

Funding the Future

Article URL

Published: January 12, 2026, 4:47 pm

Phillip Inman [noted in the Guardian](#) yesterday that it was entirely possible for someone to have saved for twenty years in a personal pension using an actively managed fund and for their investment now only to be worth what they paid into the fund. Indeed, that is not just possible but likely since most managed funds have seriously under-performed the FTSE indices before charges are taken into account.

As I have shown, the subsidy to the pension industry from the tax payer each year is enormous: some £38 billion in a year [when last I looked](#).

And as Philip Inman rightly notes, vast amounts of that have been used to pay management fees, brokers fees and commissions all of which have enriched the financial services industry and none of which have produced a return for pensioners - many of whom will face poverty in old age because their funds have been stolen (I use the word deliberately) by the City.

Why say this again? For three reasons. First, because it says massive pension reform is needed to stop this abuse. That is possible - Dutch pensioners get 50% more pension for their investment than do UK based pensioners because they are not ripped off as we are.

Second, to say that as a result the refusal to consider the pension reforms [I recommend](#) - requiring that at least 25% of all new pension contributions made in the UK go into new investment that will result in new investment and job creation in the real economy - is absurd. The result to pensioners is bound to be better than now and yet even those who should be horrified with current pension abuse cannot see that they have a duty to support such change.

Third to make the point that in the 1980s we were told that private pension funds would solve all pension problems, no one would be exploited and the world would be a better place for the private pension revolution. We were lied to by a Tory government. we're being lied to again by a Tory government now who are saying that NHS reform will result in efficiencies, savings, no charges and a better service. That's not true. It's not possible that it can be true. I'll be exploring why in some depth in the Courageous State. But still the lies are rolled out. And what will actually happen is something like

the pension debacle - the rich will get richer and the rest of us will get a lousy service leading to desperation at the prospect of real loss of well-being we once enjoyed.

You have been warned.