

27 MAY 2010

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Mr S Starbuck
Bradley House
68 Coombe Road
Kingston Upon Thames
Surrey
KT2 7AE

Our Ref: 79609/2/PSTR and others

26 May 2010

Dear Mr Starbuck

Firefighters' Pension Scheme (the FPS) - Mr W Milne and others (the Complainants)

I write with regards to the Complainants' applications. The Complainants' complaint is that their commuted lump sum on retirement would have been greater had the FPS commutation factors been updated. More particularly:

- (a) There was a failure by the Department for Communities and Local Government (**DCLG**) and the Government Actuary's Department (**GAD**) to review the commutation factors from 1998 to 2008;
- (b) When review discussions commenced in 2005 there was an inordinate delay introducing the new factors; and
- (c) DCLG and GAD did not observe the requirements of rule B7(3) – the only relevant consideration being actuarial equivalence.

As you know we have been considering the extent to which we can investigate the complaints. Based on the information we have received, we have decided to proceed further in the manner as set out below.

We plan to limit our investigations to a few selected applications. The applications have been chosen owing to the spread of the Complainants' respective retirement dates. They are

Milne (our reference 79609/2)
Brindley (79693/2)
Jones (79734/2)
Jagger (79727/2)
Beamson (79678/2)
Harris (79773/2)

Innis (79781/2)
Parker (79715/2)

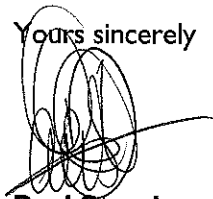
A determination that the Ombudsman makes in respect of these applications, is binding on those Complainants. What this means in practice is that unless (assuming the need arises) voluntary arrangements are made in respect of the other Complainants, we will need to establish the extent to which individual determinations are required in respect of those other Complainants (assuming that we find that those applications are within jurisdiction). We will consider this further at the relevant time.

We have presently decided to limit our investigation to GAD/the Government Actuary. At this time we do not propose to investigate the complaints against DCLG, however if anything emerges during the course of our investigation which leads us to believe the actions of DCLG did amount to administration we will review this decision.

Finally, I should put you on notice that, as with all applications that we investigate, the decision to accept these applications for investigations, and how the applications have been worded, may be reviewed at any time during the course of our investigations.

These applications are now waiting to be allocated to another investigator who will investigate the complaints referred to above. We will write to you again in due course.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Strachan', written over the typed name.

Paul Strachan
Investigator

020 7630 2221

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