



Work and Pensions Committee

House of Commons, London SW1A 0AA

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Sir Philip Green
Colegrave House
70 Berners Street
London W1T 3NL

Dear Sir Philip

Arcadia pension schemes

There have been widespread press reports that you are considering selling all or part of Arcadia to Shandong Ruyi.

In April 2017, I welcomed your agreement to double Arcadia deficit recovery contributions to £50 million per year for 10 years. Given the combined deficit of the company's schemes was over £500 million, or around £1 billion on a buyout basis, this action was necessary.

I have heard from Arcadia scheme members concerned about their pensions becoming detached from your family's resources, especially given the experience of the BHS scheme following your disposal of that company. Those members should continue to expect that pensions promises made to them during your tenure will be honoured in full by any future owner. The sale of the company should not be materially detrimental to the ability of the schemes to meet those promises.

The Pensions Regulator operates a voluntary system of clearance for major corporate transactions. Under this system, a scheme sponsor can apply to the Regulator for assurance that, based on the information provided, it will not pursue anti-avoidance action relating to a transaction. Erring on the side of caution would spare you another moral hazard investigation. It would also, importantly, reassure pension scheme members that they were not being hung out to dry.

Will you please commit to (a) applying for voluntary clearance for any sale of all or part of Arcadia and (b) publishing that application in the interests of transparency?

Best wishes and I look forward to hearing from you,

Rt Hon Frank Field MP
Chair

Frank Field