

Open letter to PM David Cameron

18th March, 2013

Dear Prime Minister,

As chair of the International Consortium of British Pensioners, I represent almost 600,000 very, very angry British Pensioners living overseas. As I'm sure you are aware, 10% of the 12 million plus British Pensioners live overseas; half of them have their pensions uprated every year as if they still live in the UK; the other half, who live mainly in the Commonwealth, do not. Over the years, Pensions Ministers of all stripes have admitted that this is illogical.

What is even more illogical is that in opposition politicians of all stripes say this policy must be changed, yet this inequitable, immoral and unfair situation still continues when those very same people are in Government!

I would draw your attention to two important statements that were made on Monday 11th March, one by the H.M. the Queen (as head of the Commonwealth), and the other by Professor Steve Webb as Pensions Minister. Both statements were very relevant to the situation of retired British citizens resident in "frozen" countries around the globe.

On Monday morning, the Minister, a witness before Dame Anne Begg as chair of the Work and Pensions Select Committee, stated categorically that the Government has no plans to rescind this policy of pension freezing in (mainly) Commonwealth countries. The main reason given was that of cost, which would be approximately £650 million (0.7% of the N.I. budget of £90 billion) in the current year, when the Government is seeking to cut £12 billion from benefit expenditure.

To argue, as the Pensions Minister did, against a 0.7% increase in the National Insurance budget because the Government is attempting to save 6% of state funded benefits is disingenuous at best: the pensioners concerned, in addition to saving the Government all pension increases, already save them 100% of all social and health benefits by virtue of their residence abroad.

There is nothing about this ongoing frozen pension policy that is just, as you yourself stated when you were leader of HM Opposition. It is an expedient and callous way of saving money by discriminating against the 4% of UK pensioners whose pensions are frozen. A frozen pension is just another name for age discrimination, as the older you get, the smaller your pension becomes – "death by a thousand cuts" to quote Lord Goodhart – to the extent that a 95 year-old pensioner in a 'frozen' country receives less than one-third of the pension of a 65 year-old in exactly the same circumstances.

On Monday evening the Queen signed the Commonwealth Charter on equal rights calling for an end to discrimination for any reason. She said "Our shared values of peace, democracy,

development, justice and human rights...mean that we can place special emphasis on including everyone in this goal, especially those who are vulnerable.”

We call upon the British Government to heed this Charter and be bound by the values it espouses.

The Commonwealth Charter, the 2010 Equality Bill, and the Convention on Human Rights all condemn age discrimination. And, significantly, the UK Supreme Court reiterated only a month ago: “A discriminatory rule or practice can only be justified by reference to a legitimate aim other than the simple saving of cost.”

Apart from cost, the only other reasons the Minister gave for freezing pensions were that the “rules have never changed” under the current or previous Governments, and that pensioners were aware of the frozen pensions policy when they decided to emigrate. In our view, advising a person that they will be discriminated against will not stand as a defence for putting the discrimination into practice.

An estimated 5.5 million people of British heritage live overseas, and 1.1 million of these are UK pensioners. These people, for the most part, are proud of their British heritage and retain strong links with their mother country. Many of them, and indeed individuals currently resident in the UK, will be adversely affected by this discrimination as they reach pensionable age. They should be regarded as an asset in spreading their British values around the globe, especially to Commonwealth countries. It becomes difficult to promote these values when the UK, one of the richest countries on the planet, seeks to balance its budget on the backs of some of its oldest citizens by this “long-standing policy” of freezing pensions.

Just because the frozen pensions policy is long-standing doesn't mean it is right, nor does it mean it is immutable. In fact “long standing” in the context of frozen pensions means it is overdue for a change. UK state pensions are being drastically overhauled to make them fit for the 21st century, and it is appropriate to do the same for the policy that freezes the pensions of just half of UK pensioners overseas. Pretending that the discrimination doesn't exist will not make it disappear.

I look forward to receiving your comments on the matter.

Yours sincerely,

ABW (Tony) Bockman

Chairman, International Consortium of British Pensioners