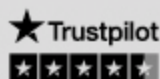




All your investment in one place.



Capital at risk.

The pension payback victims who refused to pay back money they were paid by mistake... and won!

- We reported how prison officers were suddenly told to repay more than £100k
- Retired Royal Navy submariner Arthur Mullet was asked to repay some £20,000
- Pension Advisory Service wrote to MoD pension administrators on his behalf
- The MoD wrote back to say the £20,000 had been 'waived in full' after a review

By [BEN WILKINSON FOR THE DAILY MAIL](#)

PUBLISHED: 22:00, 4 February 2020 | **UPDATED:** 09:24, 5 February 2020



17
shares

View comments

Blameless pensioners are fighting back against shock demands for thousands of pounds they were paid by mistake.

Money Mail revealed pension errors that have had a devastating impact on retirees, with schemes slashing incomes and demanding money be returned when mistakes are discovered — often years later.

Last week we reported how prison officers retired with mental health problems were suddenly told to repay more than £100,000 in miscalculations going back several years.



Retirement ruined: Royal Navy veteran Arthur Mullett in 1983. He was asked to repay around £20,000 and his pension was cut because of a mistake made ten years earlier

But some pensioners, such as Royal Navy veteran Arthur Mullett and former Royal Mail delivery driver Chris Slaytor, have refused to accept the huge bills.

Retired submariner Arthur, 69, was asked to repay around £20,000 and his pension was cut because of a mistake made ten years earlier.

SHARE THIS ARTICLE

RELATED ARTICLES



Share



Has Steve Webb answered YOUR retirement question



Could inheritance tax be replaced with a 10% rate? MPs call...



HOW THIS IS MONEY CAN HELP

[Are you saving enough for retirement? Check with our pension calculator](#)

Months before the bill arrived, his pension pay had been used to settle a divorce and secure a £500-a-month mortgage on his two-bedroom semi-detached home in Bradford.

After receiving the letter in April 2015, his military pension was slashed from £691 to £370 a month.

The grandfather-of-five says: 'If I'd had a heart problem, the shock would have been enough to kill me. They were talking about £20,000 like it was £50. I was devastated.'

Arthur served in the Royal Navy from 15 to 34 — spending months at sea in submarines with minimum contact with his family.

How YOU could keep cash too

The law says that if you are paid too much pension in error, you are not entitled to that income in the future.

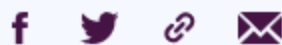
But the Pensions Ombudsman has the power to rule that overpaid money cannot be recouped, and can award compensation for distress or inconvenience caused.

If the overpayment should have been obvious to you, you will be expected to pay it back. You will also have to return it if it has been spent on something that has not changed your financial position — like paying off a loan or buying an asset that can be sold.

You might not have to repay all or some of it if you have irreversibly changed your financial position as a result of the overpayments. For example, if you gave it away, used it to go on holiday, or it was spent gradually over time.

You can also not expect to return money overpaid due to errors dating back

You can also not expect to retain money overpaid due to errors dating back more than six years — again providing the mistake was not obvious.



His career took him to the Far East as well as being based in Portsmouth and Gare Loch near Glasgow.

After receiving the repayment bill, he spoke to the Pension Advisory Service which wrote to the Ministry of Defence (MoD) and Armed Forces pension scheme administrators Equiniti on his behalf.

The MoD wrote back to say the £20,000 had been 'waived in full' after a review. It acknowledged Arthur could not have known about the error, and the mistake had been made ten years before.

The letter adds: 'The decision is made without prejudice and may not be used as a precedent for future cases.'

But Arthur says the cut to his pension income means he can no longer afford the lifestyle he was told he could afford.

He says: 'I was happy when they wrote the £20,000 off, but their incompetence has ruined my retirement.'

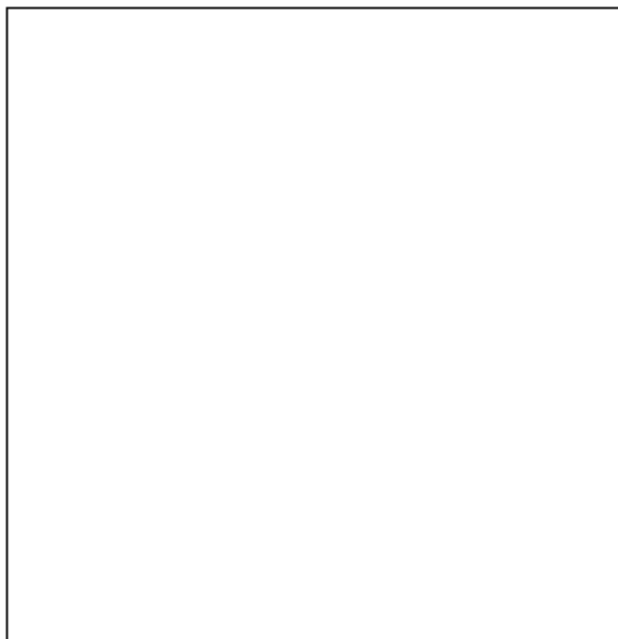
'I made two irreversible financial decisions based on wrong information given to me. If I was aware, I would never have taken the mortgage because I wouldn't have been able to afford it.'

Arthur says he spoke to a solicitor about taking his case to court, but realised this could cost him thousands of pounds.

He adds: 'Justice is only available in this country if you can afford to pay for it.'

The Royal Mail pension scheme even hired a private investigator to trace former delivery driver Chris Slaytor and pay him extra pension money.

But after five years, the married grandfather, 68, received a letter in 2016 to say he'd been paid too much and now



... say they've been paid too much and now
owed £17,000.

Chris, who worked for Royal Mail for eight years in the 1990s and now lives in Devon, wrote back to appeal and exchanged a series of letters until 2018.

He says: 'Eventually I told them: 'I have now had enough of all this persecution.

What you better do is take me to court and let a judge decide.'

The Cabinet Office, which is responsible for the scheme, wrote back to say the case was closed and Chris would not have to pay the £17,000.

Chris says: 'When I got that letter I could have cried.'

But he adds: 'If they are making these mistakes to this extent they should be made to pay.

'It is worth fighting. The more people who fight, the more likely it is that the Government will do something about it.'

Margaret Snowden, president of the Pensions Administration Standards Association, says: 'If a member refuses to return overpayments, trustees can only take him to court. But if the cost is prohibitive, in some cases, the scheme may just let it go.'

Baroness (Ros) Altmann, former pensions minister, says it is wrong that retirees are being asked to pay for other people's mistakes, especially when many schemes have professional indemnity insurance.

She says: 'It is like a contract. Someone led you to believe you were going to receive this money for the rest of your life and they made a mistake.'

But she says perhaps only a class action legal case would work against a pension scheme, adding: 'Each individual has so much less power than the administrators that made the mistakes in the first place.'

An MoD spokesman says of Arthur's case: 'We manage public money and make payments in accordance with legislation.

'If it is found not to be the case we adjust payments accordingly. This case was reviewed and a decision taken to waive overpayment in full.'

Referring to Chris's Royal Mail pension bill, a Cabinet Office spokesman says: 'We



Former pensions minister Baroness Altmann says it is wrong that retirees are being asked to pay for other people's mistakes

apologise for this error and the inconvenience caused. Our duty to taxpayers means we are obliged to recover any overpayment.'

b.wilkinson@dailymail.co.uk