

Branch Briefing BB-29-26

To: Branch Chairs, Secretaries and Workplace Representatives

1 April 2026

Civil Service Pensions Crisis Update

This briefing provides an update on developments with the pensions administration crisis. It includes a report following our weekly meeting on 27th March with the Cabinet Office and the HMRC Second Permanent Secretary, Angela MacDonald, who is leading the recovery team for the pensions administration crisis.

Meeting overview

PCS and our sister unions met again with the Cabinet Office; along with the HMRC Second Permanent Secretary and recovery team leads; to discuss progress against the recovery plan, outstanding administration failures, compensation proposals, and the McCloud Remedy project. Patrick Nicholls and Jenn Scott from Capita joined for part of the meeting.

Public Accounts Committee

Last week in Parliament the Public Accounts Committee took evidence from Capita CEO, Richard Holroyd, and Chris Clements from Capita Pensions Solutions, about the failure of service to members of the Civil Service Pension Scheme. Their explanation references factors such as the complexity of the scheme rules but relies mainly on the poor state of the service at the point of handover by MyCSP. A revealing perspective also came in written evidence to PAC from Cabinet Office Permanent Secretary, Cat Little. She writes,

“Capita did not deliver the full levels of IT, automation and portal functionality at go-live. This significantly impacted Capita’s ability to manage the volumes of work inherited and the new work delivered since go-live.”

Commenting, PCS General Secretary, Fran Heathcote said,

“Yet another committee session in Westminster where Capita were under the spotlight, and another session which confirms that our member’s concerns are valid. Capita are not fit to run this contract. With delays confirmed, varied prioritisation of cases, surely this is a prime example of failed privatisation, and the urgent need for government to review this contract, and others, with a view to in-sourcing as early as possible, not only to assist our members but the taxpayer too.”

21,000 outstanding quotes

At the weekly engagement meeting with trade unions on 27th March, Angela MacDonald said that Capita is still dealing with the 9,000 quotes inherited from MyCSP. There has been only limited work done on quotes submitted to Capita since 1st December 2025. The total of 21,000 applications means it will be many weeks before quote requests from the last three months will have been actioned.

Consequences

Understandably some scheme members are reconsidering their retirement dates and, according to the Cabinet Office, employers are being encouraged to facilitate this. Other

members will be concerned that this effectively cancels their application for pension which will then have to be restarted and will prefer to await their quote. Where their planned retirement date has been reached, the available mitigation remains the Transition Loan facility which has continued to expand, with over 900 loans (value £4.6m) having been made. Where members are having difficulty applying for a loan their case should be notified to the PCS Pensions Team via pensions@pcs.org.uk

Compensation

PCS continues to press for an accessible scheme to ensure the affected scheme members are properly compensated. We welcome the widespread support for this demand. The Cabinet Office position currently is that claims for compensation will be considered on a case-by-case basis and will follow the framework set and overseen by the Pensions Ombudsman. We have put the case strongly that the distress and inconvenience suffered by scheme members is due to maladministration.

The Ombudsman Framework provides for compensation for distress and inconvenience as well as for specific costs such as bank penalties and interest charges.

PCS advises members to make a claim using the Internal Dispute Resolution (IDR) process. Civil Service Pensions asks that the Capita complaints is used first. Whilst this is not part of the Ombudsman framework, and PCS registered a concern that it risks adding an additional stage to the process, it may help the scheme to understand the likely volumes of compensation claims.

PCS is clear that there must be no undue delay in the compensation process. It is important that all evidence is retained for subsequent use in the formal Internal Dispute Resolution Process and, if required, for submission to the Ombudsman.

As a reminder; Retired members who have joined the PCS Retired Members, ARMs, can gain support by emailing the ARMS National Official, Diane Shepherd admin-arms@pcs.org.uk

For further information on ARMS <https://www.pcs.org.uk/who-we-are/pcs-arms>

Capita IT Release

Angela MacDonald will meet Capita on Tuesday 1st April to review the system upgrade delivered over the weekend of 28/29 March.

The denial of service to 120,000 scheme members who have worked for different employers should have been fixed.

The services available in the portal should now include:

- Check and update contact details and preferences
- Check and update security settings
- Send secure messages to Capita via their portal inbox
- Submit and change bank details
- View and update death benefit nomination(s)

Available on or after 13th April

- Active members can view their 2024/25 alpha Annual Benefit Statement
- Pensioner members can view payslips and P60s

New tools

The Track my Case function is now live in the Portal. A guide is available (link)

<https://capita.wistia.com/medias/qbmsfodcpq>

The Chatbot is also live (link)

<https://capita.wistia.com/medias/kckzpn4qet>

Future additions will include the new modeller and member App. In the meantime, PCS will assess feedback from users.

Next steps

PCS will continue to develop this important campaign, keeping a high profile and working with MPs in the PCS Parliamentary Group. It is vital to protect the interests of our members, and it provides an opportunity for a broader debate about the true cost of failed privatisations. As part of this we will press for the promised review of the administration crisis to be open and provide an opportunity to identify all the mistakes which contributed to the degeneration of the service to scheme members since 2013.

Branches are asked to support members who are in the process of retiring and partially retiring and to raise their questions via pensions@pcs.org.uk

Fran Heathcote
General Secretary

Martin Cavanagh
President



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