

Branch Briefing BB-30-26

To: Branch Chairs, Secretaries and Workplace Representatives

16 April 2026

Civil Service Pensions Crisis Update

This briefing provides an update on developments with the pensions administration crisis. It includes a report of our weekly meeting 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 on 10th April 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.

Data Breach

In what deserves to be the last straw for any confidence in Capita Pensions Solutions, it has been confirmed that a data breach occurred on 30th March affecting ABS data in the Pension Portal. The link delivering ABS data was shut down in response but not before 138 users had accessed it exposing the personally identifiable data of almost a hundred other scheme members. The Information Commissioners Office was notified immediately. Ministers, and the Public Accounts Committee have been informed. It may now take some time before ABS data can be viewed in the Portal. Capita has contacted the members affected and only those members who have been contacted have had their data affected.

If you are contacted for advice by any of these members, please advise us, and PCS can offer guidance on how members may want to respond to this situation.

Capita System Upgrade

In a further embarrassing failure, work to upgrade Capita's system over the last weekend in March has not added the planned functionality. Crucially the system interfaces with employer records and payroll have still not been delivered undermining the expected increase in speed of producing pension quotes. We asked when this would now be delivered but the Scheme couldn't give a date. Access to the Portal has increased following a fix covering most of the scheme members who had been locked out. There may still be a small number of exceptions and where this is encountered PCS Reps should escalate via pensions@pcs.org.uk

Annual Benefit Statements

The link which failed was to deliver 2025 ABS information. Whilst it remains unavailable in the Portal it can be requested using the contact form on the scheme website or by calling 0300 123 6666. It is still intended to provide 2026 ABS information by the end of April. The 2026 Pension Increase mailing which includes pensioner payslips and P60s is not affected. Pensioner members will be asked to choose between digital or mailings for these items from 2027.

Retirement dates

An important consequence of the breakdown caused by the contract transition has been the failure to provide pension quotes to members who may have notified their retirement dates months ago. In many cases, these are now dates in the past or, where this is not the case, the date is fast approaching. Capita are therefore writing to people asking for confirmation that they wish to keep their retirement date or change it. We have made clear that this underlines the fact that, due to maladministration, members are being expected to make such decisions to avoid extended delays in payment of money they are owed. Where members do wish to change their retirement date there is no requirement to choose a date four or five months ahead as some people seem to have been told. On the other hand, if the aim is to avoid the risk of late payment there is no point in delaying by just a few weeks.

Transition Loans

There are now around 1200 interest free loans of £5,000. Additional loans to a total of £10,000 are available where necessary. These will be made without any intrusive application conditions and were described as involving, “no extra hurdle”.

Retirement Modeller

Members will be disappointed but not surprised that the product delivered by Capita was not fit for purpose. It was not accepted by the Scheme, and we do not yet know how long the wait will be for a user-friendly Modeller.

Target dates set by the Recovery Team

Many members have expressed frustration that the deadlines announced by the Recovery Team are not being met. The claim to have provided all quotes requested prior to transition was certainly not met. We do know that efforts were made particularly in respect of IHR and bereavement cases and, where PCS Reps are aware of exceptions in these categories, these should be escalated immediately via pensions@pcs.org.uk

Additional resources and Surge Team deployment

The Scheme has not responded to requests to costings of the Surge Team deployment. We believe these will be asked for by the Public Accounts Committee. In response to a question about additional resources the response was that any additional resources must come from Capita. There is one exception though, as a Surge deployment is under consideration to SSCL and other shared service providers, to speed up response times to data requests from Capita.

Compensation

PCS continues to press for an accessible scheme to ensure the affected scheme members are properly compensated. We know there is 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.

The distress and inconvenience suffered by scheme members is due to maladministration. In these circumstances the Ombudsman Framework provides for compensation for distress and inconvenience as well as for specific costs such as bank penalties and interest charges. PCS has advised members to make a claim using the Internal Dispute Resolution (IDR) process. Civil Service Pensions has said the Capita complaints process is used first. PCS is clear that this cannot be used to delay the formal process. Our advice is that if Capita doesn't provide a substantive response within 30 days, form IDR1 should be submitted setting out the case for payment of pension due and/or compensation for additional expense

and distress and inconvenience. 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.

Lessons Learned Review

PCS has demanded either a Public Enquiry or at the very least a call for evidence. Civil Service Pensions has asked the Recovery Team to scope a “Lessons Learned” Review. It is essential that this work embodies openness and accountability. We will continue to press our demand that pensions administration is brought back in-house.

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.

Action by branches

Branches are asked to support members who are in the process of retiring and partially retiring and to escalate their cases where necessary. Members we represent in this period should be asked to join PCS ARMs after they retire. Further information is available <https://www.pcs.org.uk/who-we-are/pcs-arms>

Fran Heathcote
General Secretary

Martin Cavanagh
President

 www.pcs.org.uk  @pcs union  @PcsUnion