



**Launch of the Pension Ombudsman's
*Annual Report and
Digest of Cases for 2006***

Government Buildings

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Address by Martin Cullen TD

Minister for Social & Family Affairs



Department of Social and Family Affairs

Good afternoon ladies and gentlemen:

I would like to thank the Pensions Ombudsman, **Mr Paul Kenny** for inviting me here today to officially launch his **Annual Report and Digest of Cases for 2006**.

Last week, together with the Taoiseach and Tánaiste, I launched the Green Paper on Pensions. The launch of the Green Paper marks the culmination of an intensive review of our pension system, but more importantly, the start of a major consultation process to decide how we, as a Government, and as a society, plan and secure the futures of those currently in retirement milestone for pensions policy in Ireland.

The opening of the Office of the Pensions Ombudsman was a milestone in a reform process which commenced in 2002 with the passing of the *Pensions (Amendment) Act, 2002*.

Since then, tremendous work has been done in investigating complaints from scheme beneficiaries, or potential beneficiaries, of losses arising from maladministration by those charged with managing pension schemes or Personal Retirement Saving Accounts. Since the Office was opened, in excess of 1,700 complaints in total have been received and it is significant to note that the number of complaints being received continues to rise each year.



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While, not all investigations result in a favourable outcome and a significant proportion are not resolved in favour of the complainant. That said, 2006 was the first year in which the balance of decisions were in favour of those complaining.

During 2006 there were a number of legislative changes which should enable the Office to operate more effectively. Before a complaint can be brought to the Pensions Ombudsman, it must be subject to an *Internal Disputes Resolution* procedure. Section 131 of the Pensions Act was amended to allow the Pensions Ombudsman to bypass the *Internal Disputes Resolution* (IDR) procedure in cases where there is clearly nothing to be gained from this process. I have noted the Pensions Ombudsman's reservation that this does not apply to Public Authority Schemes and his comment that he has come across areas in the public service where the timely completion of the IDR process is simply not occurring.

The old adage that 'justice delayed is justice denied' clearly applies here and I would appeal to all those referred to by the Pensions Ombudsman in his report to put in place the necessary procedures to ensure IDR processes are effective and timely and have regard to the requirements of the Pensions Act.

A new "on the spot fines regime" is also now provided for under the Pensions Act. This allows the Pensions Board to apply penalties as an alternative to prosecutions where the Pensions Board believes that a person has committed an offence.



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I am sure that both these measures will provide for increased flexibility in investigating complaints and ensuring that appropriate measures are applied in a timely manner.

I am concerned to note that the major issues that the Pensions Ombudsman has raised in his 2006 report have also been raised in previous reports. The issue of poor communication by both pension providers and pension scheme managers has been raised in the past and the Pensions Ombudsman has felt obliged to raise this issue again this year.

I am also concerned to note that the Pensions Ombudsman has again felt obliged to raise the problem of delays in advising members of the cost of purchasing years of service in public sector schemes. These delays now relate mostly to the cost involved in paying for periods of service that have become reckonable due to the operation of employment rights legislation – in particular the Part Time Work Act and the Fixed Term Work Act, both of which have their origins in EU Directives.

I am pleased to see that one of the largest public sector schemes has taken on board the recommendations of the Pensions Ombudsman made in his report last year and that the rules of the scheme have been appropriately amended to deal with the problem. I would urge other bodies to consider similar action.



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In addition to investigating complaints, the Office of the Pensions Ombudsman has also become an important resource in providing information on pensions generally to people. In this regard I note that that the number of enquiries dealt with by the Office was in excess of 3,000 in 2006 and that it continues to grow annually.

In addition to his Annual Report, the Pensions Ombudsman also publishes today a Digest of Cases setting out the details of complaints and his approach to dealing with them. This is a great innovation.

In conclusion I would like to thank the **Pensions Ombudsman and his staff** for the valuable and important work that they are carrying out and wish them success for the future. I take comfort from the Pension Ombudsman's conclusion that the pensions industry in Ireland is both well regulated and well run and that the public can be rest assured that, for many, what is one of their most valuable assets, is being well looked after.

Thank you very much.

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