

**EXPLANATORY MEMORANDUM TO THE PENSION PROTECTION  
FUND (REFERENCE OF REVIEWABLE MATTERS TO THE PPF  
OMBUDSMAN) REGULATIONS 2005**

**2005 No. 2024**

1. This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.
2. **Description**
  - 2.1 The Pension Protection Fund Ombudsman (PPF Ombudsman) is a new office, established under section 209(1) of the Pensions Act 2004 (the Act). The Board of the Pension Protection Fund (PPF) is established under section 107 of the Act, and opened its doors on 6 April 2005.
  - 2.2 Schedule 9 to the Act lists the decisions by the PPF Board that can be disputed. These are known as reviewable matters. Any disputes about a reviewable matter will be dealt with by a two stage PPF internal process. If this process does not resolve the matter to the satisfaction of those concerned, the matter can be referred to the independent PPF Ombudsman.
  - 2.3 This instrument sets out the procedures for dealing with the PPF Ombudsman's investigation and determination process. For example, the instrument provides for who can refer matters to the Ombudsman, the time for making such references, the conduct of investigations including arrangements for any oral hearings, and the making of determinations and giving of directions by the Ombudsman.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
  - 3.1 None
4. **Legislative Background**
  - 4.1 The Act received Royal Assent on 18<sup>th</sup> November 2004. This is the first use of the power under section 213 of the Act.
  - 4.2 These Regulations are needed to ensure that the required framework is in place for the independent PPF Ombudsman to deal with any disputes in connection with reviewable matters that remain unresolved following review and reconsideration of a reviewable matter by the Board and its Reconsideration Committee, as prescribed in regulations made in March 2005 under section 207 of the Act.
  - 4.3 A separate set of regulations under the powers in section 214 of the Act provides the framework for the PPF Ombudsman to deal with any unresolved disputes about complaints of maladministration against the PPF.

## 5. **Extent**

5.1 This instrument applies to Great Britain.

## 6. **European Convention on Human Rights**

6.1 The Minister of State for Pensions Reform, Stephen Timms, has made the following statement regarding Human Rights:

In my view the provisions of the Pension Protection Fund (Reference of Reviewable Matters to the PPF Ombudsman) Regulations 2005 are compatible with the Convention rights.

## 7. **Policy Background**

7.1 The PPF will provide members of eligible occupational pension schemes with compensation if their employer becomes insolvent on or after 6<sup>th</sup> April 2005 and if there are insufficient assets in the pension scheme to pay benefits to members of the scheme at a level which is at least equal to the PPF levels of compensation.

7.2 The regulations set out the procedures for the PPF Ombudsman to investigate and determine disputes in connection with reviewable matters which have not been resolved by the two stage internal PPF processes of review and reconsideration.

7.3 These regulations have been subject to formal consultation with the Council on Tribunals, as required by legislation, and have been revised in the light of their comments. For example, provision has been added for the parties to a reference to request an oral hearing, and for the Ombudsman to consider such requests and to give reasons in writing if he decides not to hold an oral hearing.

7.4 No other further formal consultation has taken place, as these Regulations are being made within six months, beginning with the coming into force of the provisions of the Act by virtue of which they are made. However, the draft regulations have had the benefit of brief informal consultation with the PPF Ombudsman; they have been revised in the light of his comments.

7.5 There is no need to refer these Regulations to the Social Security Advisory Committee (SSAC) as the PPF and the PPF Ombudsman do not provide Social Security benefits.

## 8. **Impact**

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 The regulations will have no impact on the public sector.

9. **Contact**

9.1 Anne Packer at the Department for Work and Pensions Tel: 020 7962 8104 or email: [anne.packer1@dpw.gsi.gov.uk](mailto:anne.packer1@dpw.gsi.gov.uk) can answer any queries regarding this instrument.