

Press release: Bus operator's licence curtailed after prosecution for failing to auto-enrol staff in company pension scheme

A bus company which failed to auto enrol its staff into a company pension scheme has had its transport licence cut from 40 to 31 vehicles indefinitely.

Traffic Commissioner for the North West of England, Simon Evans, said Stotts Tours (Oldham) Ltd "manifestly brought its good reputation into doubt" after director Alan Stott admitted he had buried his head in the sand about pensions requirements.

Stotts Tours (Oldham) Ltd was the first company to be prosecuted by the Pensions Regulator for failing to comply with the law on workplace pensions.

Mr Evans expressed his disappointment that as the regulator of the bus industry it was an operator in this sector who had "so clearly failed in its duty".

"That Stotts became the first company to be prosecuted casts a shadow on the industry," he added.

"My dismay is compounded because this case goes beyond a simple failure to comply with the law – since staff of companies such as Stotts are the very people whose interests an operator ought to be guarding and through the provision of pension schemes investing in their future."

The company was called to a public inquiry before the Traffic Commissioner on 27 April 2018. Alan Stott said he had buried his head in the sand regarding workplace pensions and failed to discuss it with his co-directors.

Evidence provided to the Commissioner showed the business now had a pension scheme in place, staff had been auto-enrolled and back payments of employer contributions had been made.

Mr Evans also heard about other changes the business had made and intended to put in place from August. He also made note of the company's positive record of operating vehicles on the road with regard to safety standards.

The Traffic Commissioner ordered the company's licence to be reduced from 40 to 31 vehicles indefinitely and recorded a formal warning on its transport licence. A number of undertakings were agreed relating to the appointment of a new transport manager, financial standing and the payment of fines.

He also said the reputation of the firm's transport manager, Alan Stott junior, was tarnished.

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