

Arcadia trustees close in on £1bn Topshop pension deal

Arcadia Group's pension schemes are closing in on a deal to offload retirement funding promises made by the retail empire owned by Sir Philip Green prior to its collapse two years ago.

Sky News has learnt that the trustees of its executive and staff schemes are in detailed discussions with Pension Insurance Corporation (PIC), the insurance company, about a transaction to insure roughly £1bn of liabilities.

The discussions are not thought to be exclusive with PIC, and other so-called pension risk transfer specialists are also said to have been engaged in talks in recent weeks.

If a deal is successfully concluded with PIC or another insurer, it would draw a line under one of the most notorious pension rows in British corporate history.

Sir Philip agreed a £385m funding package with The Pensions Regulator in 2019 to plug the gap in Arcadia's pension schemes, whose members include thousands of high street workers at chains including TopShop and Dorothy Perkins.

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A large chunk of that financing came from Lady Tina Green, who was Arcadia's ultimate owner.

The tycoon had also injected hundreds of millions of pounds into the retirement fund of BHS, the collapsed department store chain, two years earlier, following a fraught battle with politicians.

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The Pension Protection Fund – the industry-funded ‘lifeboat’ which guarantees retirement payouts to members of defined benefit schemes sponsored by employers which become insolvent – is likely to play an influential role in agreeing a deal with an insurer.

A spokesperson for Arcadia’s pension trustees said this weekend: “Trustees are working hard to protect members’ benefits and are continuing to explore several options to ensure the best long-term outcome for members of both pension

schemes.

“Discussions are ongoing and trustees will update members at the earliest opportunity.”