

# "Beyond Parsimony"

Bulletin No. 23



## £80,000 Raised for Two Legal Pathways

### *Bulletin highlights*

- *Note from the Steering Group - Marking 18 months of the Campaign*
- *Legal Fundraiser - Results*
- *Legal Pathways - Update*
- *What Else is Happening*

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## Welcome to Bulletin 23

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

*The following note marks the 18-month milestone of the Campaign. Much has happened since May 2023 - not least the growth in new members joining the BPPG. It feels timely to share with you all our thoughts on 'where we are now and how it all fits together' - highlighting the key issues and facts that you need to be apprised of as we move forward into this next critical legal phase of activity.*

## *A Pension Increase Policy Vacuum*

As we reflect on the past 18 months, one thing has become very clear. BP is operating a self-imposed policy vacuum when it comes to considering the impact of exceptional inflation on the pension income of 56,000 current and former UK staff.

For the past three years, company executives have decided to simply block the recommendations of the Pension Fund Trustee - recommendations approved by the Fund actuary - to award discretionary increases aimed at partially offsetting the impact of exceptional inflation on the company's UK pensioners.

Worse still, BP's current leadership – when pressed - has been unable or unwilling to indicate what, if any, circumstances would need to arise before they would give their consent to a discretionary pension increase going forward.

We think that is extraordinary.

By deciding to operate in this way, BP leaders have already inflicted a permanent reduction of 11% in the real value of the pension paid over the past three years. This same 'policy vacuum' exposes BP's pensioners and their dependants to the threat of further serious erosion of their pensions should exceptional inflation strike again in their retirement years.

We think that is unacceptable.

## *A Guarantee and a Policy*

Previous executive leaders of BP understood how important this matter was to tens of thousands of their working and retired staff. It is why, in 1992 (updated in 2002), they put in place a written Pension Increase Policy - in agreement with the Trustee - to guide future generations of BP leaders and Trustee directors on how to proceed should inflation flare above 5%. Its purpose was clear: to protect hard-earned pensions from significant devaluation.

*“The Scheme guarantees increases equivalent to the Retail Prices Index (RPI) up to 5% and the Trustees with the agreement of the Company, have stated that they intend to follow a policy of increasing pensions fully in line with the cost of living wherever possible and provided the Fund has sufficient resources to do so. This guarantee has operated, and this policy has been followed in practice, since 1989.”*

The Pension Increase Policy was greatly prized by the Company when it promoted the attractions of its reward package not least when encouraging staff to invest their salary or transfer other pensions into the Fund. It was equally prized by staff and pensioners alike – it was part of “the deal” for working at BP.

There is no justification for today's leaders of BP to simply ignore the existence and relevance of the Pension Increase Policy or to scramble around looking for irrelevant reasons to justify avoiding putting it into practice.

### ***BP and Trustee Shifting Positions***

18 months ago, the BP Pensioner Group drew the Trustee and BP's attention to this Pension Increase Policy. Both initially dismissed it as no more than a "historic document" representing a "broad ambition" – some relic from the past. Later they accepted the policy was actually a real policy – but claimed that it was withdrawn in a 2007 statement to members. The Trustee has now admitted that this statement did not communicate a withdrawal.

Both parties have moved on to claim that the Policy was instead withdrawn when the Fund was revalued in 2005/2006. But neither party has provided any credible evidence to support such a claim. Rather ironically, the Trustee has suggested to us that the (claimed) withdrawal "*was not as clearly communicated as it might have been*".

We have spoken to many highly credible people working closely with BP pension matters in the 2000s – including senior BP leaders, BP Pensions leaders, directors of the BP Pension Trustee Board, and members of BP's UK Pensions Consultative Committee which met regularly to discuss important pension issues and changes at that time. Not a single one has any recollection of BP or the Trustee withdrawing the Pension Increase Policy. Indeed, the common refrain we heard was that "*there would have been a mighty row if it had been attempted*".

From all this, we conclude that neither the Trustee nor BP executive leaders took full and proper account of the Pension Increase Policy when making recommendations and decisions regarding the 2022, 2023 and 2024 pension increases.

We think that is a serious failing.

### ***Time for Scrutiny by a Court or Ombudsman***

After 18 months of trying to engage BP and the Trustee in a meaningful dialogue, our campaign is forced reluctantly to seek to have matters determined either in a court or by the Pension Ombudsman. The Pension Increase Policy will be just one of several of these matters to be scrutinised.

Route 1 (*see below*) is a real opportunity for our Trustee board to show true leadership and take the initiative on behalf of its Fund members by seeking a court ruling on a number of significant legal questions that have arisen. That's not a hostile act by the Trustee towards the Fund sponsor. It's a highly professional and sensible way for the Trustee board to clarify a matter of great concern to Fund members.

By settling these questions, BP, the Trustee and the Fund members will be able to move forward with greater certainty about how matters relating to discretionary increases at times of exceptional inflation should be approached in the future. It will also clear the way for the Trustee to pursue the de-risking plans it referred to - with appropriate clarity and confidence.

*At this 18-month milestone, we thank you for your continuing support as we pursue these two legal pathways. We hope you find this bulletin useful.*

**Best regards**

Suzie Baverstock

Colum Doyle

Mike Hennessy

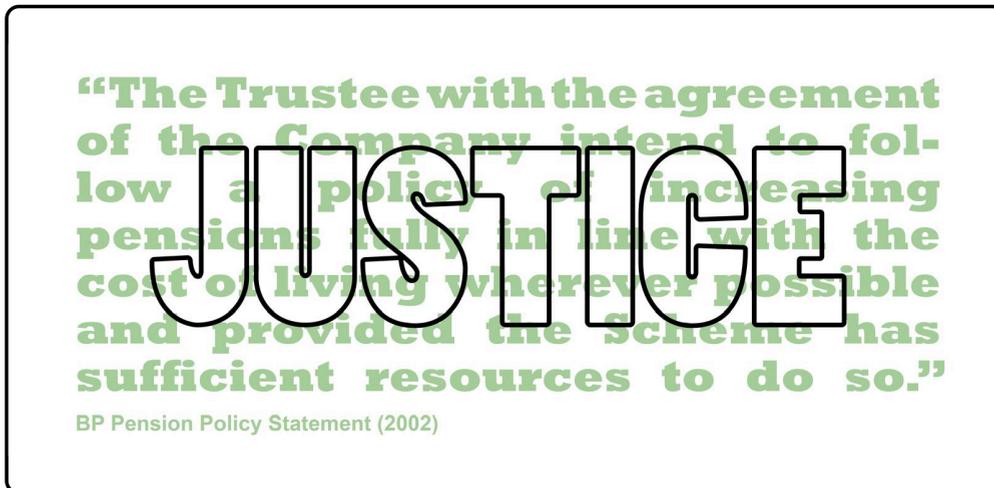
Jonathan Popper

Mike Slingsby

Adrienne Tallents

**BPPG Steering Group**

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## Results of Legal Fundraiser

**Each time we have asked for your financial support to fund the expert legal services essential to the campaign you have responded magnificently.**

We hit the base target of £60,000 in just a few days and the stretch target of £80,000 was reached within a week or so of launching the CrowdJustice website without any prompting or reminders from the SG.

Some members were disappointed to miss the window and we know those of you who voted recently collectively pledged a grand total of £124,000. We like to think we have a backup of a further £44,000 should we need it - so **thank you to all our generous donors and pledgers.**

A special thank you to **Robin Spicer, James Murphy, Max Burrell and Jo Chapman** for making this happen behind the scenes. A lot of work goes into it – and they all have busy ‘other’ lives away from the pensions frontline.

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# ***Legal Pathways - Update***

You'll be pleased to know we haven't wasted a second getting our two legal pathways prepared.

## **Route 1 - Pressing the Trustee to seek a High Court ruling.**

We have instructed **Stephenson Harwood** solicitors and **Andrew Spink KC** and his team at Outer Temple Chambers in London. Work is underway on preparing a detailed submission to the BP Pension Fund Trustee. This aims to place the Trustee 'on notice' that a number of legal matters relating to the Fund's Pensions Increase Policy (PIP) require clarification through an approach to the High Court by the Trustee on behalf of – and in the interests of - the Fund beneficiaries.

We consider this submission should both encourage and assist the Trustee and its legal advisers to revisit and weigh several important legal questions that have arisen during the 2022, 2023 and 2024 pension increase cycles. Given the impact on Fund members during this period of exceptional inflation, we expect the Trustee to give the matter very careful consideration in carrying out its fiduciary duties.

## **Route 2 - Submitting our case to the Pensions Ombudsman (PO) for determination.**

Work is progressing well on Route 2. We have held initial discussions with the office of the Ombudsman to identify the most appropriate way to submit a complaint/claim. It is clear they do not wish to have 1,000+ complaints arriving in their in-tray!

First, it will be necessary to submit complaint/claim papers to the Trustee and separately to BP. If these are not resolved by each party then we will submit both sets of papers to the Ombudsman through their formal process. The Ombudsman will confirm that they fall within his jurisdiction, and then explore if there are ways to resolve matters swiftly between the parties. If not, he will proceed to investigate and make a binding determination. Often he will deal with the matter and make a determination on the papers before him but more complex matters may involve oral hearings.

This first stage of preparing the submissions to the Trustee and BP is being undertaken currently by SG members. Your donations have allowed us options to draw on advice from our external legal team as necessary. Route 1 legal work commissioned from **Andrew Spink KC** will inform Route 2 submissions as you would expect.

## **Submitting Route 1 and Route 2 papers.**

**We are targeting the end of November to make submissions under both Routes 1 and 2. As we said in the last bulletin, pursuing both in parallel will, we believe, maximise the pressure on the Trustee board to reconsider their approach to date and the options before them and act in the best interests of the membership. Of course, there may come a point where a Court or the Ombudsman will assert jurisdiction, and we will be obliged to**

continue on one route only. We will keep this under close review and inform BPPG members as and when this point is reached.

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## What Else is Happening

The rest of the BPPG campaigners haven't been resting on their laurels.



**BP = BROKEN PROMISES !**  
**Help Us Resolve BP's Pension Scandal !**

- 👉 **Are you a BP pensioner not yet part of the campaign?**  
Add your name to the BPPG campaign group. It's free!  
[Go to: https://bppensionergroup.org.uk/join](https://bppensionergroup.org.uk/join)
- 👉 **Do you know a BP pensioner?**  
Urge them to join the BPPG if they haven't already done so.
- 👉 **Tell BP it's time to meet with BPPG pensioner representatives**  
and find a fair resolution to this scandal.  
[Email BP to demand action: pensionsebp.com](mailto:pensionsebp.com)

**Stand with us and help ensure BP keeps its promises!**

The social media team has been as busy as ever in keeping the campaign front and centre on BP's digital communication channels.

You may have seen an email from **Robin Spicer** – sent on behalf of the SM team – inviting you to participate in Pensions Awareness Week – an opportunity to spread the tentacles of the campaign messages via social media Likes, Comments and Reposts. **Alex Kent** has a new set of illustrations with campaign issues landing on various social media sites just now.

*Do look out for the work of the team and give it a 'Like' or even better repost it to your networks.*

Now the general election dust has settled, the political team is mapping outreach to the new government as well as the new Work & Pensions select committee.

We're still awaiting the new government's response to the Select Committee report submitted by **Sir Stephen Timms MP** earlier this year in which we had input – and we have a watching brief on some other key consultations such as allowing employers early access to pension fund surpluses!

*We made our strong views known on this in a BPPG submission to the government consultation.*





Finally, our media team continues to find opportunities to pitch the BPPG campaign story with a recent Mail on Sunday feature on the issue of discretionary pension increases along with other pensioner groups such as Hewlett Packard.

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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

November and December are set to be busy months for the campaign with a **focus on preparing** the documents etc for both Legal Pathways, **maintaining** pressure on the key Political individuals & groups to support our campaign and **continued** media & social media action. **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)



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[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.

