Branch Briefing BB-49-26
To: Branch Chairs, Secretaries and Workplace Representatives

10 August 2026

Civil Service Pensions Crisis Update

In last week's briefing (covered in this web story) I shared the scepticism of many PCS members that Capita would be able to implement their own recovery plan and resume the service they have been contracted to deliver.

The latest Cabinet Office progress report #14 (August 7) makes disappointing reading. It confirms that Capita only rarely manages to issue more quotes than the number of new retirement applications it receives. Consequently, the backlog is growing rather than reducing. As Ministers and officials head off for the summer there is no end in sight to the stress and misery that has been inflicted on thousands of Civil Service Pension Scheme members at the end of their working lives.

The latest data shows there are still a total of 17,014 scheme members waiting for a retirement quote. 13,047 bereavement cases remain unresolved of which 438 require responses from third parties. 203 unresolved death- in- service cases are over four months old.

Grant Thornton

At the August 7 weekly TU engagement meeting we were informed that Capita now has a revised Recovery Plan that is being critically examined by consultants Grant Thornton under arrangements agreed with the Cabinet Office. This follows Capita's failure to meet the ministerial deadline at the end of June. PCS requested the terms of reference agreed with Grant Thornton, but this was declined by the Scheme Manager on grounds of commercial sensitivity.

Grant Thornton will also critically assess a separate statement of work to complete the McCloud Remedy by 31st March 2027. This now seems to be treated as a distinct and separate task even though it was known to be a requirement when the procurement took place in 2023. They have also been asked to look at the approach being taken to requests from civil service employers for compensation calculations of payments due under the Civil Service compensation scheme. There is currently a steady stream of these to facilitate terminations of employment which are related to health issues, as well as Voluntary Exit Schemes and Voluntary or Compulsory Redundancy payments. Groups and Branches should escalate instances of failure to make contractually required payments due to backlogs at Capita.

Capita's recovery plan does not inspire confidence

If failing to keep a government contract to administer the Teacher's Pension Scheme was not enough, the necessity of these interventions makes a mockery of Capita CEO, Adolfo

Hernandez’s claim that Capita is a world leader in pension administration. Frustrations expressed by PCS members at Capita have been reported in previous briefings. Frustrations include IT capability and dependence on clerical processes. Further evidence has also been reported in this Computer Weekly article.

Action by PCS Reps
Thank you for responding to my appeal for information about scheme members delaying their retirement. Instances can still be reported via editor@pcs.org.uk.

The personal testimonies of members forced to continue working or who have been relying on savings and hardship loans in retirement are invaluable in raising awareness and getting continued media coverage.

Maladministration
PCS receives many questions from scheme members about complaints and compensation. The Pensions Ombudsman is empowered to direct the scheme manager of administrator to compensate for distress and inconvenience caused by maladministration. PCS believes that all scheme members directly affected by the service failure at Capita will have strong grounds to assert these rights and that the Scheme will respond by making offers of compensation in line with the tariff used by the Ombudsman. The first step is to register for the member portal and use the complaints procedure The process starts with a complaint to Capita. After 30 days, unless the complaint is resolved, complete and submit form IDR1 to Capita to begin the Independent Dispute Resolution process. Where the first stage fails to resolve the issue, the case goes to the Scheme Manager using form IDR2. It is important to use these processes. The Pension Ombudsman will only consider cases that have been taken up via the IDR process.

Interest payments
To date there is no sign that Capita have a system in place to pay interest which would have been accrued as the result of delays or inaccurate pension awards. PCS is pressing the Cabinet Office to make sure these interest payments are included in the Recovery Plan.

Government must uphold commitment to insourcing
As I reported last week, Scheme members are justifiably demanding that the government upholds its commitment to the “biggest wave of insourcing in a generation”. I will continue to press ministers in the strongest possible terms to uphold that commitment.

- If you are retiring, remember to join PCS ARMs.
- Demand insourcing and an end to the pensions crisis by completing our e-action.
- Sign the Megaphone petition
- Ask your MP to demand the Synergy payroll and HR contract is paused
- Contact editor@pcs.org.uk where members have been forced to continue working

Fran Heathcote PCS General Secretary

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