



The pension timebomb

Occupational pension scandals

Narrator

Urmila Barwell and Roberta Whyley are both in their 60's and work in a Manchester nursing home.

Umi Barwell

"When we were growing up and in our early years of our life, nobody gave that much emphasis to pension. Er, we all thought that we would have enough."

Roberta Whyley

"I was married, had children, worked a little part time job, no pension. When you're young, you don't look and think oh, in a few years time, you know, because it's always a long way away isn't it? You know?"

I started work at 14, so when I think I have worked all those years, surely I should be able to, you know, but there you go.

Narrator

With the State pension diminishing relative to average pay and fewer companies offering occupational schemes, most new entrants to the job market will need to start their own, personal pension.

Charles Ryan advises people like Nadia Kamil about buying pensions.

Charles Ryan and Nadia

Charles

"OK, so we have no saving plans, no investments, no pensions, no life insurance, no protection,

Nadia

None of that...

Charles

None of the above? Alright.

And you are how old now?

Nadia

24

Charles

24, anything you can afford to put aside now is a good thing..

Nadia

I find it a very difficult thing thinking about retirement at the moment, you just want to make sure you have enough money to live the way that you want to live.

Charles

A 23 year old puts away £150 a month into a pension scheme. What does a 45 year old have to put in to achieve exactly the same amount of money at retirement?

Nadia

I don't know.

Charles

£1000 a month and a £1000 a month to anybody is a lot, at any age and however much they're earning that is a lot of money."

Narrator

As the state pension diminished during the Thatcher years occupational pensions paid for and managed by employers, also suffered a number of devastating blows.

The first of these occurred at the Mirror Group.

Narrator

Pension holders, who had believed their funds were secure, were devastated to discover that £440 million was missing from the Mirror Group Pension fund.

News Archive

"The Serious Fraud Office has begun an investigation into the management of pension funds at Mirror Group newspaper.

Mirror workers turned up at their Holborn offices in London this morning not knowing whether the pensions they had contributed to for years would ever be paid.

Archive SYNC

Linda and John "I just went mad.

I said:

"What do you mean there's no pension? I said: There's got to be a pension". I said: "You've paid into that pension scheme and it is your money."

Archive SYNC

Linda and John "The safety blanket that we thought was in position, and I am sure many others thought was in position, i.e. the pension, was pulled from underneath us.

And where do we go from here? You know, where do we go from here?

As far as I am concerned, it's stealing. And if I'd done it to anybody, I would now be in prison."

Narrator

Just as the Conservative Government were relying on occupational schemes as one of the solutions to the looming state pensions' crisis – for the first time, the public had real reason to doubt their security.

Panorama Archive**Sue McPherson**

"What is the point? Why save? Why be prudent and save all through your life, put money aside for your retirement when this can happen?"

Jonquil Lowe

"Maxwell is really one of a, one of a series of, of scandals, if you like, that have happened with pensions that have all contributed towards a shaking of confidence.

People thought, "Well, I've paid into my pension – it's there, it's solid."

It was a huge shock to find that it wasn't."