — a stark symbol of exclusion.

More troubling, however, was BP's evasion and attempted silencing of pensioner shareholders who dominated the questions to the Board.

A damaging blow to BP's reputation for openness and transparency.

**Protecting BP Pensioners**

## Fair and Affordable

**11%** Loss in the value of BP Pensions since 2020

- ➔ **~£35K** BP profit per minute 2023 (to end Q3)  
(The average annual BP pension is around £18K)
- ➔ **32%** BP Pension Fund surplus (End 2022)
- ➔ The interim BP CEO's remuneration more than doubled to £5.3m in 2022

**BP leaders have turned their backs on fair and affordable cost-of-living pension increases, leaving countless UK pensioners struggling to keep up with soaring inflation. Pensioners call on BP to urgently resolve this pension crisis.**

**THE BP PENSIONER GROUP NEWS**  
**BREAKING NEWS**

HTTPS://BPPENSIONERGROUP.ORG

**26TH MARCH 2024**  
**PARLIAMENT RELEASES SELECT COMMITTEE REPORT ON UK DEFINED BENEFIT PENSIONS**



The BP Pensioner Group strongly welcomes the report which resets the UK pension debate by reminding employers and trustees that the interests of pension scheme members are paramount.

As noted by the Select Committee in respect to the governance of DB schemes:

*"The Pensions Regulator and Ministers confirmed their view that the interests of scheme members should remain paramount, and decisions should be made by trustees in line with their fiduciary duties."*

For more information visit: <https://bppensionergroup.org>

With so much going on, there has been plenty of campaign material and messages to deliver across the various social media platforms - promoting the campaign, drawing attention to BP's poor behaviour and winning new friends for our cause.

It doesn't happen by accident. A relatively small number of highly dedicated BPPG members dotted around the globe keep the campaign's social media activity going around the clock – maintaining a constant hum across the various time zones.

For example, one of our dedicated social media 'warriors', **Ulrich Hermans** from Houston, Texas, meticulously analysed and countered BP's statement about the 2024 pension increase. Ulrich's insightful **LinkedIn post** very quickly gained more than 100 supportive comments, a similar number of reposts and over 13,000 impressions ('opportunities to see' by LinkedIn users).

There have been some coordinated efforts by BP to stymie this team effort. Working together, they have found ways around any obstacles presented - **great job**.

If you are a social media user – you can help by adding a simple, 'Like' or even a 'comment' which will ensure posts like Ulrich's get seen by many more people - **click on the images above to access the BPPG social media posts**.

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## *Attending a Reunion - Recruit New Members*

We're aware that our members attend various get-togethers that happen each year for former staff who worked for a particular business or team.

For example, there was a reunion of some Chemicals staff recently and members have reported attending others involving Upstream Explorers, OTI/IST trading arm, Shell-Mex, etc.

These are great opportunities for spreading the word and recruiting new BPPG members.



Protecting  
BP  
Pensions



### WHY SHOULD YOU JOIN THE CAMPAIGN?

- **Strength in numbers**
- **Stay informed**
- **Share your ideas and suggestions**

HOW TO JOIN: <https://bppensionergroup.org/join>

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!

Please let us know by **email** at the usual contact address if you know of or attend such events. We have lots of material that might be useful to the recruitment effort.

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## Membership List & WhatsApp Groups - Spring Clean

We're spring-cleaning the List and the WhatsApp Groups and would ask everyone for your assistance if you receive a request from the team led by **James Murphy**.

Please note that:

- You should **email us** if you need to update your entry. Please only use the BPPG Membership joining form [once](#).
- It's easy to join one of the WhatsApp groups as long as your details are already registered on the BPPG membership list. You can join the BPPG - by completing the web form - click **[here](#)**.
- Please note you can only be a member of one of the 'INFO' or 'CHAT' WhatsApp groups (however you can swap groups at any time, just leave your current group and apply to join the other).

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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.

[click to access all Bulletins](#)

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## Next Bulletin

May and June are set to be busy months for the campaign with a **focus on reviewing** the response to the legal letters, **maintaining** pressure on the Trustee to support our campaign, **continued** media & social media action and the upcoming Parliamentary debate. **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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## Social Media & WhatsApp groups

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 team at [social@bppensionergroup.org](mailto:social@bppensionergroup.org) .

There are a few different ways you can stay in touch with the campaign, as well as this Bulletin and our two WhatsApp groups (to join click buttons below), another way to stay in touch is via social media on the [BPPG LinkedIn Group](#) and [BPPG Facebook Group](#) . Links to these groups can be found at the end of every Bulletin.

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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

[contact@bppensionergroup.org](mailto:contact@bppensionergroup.org)

This email was sent to {{contact.EMAIL}}  
You've received it because you've subscribed to our newsletter.

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