

Ombudsman's Determination

Applicant	Mr E
Scheme	Transact Self-Invested Personal Pension (Transact SIPP)
Respondent	Integrated Financial Arrangements Ltd (IFAL)

Outcome

1. I do not uphold Mr E's complaint, and no further action is required by IFAL.

Complaint summary

2. Mr E's complaint concerns information that his independent financial adviser (**the IFA**) obtained from IFAL's online platform (**the Platform**) that Mr E said was misleading. He maintains that, as a result of this information, he made drawdowns from his Transact SIPP that incurred a 40% tax charge.

Background information, including submissions from the parties and timeline of events

3. The sequence of events is not in dispute, so I have only set out the salient points. I acknowledge there were other exchanges of information between all the parties.
4. In November 2021, Mr E established the Transact SIPP. IFAL was the provider of the Platform and the Transact SIPP. Mr E also had a SIPP with Standard Life.
5. On 2 December 2021, Mr E instructed IFAL to transfer his benefits from his Standard Life SIPP to the Transact SIPP.
6. On 6 May 2022, Standard Life sent IFAL a transfer completion notice providing a breakdown of the transfer. Mr E's Standard Life SIPP consisted of two capped drawdown pots:
 - a transfer value of £226,237.31 from tranche one capped drawdown; and
 - a transfer value of £231,615.62 from tranche two capped drawdown. This was in respect of a previous transfer to the Standard Life SIPP from Legal & General.

7. In order to accept the transfer, two separate wrappers were set up within Mr E's Transact SIPP. These were labelled "SIPP-Tranche 1" and "SIPP".
8. On 1 June 2022, the IFA asked IFAL to convert the wrappers to a flexi access drawdown account. It also asked that a one-off drawdown of £3,440 be made from the SIPP-Tranche 1 wrapper.
9. On the same day, IFAL confirmed that the drawdown would be completed later that day and that the two wrappers could be amalgamated. It asked for Mr E's confirmation that he wished to proceed with the amalgamation.
10. On 4 June 2022, the IFA confirmed to IFAL that Mr E wanted the two wrappers amalgamated into one. It also asked IFAL to set up a one-off income drawdown of £6,440 together with monthly drawdowns of £3,440 from July 2022.
11. On 6 June 2022, IFAL wrote to Mr E to confirm that the SIPP-Tranche 1 wrapper had been closed, with assets and cash transferred to the SIPP wrapper.
12. On 28 March 2023, the IFA emailed IFAL. It said:-
 - Mr E had been told by HM Revenue & Customs (**HMRC**) that IFAL had informed it that his gross drawdowns for the 2022/23 tax year totalled £46,446.
 - It had produced a cash transaction listing for 2022/23 (**the Listing**) using the Platform. This showed gross drawdowns totalling £43,006 for 2022/23. The difference was £3,440, which appeared to show that an extra month had been included in HMRC's figure.
 - It asked IFAL to provide the correct information to HMRC.
13. On 31 March 2023, IFAL sent the IFA details of the drawdowns that were included in the figure of £46,446 that it had provided to HMRC (see the Appendix).
14. On 2 April 2023, the IFA sent IFAL a copy of the Listing and noted that it did not include the drawdown of £3,440 on 1 June 2022.
15. On 4 April 2023, IFAL sent Mr E a cash transaction listing for the SIPP-Tranche 1 wrapper which included the 1 June 2022 drawdown.
16. On 6 April 2023, Mr E raised a complaint with IFAL. He said that the Listing missing the June 2022 drawdown had resulted in him incurring a tax loss of £688.
17. On 7 June 2023, IFAL responded to Mr E's complaint. In summary, it said:-
 - The Listing was for the SIPP wrapper and did not include the transactions for the SIPP-Tranche 1 wrapper which had been closed, as instructed by Mr E, after the June 2022 drawdown.
 - So, the Listing had produced the results it would have expected as the IFA had only viewed the information relating to the wrappers in force at the time.

- If the IFA also required details of the transactions on Mr E's closed wrapper, it should have selected the 'Closed Wrapper' option. It could also have contacted IFAL's customer services department for information on Mr E's closed wrapper.
 - It had carried out all drawdown requests from Mr E's wrappers as he had instructed. There was sufficient information available to Mr E to calculate the income he had received.
 - Mr E had been taxed correctly and it would not look to pay a personal tax liability where no error had occurred.
18. Following the complaint being referred to The Pensions Ombudsman, Mr E and IFAL made further submissions that have been summarised below.
19. Mr E said:-
- Each tax year he took the maximum possible drawdowns up to the 20% tax threshold as he did not want to pay 40% tax. For the 2022/23 tax year, he intended to do the same, making a final adjustment to the drawdown in March 2023.
 - Using the information in the Listing, he withdrew £9,046 in March 2023, understanding this to use up his 20% tax band limit. He was then surprised to discover that he had incurred an extra £688 tax charge above the 20% tax rate because 40% tax had been charged on £3,440 of his drawdowns.
 - IFAL had not taken into account the information available to the IFA on the Platform at the time that Mr E made his March 2023 withdrawal. He provided two screenshots which showed:
 - a transaction listing screen where the "Select All" option had been chosen, and this expanded out to show two wrappers: "General investment Account" and "SIPP" (**Screen 1**); and
 - a transaction listing screen where the "Select All" option had been chosen, and this expanded out to show three wrappers: "General investment Account", "SIPP" and "SIPP – Tranche 1 (closed)" (**Screen 2**).
 - Screen 1 showed two wrappers which would indicate that both of his wrappers were included, and so he would expect the report that was generated to include all his transactions.
 - Only by clicking on a "More Options" drop down did Screen 2 appear showing three wrappers which would suggest both wrappers and the closed wrapper were included. The IFA then had to click on the "More Options" drop down again before "Show closed options" appeared.

- IFAL should repay him £688 in recognition of the extra tax he had been charged. He considered this to be as a result of the lack of clarity and transparency in the information IFAL had provided.
 - IFAL said that he could have contacted its customer services department. However, at the time, he believed he had a full understanding of the situation, and so this would not have been necessary.
20. IFAL provided recent screenshots from the Platform. It said that, once the “Report” and “Transaction listing” options had been selected, this would show the current open wrappers. The “Closed wrappers” option under “More options” would then need to be selected to, in the case of Mr E, include the “SIPP – Tranche 1” closed wrapper.

Adjudicator’s Opinion

21. Mr E’s complaint was considered by one of our Adjudicators who concluded that no further action was required by IFAL. The Adjudicator’s findings are summarised below:-
- The Adjudicator said that, in complaints like this, he had to come to a conclusion on a balance of probabilities basis as there was no evidence to prove what options the IFA selected when generating the Listing. Nor did the Adjudicator have access to the Platform to generate some test reports. However, even if he did, he would have no way of being sure that the way the Platform was working at the time was identical to the way it was working in March 2023, when the Listing was generated.
 - On the balance of probabilities and, in the absence of any evidence to the contrary, the Adjudicator’s view was that the Platform was operating in the way that IFAL had described when the Listing was generated. In particular, had the Listing been generated directly after the transaction listing option had been selected, then details relating to the SIPP – Tranche 1 wrapper would not have been included as it was a closed wrapper. Further, the Adjudicator took the view that the user should have been aware of this, as this wrapper was not one of the two wrappers listed on Screen 1.
 - In the Adjudicator’s opinion, had the user progressed to Screen 2 and generated the Listing from here, details relating to the SIPP – Tranche 1 wrapper would have been included as it was one of the three wrappers shown on this screen.
 - The Adjudicator was also of the opinion that both Mr E and the IFA would have been aware of the existence of the SIPP – Tranche 1 wrapper as they were involved when it was closed by IFAL, at Mr E’s request.
 - So, the Adjudicator did not take the view that the IFA obtained misleading information from the Platform. So, the Adjudicator did not agree that IFAL was

responsible for any additional tax liability incurred by Mr E as a result of his reliance on the information in the Listing.

22. Mr E did not accept the Adjudicator's Opinion, and the complaint was passed to me to consider. In response to the Opinion, Mr E said that insufficient regard had been given to the lack of transparency and therefore misleading information provided by IFAL.
23. I have considered the additional point raised by Mr E; however, it does not change the outcome, I agree with the Adjudicator's Opinion.

Ombudsman's decision

24. Mr E's complaint relates to the information his IFA obtained from the Platform. Mr E maintains that this information was misleading, and this resulted in him incurring an additional tax charge.
25. In his response to the Adjudicator's Opinion, Mr E has again referred to misleading information that he believes was provided by IFAL. However, he has not provided any additional evidence to support this claim.
26. So, like the Adjudicator, I have had to come to a conclusion on a balance of probabilities basis. On such a basis, I find, for the same reasons as stated by the Adjudicator in paragraph 21 above, that the Platform did not provide misleading information to the IFA.
27. I do not uphold Mr E's complaint.

Dominic Harris

Pensions Ombudsman
21 February 2025

Appendix

IFAL's summary of the gross payments made to Mr E in the 2022/23 tax year

Date	Gross payment
1 June 2022	£3,440
6 June 2022	£6,440
7 July 2022	£3,440
8 August 2022	£3,440
7 September 2022	£3,440
7 October 2022	£3,440
7 November 2022	£3,440
7 December 2022	£3,440
9 January 2023	£3,440
7 February 2023	£3,440
7 March 2023	£9,046
Total	£46,446