



# Work and Pensions Committee

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From the Chair

17 January 2018

Lesley Titcomb  
Chief Executive  
The Pensions Regulator  
Napier House  
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Brighton, BN1 4DW

## Barclays Bank UK Retirement Fund

I understand that in order to comply with banking legislation, Barclays Bank PLC - the sponsor of the Barclays Bank UK Retirement Fund (UKRF) – will be restructured and split into two entities:

- Barclays Bank PLC: comprising the investment bank and international banking division;
- Barclays Bank UK PLC: a new entity comprising the ringfenced UK banking operation, including the UK retail bank.

The trustees of the UKRF have agreed to an arrangement whereby responsibility for sponsoring it will “remain” with Barclays Bank PLC. However, post-restructuring this entity will comprise the non-ringfenced investment/international bank and will no longer house the UK bank.

Responsibility for supporting the UKRF and its £7.9bn deficit<sup>1</sup> is therefore being assigned to the riskier non-ringfenced investment arm despite the large majority of scheme members having been employed in Barclays’ core UK banking business.

The trustees agreed to this proposal in return for the promise of “*dedicated access*” to a collateral pool of assets worth up to £9bn “*in the event of BBplc not paying a deficit reduction contribution to the UKRF or in the event of BBplc’s insolvency.*”<sup>2</sup>

In the light of the above, might you please respond to the following questions:

<sup>1</sup> Triennial actuarial valuation of the UKRF as at 30 September 2016, sourced from [Barclays Bank PLC 2017 Interim Results Announcement](#), p93

<sup>2</sup> [Barclays Bank PLC 2017 Interim Results Announcement](#), p93



- 1) Has TPR examined the proposed arrangements for the post-restructuring sponsorship of the UKRF, or is it in the course of doing so?
- 2) Did the trustees consult with TPR prior to agreeing to this proposal?
- 3) Were the trustees required to obtain TPR's approval for this proposal, and did they do so?
- 4) Is TPR satisfied that the trustees conducted sufficient due diligence on the proposal in the interests of scheme members before approving it?
- 5) What is TPR's view of the proposal's impact on the strength of the covenant?
- 6) What is TPR's view of the robustness of the pledge of collateral assets? In particular, what assurance do you have that the trustees will be able to secure ownership of these assets at the full pledged value when required?
- 7) The deficit rose from £3.6bn at the 2013 triennial valuation to £7.9bn in 2016. How does the proposed recovery plan and schedule of repair contributions in respect of the 2016 valuation compare with 2013?
- 8) The purpose of ringfencing is to protect the UK's financial system against the risks posed by 'casino banking'. Is TPR content that the retirement income of UK retail banking employees should be underwritten by a non-ringfenced global investment bank?

With best wishes,

**Rt Hon Frank Field MP**  
**Chair**