



## PIC COMPLETES c.£600 MILLION BUYOUT OF HOUSE OF FRASER BEATTIES & JENNERS PENSION SCHEME

London, 14 June 2022 – Pension Insurance Corporation plc (‘PIC’), a specialist insurer of defined benefit pension funds, has concluded a pension insurance buyout with the Trustee of the House of Fraser Beatties & Jenners Pension Scheme (the ‘Scheme’), insuring c.£600 million of liabilities. The transaction covers 3,850 deferred members and 5,050 pensioners.

The Scheme’s principal employer, House of Fraser (Stores) Limited, went into administration on 10 August 2018. The Scheme entered Pension Protection Fund (‘PPF’) assessment on 31 August 2018 following the voluntary liquidation of the remaining employer.

Since then, the Trustee, with the support of LCP and CMS, has completed thorough preparatory work and evaluated the options available to secure member benefits over the long term. Following this process, the Trustee is satisfied that insuring the benefits with PIC is the best outcome for the Scheme’s members. In addition, the terms negotiated by the Trustee will mean members whose pensions have been reduced as a result of the insolvency are expected to get an uplift to their pension.

CMS provided legal advice to the Trustee on the transaction and PIC was advised by Herbert Smith Freehills.

Steve Sargent, Chairman of the Scheme, said: “We are pleased to have been able to secure this buyout with PIC, which means members will receive higher benefits than they would have under the PPF. The buyout will also provide thousands of members with certainty and long-term security for their benefits. We see this as a very successful outcome following the challenges caused by the insolvency, and would like to thank PIC and our advisors who helped us achieve this result.”

Uzma Nazir, Head of Origination Structuring at PIC, said: “We are proud to have been able to complete this buyout with the Trustee, despite significant market volatility. The Trustee’s commitment to securing member pensions above PPF levels with the full member protection offered through the UK regulated insurance regime sets an example to others and we are delighted to partner with them.”

Yadu Dashora, Partner at LCP and lead advisor on the transaction, added: “Evaluating the best route for securing benefits following an insolvency is a complex process. The House of Fraser Trustee recognised this and appointed LCP to provide specialist advice and help deliver maximum value to members. The PPF has also recognised the benefits of an experienced advisor and we were delighted to be appointed earlier this year to its newly established panel of specialist buyout advisors, so we can use our expertise to directly improve member outcomes on other cases, as we have for the House of Fraser Scheme.”

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#### **Notes to Editors:**

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#### **About PIC**

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure and stable retirement incomes through leading customer service, comprehensive risk management and excellence in asset and liability management. At 31 December 2021, PIC had insured 282,900 pension scheme members and had £51.1 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of U.K. defined benefit pension schemes. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit [www.pensioncorporation.com](http://www.pensioncorporation.com)