

"Beyond Parsimony"

Bulletin No. 34



BP Chairman Agrees To Meet - but Company Rejects Trustee Recommendation Again

Bulletin highlights

- *Message from the Steering Group*
- *2026 Pension Increase Recommendation*
- *BP Annual General Meeting*
- *Pension Schemes Act 2026*
- *Government consults on Trustee standards of governance*
- *Ombudsman – An Update*
- *Farewell Bulletin*

“The Trustee with the agreement of the Company intend to follow a policy of increasing pensions fully in line with the cost of living wherever possible

JUSTICE

and provided the scheme has sufficient resources to do so.”

BP Pension Policy Statement (2002)

Welcome to Bulletin 34

BP Says Yes but No

On May 1st, our campaign marked its third anniversary.

After three years of asking, we're pleased to report that **BP's new Chairman, Albert Manifold, has agreed to meet with representatives of the BP Pensioner Group**. The offer came after letters were sent to the Chairman and to the new Group CEO by the Steering Group and a coordinated question to the Chairman at the AGM on April 23rd was posed by member **Richard Smith**.

We are currently in discussion with BP about the nature and timing of this meeting. While recognising that accepting our request to meet is a positive step, which we have welcomed in our response, we are naturally cautious and reserve judgment for the moment. *We ask members not to refer to the meeting on Social Media.*

Our caution is justified. Just a month ago, the Trustee informed Fund members that BP had again rejected – for the fifth consecutive year - its recommendation to award a discretionary increase (DI). For 2026, the recommendation was for a DI of 2.4% in addition to an increase matching the Retail Price Index of 4.2% recorded for the 12 months to December 2025.

At first glance, a request for 2.4% DI looks like an attempt to reinstate the lost 11% by a series of instalments. However, a closer look suggests the Trustee has moved the goalposts as its newsletter describes 2.4% as “equivalent to a ‘catch-up’ for prior years of high inflation by reference to CPIH.” In other words, the Trustee appears to be now quietly signalling that by using CPIH as the index to measure inflation instead of RPI, the 11% pension shortfall since 2021 is now only c. 2.4%. (*see below*).

We are writing to the Trustee requesting that it clarify for all members if this is the case and to provide a full and proper explanation and justification.

Not Going Away

While the new Chairman and the new **Group CEO Meg O'Neill** have much on their plates, we hope the agreement to meet with BPPG representatives is recognition that this dispute is not going to go away quietly after 3 years.

At BP's Annual General Meeting last month, intrepid BPPG members were out in force – once again expertly marshalled by **Phil Clarke** and posing a series of questions to BP's new leadership (*see report below*).

Our detailed legal case is in the hands of the Pension Ombudsman. That is going to require considerable patience. It is a slow but thorough route to ensuring the BP pensioner case is properly heard and legally weighed (*see update below*).

Meanwhile, the Pension Schemes Bill has just completed its passage through Parliament to become law. The **Pensions Minister, Torsten Bell**, believes that the new Act will provide Trustees with the negotiating powers to secure a good deal for fund members as a condition of enabling the early release of any Fund surplus to employers.

This being the case, we will look to our Trustee board to seize the opportunity to restore the missing 11% and ensure any release of surplus to BP is not at the expense of fulfilling the long-standing Pension Increase Policy (PIP). We have written to the Trustee on this matter (*see below*).

In that regard, we're extremely pleased that the Minister has responded to concerns about standards of Trustee governance and has launched a new consultation. This is an issue the BPPG has raised during our appearances at two Select Committee hearings.

We have submitted detailed evidence and proposals to this consultation relating in particular to the composition of trustee boards, the selection of trustee directors and the need for greater independence from the sponsoring company (*see below*).

Call for volunteers (again)

Finally, as a Steering Group, we must share our deep disappointment at the complete lack of response from among our more than 3,000 members to our appeal in January for volunteers with some legal or regulatory experience who can support our efforts in this area.

Without volunteers, there would be no campaign for pension fairness, so if you have these skills, we really urge you to step up and play a small part. This would involve time-limited, short project contributions – not a return to the world of work! We repeat that appeal here. Please step up!

We also appeal for any volunteers with newsletter design skills who might give us just a few hours of their time, 3 or 4 times a year.

Please let us know if you have either of these skill areas – you will be part of a team. If you can help, please do contact us at the BPPG email address contact@bppensionergroup.org

We hope you find this bulletin informative.

Best wishes

Suzie Baverstock

Colum Doyle

Mike Hennessy

Paul Satchell

Adrienne Tallents

BPPG Steering Group

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Fund members may have been surprised to receive a Trustee newsletter in April informing them that a discretionary increase of 2.4% had been recommended to BP for 2026, only to receive a Trustee message on PensionLine just 5 working days later informing members that BP had said no.

The fact that it was April Fool's Day was a mere coincidence, apparently.

Nevertheless, we are disappointed that the Trustee found itself unable to inform members of its recommendation in a much more timely manner, not least in the light of its recent commitment to improving communication with members.

A BPPG press release was issued to draw attention to the fact that this was the fifth consecutive year in which BP leaders have rejected the Trustee's pension increase recommendations - recommendations that were endorsed by the Fund's independent actuary.

[View Press Release](#)

Some members have asked whether the Trustee's use of CPIH instead of RPI is the appropriate inflation index to use when making recommendations for discretionary increases.

We have already raised this matter as part of our formal Internal Dispute Resolution Procedure with the Trustee and we expect it will form part of the Pension Ombudsman's determination on our wider complaint/claim.

We have made the point repeatedly to the Trustee that studies show that pensioner inflation is particularly impacted when food and energy prices are increasing, as they form a disproportionate element of pensioner living costs.

Seeking to remedy the 11% shortfall in BP pensions arising from 2022 and 2023, when energy and food prices soared, by using CPIH is inconsistent and unjustified.

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BP Annual General Meeting - April 2026

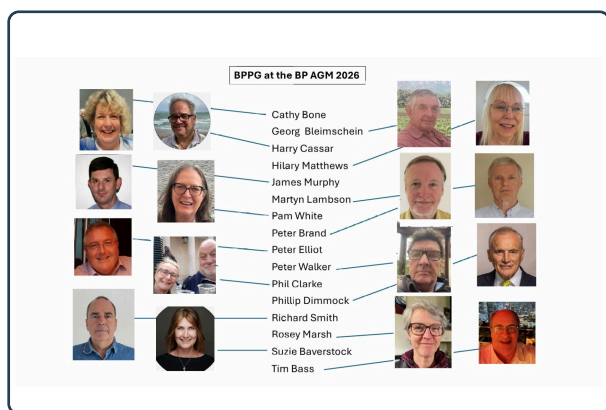
Once again, an intrepid group of BPPG members who are also BP shareholders made their presence felt at BP's annual gathering - held at the Sunbury office. A series of questions were put in a polite but firm manner to BP's new leadership, ensuring the pension dispute remains very much in the leadership spotlight.

The AGM was opened by new **Chairman Albert Manifold**, who emphasised making BP "stronger, simpler, and more valuable," a theme echoed throughout the meeting. **CEO Meg O'Neill** highlighted BP's role in global energy, recent performance improvements, and the importance of safe, efficient operations. The meeting covered formal resolutions and a wide-ranging Q&A session. Key topics included capital expenditure discipline, shareholder governance, energy transition strategy, costs, dividends, and safety performance.

Several shareholders raised concerns about transparency, executive pay and the company's strategic direction, with some tension evident - particularly around rejected resolutions and governance issues. Concerns were also raised about moving to fully electronic AGMs, with some shareholders citing reduced accountability.

BP Pensioner Group (BPPG) members raised concerns about pensions, trust and communication. A significant moment occurred when the **Chairman, Albert Manifold**, responded to a question from BPPG member **Richard Smith**, in which he agreed to a meeting with BPPG representatives and acknowledged the issue at this early point in his tenure.

After the meeting, both **Manifold** and **O'Neill** confirmed they had received BPPG's request by letter from the Steering Group for a meeting and engaged informally with pensioner representatives and other shareholders - a welcome departure from practice by recent previous leaders.



BPPG AGM Attendees

Overall, BPPG attendees were seen as professional and effective, especially where the meeting sought to curtail some raising of pension-related questions.

You can read a detailed account of the day using the button below.

Thank you to all our members who attended the meeting.

[AGM Notes](#)

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The Pension Schemes Act 2026



Torsten Bell, Pensions
Minister.

Background

On the 29th April, the Pension Schemes Act received Royal Assent and became law. Implementing regulations and guidance will follow in due course and be subject to consultation.

The Act is primarily aimed at reforms that seek to improve the pension arrangements of 20 million people who are in the UK workforce today. It will require pension schemes to prove they are delivering value for money, enable the automatic consolidation of small pension pots and create larger, better-performing funds.

However, one key aspect of the Act has direct implications for members of Defined Benefit pension funds, which have a surplus of assets over liabilities. The BP UK Defined Benefit Fund currently reports a surplus of close to £4 billion.

The Government estimates that some £160 billion of surplus assets have built up in UK Defined Benefit Funds and the new legislation seeks to remove barriers currently preventing trustees from releasing some of these surpluses to employers to invest more productively. Trustees will be given the power to amend the Scheme Rules to allow this during the life of the Scheme.

Whilst there is no specific provision in the Act, Ministers have expressed the view that the new power will give trustees negotiating leverage to persuade Employers to allow enhancement of benefits to members.

The Government set out three 'core propositions' with respect to scheme surplus:

- Surplus should only be extracted where safe to do so from a member benefit perspective
- In all cases, trustees would retain responsibility for managing scheme funding levels
- Extracting surplus will not be conditional on the use of funds for particular purposes.

The new Act enables trustees to take a power - if they choose - to enable the release of surplus, i.e. it is not an employer power. The existing trustee fiduciary duty and proposed new regulations and regulatory scrutiny aim to provide safeguards to ensure the long-term security of pension funds is not compromised by any proposal to release.

The Act does not contain a provision requiring Employer consent. However, it does provide that the Regulations implementing the Act MAY include, "prohibiting the making of a payment without the employer's consent".

The Government has stated that the Act puts the trustee 'in the driving seat' in negotiations with an employer when it comes to agreeing how a surplus release might be allocated between the employer and in enhancements to member benefits.

How much BP Fund surplus might be released under the new legislation?

The Trustee is under no obligation to release any of the Fund surplus. The Regulator has said: "details (will) follow in regulations that the Department for Work and Pensions will be consulting on. Around the same time, we will publish a statement providing early views on the issues trustees should consider around surplus release. Later this year, we will consult on more detailed surplus guidance to sit alongside the final regulations, which are expected to come into force in 2027."

Will the Trustee release surplus, given the BP Fund has a surplus well in excess of the level that The

Pensions Regulator considers to be 'Low Dependency'?

It is too early to make any judgements on this. 'Low Dependency' status means a Fund has a funding level that is unlikely to require additional contributions from the Sponsor/Employer. The Regulator considers this level to be a surplus of assets over pension liabilities of at least 10%. The BP Fund reported a 27% surplus of assets over liabilities at the end of 2024. However, much is currently unknown about the regulations and guidance to trustees that will emerge and will inform and direct decision-making on surplus release.

BPPG Position and Lobbying

We welcome the new legislation with appropriate safeguards and believe it may provide the Trustee with an opportunity to address the repeated rejection of its recommendations for discretionary increases to the pension by BP and to reaffirm the Trustee and BP commitment to the longstanding Pension Increase Policy.

We are disappointed that our lobbying efforts to secure several proposed amendments during its passage through the Commons and Lords were unsuccessful. You can read our background briefing paper to Peers by clicking on the button below.

House of Lords Briefing Paper

In brief, our amendments sought to require that any surplus release proposal must:

- Always be in the members' interest.
- Take into account the erosion of the value of pensions due to inflation prior to making any payment to an employer.
- Provide prior notification to and consultation with members before making any payment to the employer.

While these amendments were not taken up, we have laid important groundwork for the new regulations that will be developed and consulted on over the coming months to implement the Act. The Government's Pensions Minister in the Lords, **Baroness Sherlock**, responded to one particular amendment prepared by BPPG and sponsored by **Viscount Thurso**, noting:



Baroness Sherlock

"I agree it would be helpful to develop a clearer understanding of the factors that prevent some well-funded schemes (like BP) awarding discretionary increases, particularly where employer consent is not forthcoming. I am aware that the Pensions Regulator has been considering how it might build its evidence base in this area, and any insights from that work would be helpful in informing future thinking."

In this regard, we have:

- Written to and received a response from **Torsten Bell**, the Pensions Minister, on these matters ([click buttons below to view](#)).

Pension Minister Letter

Pension Minister Response

- Made a detailed submission to the Government’s ongoing consultation on improving standards of Trustee governance (*see next section*).
- Written to the Chairman of the BP Pension Fund Trustee to establish, in line with The Pension Regulator guidance to all Trustee boards, the progress made on developing a BP Fund policy on surplus release. The letter can be viewed or downloaded by clicking [here](#) or via the [button below](#).
 - In line with TPR’s guidance, members would reasonably expect clarity on matters such as:
 - Whether a policy on surplus extraction has been developed (or is in development).
 - The Trustee’s approach to balancing security of benefits with any proposal to release surplus.
 - The extent to which any surplus release to the sponsor would be contingent on fair and meaningful benefit to pensioners.
- The letter was also copied to The Pension Regulator.

Letter to Trustee Chair

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Government Consultation: Trustees and Governance, Building a Stronger Future

In March, we submitted a BPPG response to the Department of Work & Pensions call for contributions to its consultation exercise on the governance standards of Trust-based pension schemes. We were pleased to see this exercise initiated, as it picked up several themes and issues that we first raised at the Work & Pensions Select Committee in autumn 2023 when [Nick Coleman](#) appeared as our witness.

In particular, we have again noted in our response that:

“As employers/sponsors close Defined Benefit schemes to new joiners and to new accrual, their focus has switched to minimising and eliminating any risk of further contributions and to securing the surplus for future extraction - whether at winding up or if a power to extract surplus earlier is granted. This has brought new and significant conflicts of interest for the trustee boards of such pension funds in recent years. Trustees are no longer being called upon to prioritise the ‘member interest’ but to weigh the competing interest of the employer - especially so as a potential beneficiary of the proposed surplus extraction power. The composition of Trustee boards is critical to ensuring an appropriate balance of interests is maintained as Funds reach maturity, consider their end-game strategy and decisions are made that are in the member interest – especially when it comes to Fund surpluses.”

You can read the full submission ([click on the button below](#)), but in summary, we make the following recommendations:

- The Secretary of State should exercise his existing power to increase the minimum required level of member-nominated trustees to 50% - with appropriate exemptions made if necessary for smaller Funds.
- The chair of Trustees/board of directors should be an independent, professionally qualified trustee with no prior links to the Employer/Sponsor and should have a casting vote.
- Member Nominated Directors (MNDs) should be selected either by membership vote or, if by a selection panel, then the panel should comprise only individuals who are not employees of the

selection panel, then the panel should comprise only individuals who are not employees of the sponsor, together with the independent professional chairman to guide the panel on the suitability of qualifications/experience of the nominees.

- The tenure of trustees should be for a minimum period of an initial 3 years, in line with triennial actuarial valuation reports on the Fund. Incumbents may be reappointed for a further 3-year term only if a new selection process fails to identify a suitable replacement.
- Employers and trustee boards in non-unionised industries should be obliged to recognise and consult with pensioner associations.

Submission to DWP

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Pensions Ombudsman Update

As you know, we submitted formal complaints and claims on behalf of 6 members (known collectively as F6) in November, while a further 3 members (F3) submitted complaints/claims reflecting what we have called ‘sub-categories’ to the main complaint/claim. For a detailed account of this, see [Bulletin 32](#).

The Ombudsman has acknowledged these submissions and continues to review them as part of its initial ‘assessment’ stage. This assessment may include seeking comments/information from those parties who are subject to the complaints/claims - the Trustee and BP.

As you would expect, we ‘check-in’ with the Ombudsman office from time to time to ensure we are front of mind, but we also recognise that the scale and detail of our submission means the determination cannot be rushed. We are also mindful that the Ombudsman has previously warned that complex cases can take 18 months to 2 years to reach a final determination.

Most recently, we had a response from the Ombudsman to say: *"I appreciate you and others are still waiting for a substantive response to your application. At this stage, it is important to ensure that we undertake the correct steps before proceeding to the next stage. Please be assured that we are working on your complaint and anticipate providing you with a substantive update shortly."*

We don't believe there is anything further we can or should do which would expedite our case. As soon as we have a material update from the Ombudsman, we will let our members know – assuming it does not breach any legal restrictions that the Ombudsman requires the complainants to observe.

We greatly appreciate the patience and understanding shown by most of our members.



Dominic Harris, Pensions Ombudsman

If you wish to learn more about the Pension Ombudsman and his approach to complaint handling, investigation and resolution, then you can read more [here](#).

If you have joined the BP Pensioner Group during the past 12 months, you may find the briefing paper

(‘BP’s UK Pension Dispute - Questions of law, fiduciary duty and good faith’) - a useful way to get up to speed on the story so far and the nature of the complaint and claims we put to the Trustee and BP and which inform our submission to the Ombudsman. *Follow the link via the button below.*

[BPPG Briefing Paper](#)

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Farewell Bulletin

This will be the last Bulletin prepared by the Bulletin Team - **Colum**, **Max** and **Jo** - after 3 years, 34 editions and another dozen or so ‘special’ newsflashes, ‘calls to action’ and ‘begging letters’. We’ve covered a lot of ground in helping build the campaign and keep the growing membership informed and active.

Roald Skjaeveland - who has been curating the BPPG library since its launch - has kindly agreed to take on producing future bulletins and the current team will assist him during the transition.



As we mentioned in January, the SG expects the pace of ‘new’ news to make fewer demands for the number of bulletins that will be required going forward and this bulletin is just our second of the year.

As mentioned above, if you have newsletter production/design skills, then please offer a little time to assist the campaign in this area.

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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

As indicated above, as the campaign matures, we hope to be able to establish a more predictable, regular rhythm for the Bulletin involving fewer issues per year but still achieving strong communications with our members. During Q2, we are busy preparing for members of the **SG to meet with BP's Chairman**. We also expect to **be in discussion with the Ombudsman about the progress of our formal complaint/claim** during this period. We will be considering developments in regulations and guidance relating to the new

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/>

Joining BPPG or updating your membership details

Please note that:

- You should *email us* if you need to update your entry on our Membership List or WhatsApp Group. 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).

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.

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.

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

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



BP Pensioner Group



BP Pensioner Group

contact@bppensionergroup.org

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