

Ombudsman's Determination

Applicant	Miss I
Scheme	Gala Coffee and Tea Group Pension Scheme (the Scheme)
Respondent	Trustee of the Gala Coffee and Tea Group Pension Scheme (the Trustee)

Outcome

1. Miss I's complaint against the Trustee is partly upheld. To put matters right for the part that is upheld, the Trustee shall carry out the steps detailed in the 'Directions' section of this Determination (paragraphs 69-71 below).

Complaint summary

2. Miss I has complained that she experienced delays when attempting to transfer her benefits in the Scheme to a Fidelity International (**Fidelity**) self-invested personal pension (**the SIPP**). She also complained about a possible loss of an entitlement to a protected tax-free lump sum in excess of 25% of her fund value (**PTFC**).
3. She said that the Trustee should make a payment to her for the financial loss that she suffered and for the distress and inconvenience these matters caused her.

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

4. 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.
5. Miss I was a member of the Scheme which is a group money purchase arrangement administered by Clerical Medical. The Trustee was Gala Coffee Limited which has been merged into UCC Coffee UK Limited.
6. In January 2017, Miss I contacted Clerical Medical requesting details of her benefits in the Scheme. It explained that it could only send her information via the Trustee.
7. On 31 January 2017, Miss I emailed the Trustee to notify it that Clerical Medical would be sending it information that she had requested. She asked that the information be forwarded to her.

8. On 1 February 2017, Clerical Medical provided the Trustee with information relating to Miss I's benefits in the Scheme. A transfer and fund value of £27,119.46 was quoted. The Trustee says that this information was passed to Miss I that same day.
9. Clerical Medical asked the Trustee to complete and return an 'HMRC Limits Information Form' (**the Form**). It advised that the Form would allow it to determine whether Miss I was entitled to PTFC.
10. On 22 September 2017, Clerical Medical wrote to the Trustee to notify it that Miss I was approaching her selected retirement date (**SRD**) in April 2018, her 60th birthday. It said that the current value of Miss I's entitlement was £28,001.17 and the Trustee needed to decide how to proceed with the settlement of her retirement benefits. It offered to provide a personalised quotation for Miss I if further information was provided in relation to the type of benefits she wished to consider. There is no evidence to suggest that this information was passed to Miss I.
11. On 26 February 2018, Miss I emailed the Trustee. She said:-
 - She wanted to take her benefits from the Scheme in two withdrawals.
 - The first 50% to be taken in the 2017/18 tax year on, or immediately after, her SRD.
 - The second 50% to be taken a few days later so that it fell in the 2018/19 tax year.
 - For both withdrawals she wanted to take a tax-free lump sum of 25%.
12. On 6 March 2018, Miss I emailed the Trustee following an earlier attempt she says she had made to contact it by telephone. She asked it to return her telephone call and deal with her instructions concerning her benefits. She said that she would incur an additional tax liability of approximately £3,300 if the initial withdrawal was not actioned in the current tax year.
13. On the same day, the Trustee responded to Miss I. It confirmed that it would contact Clerical Medical later that day to arrange the payment of her benefits.
14. On 12 March 2018, the Trustee sent Clerical Medical a copy of Miss I's email of 26 February 2018. It asked for advice on what needed to be done to settle her benefits.
15. On 15 March 2018, Miss I emailed the Trustee following a communication she had with Clerical Medical in which the timescales for paying her benefits were discussed. She said:-
 - Clerical Medical had confirmed that it would make any payments to the Trustee, who would then make the payments to her.
 - Clerical Medical would calculate the value the day after her SRD and make the payment to the Trustee that same day. The Trustee should then be able to make the first payment of her benefits to her on the next day.

- She needed the first payment to be made in the 2017/18 tax year. She was happy for it to be based on a withdrawal of £15,000, rather than splitting the fund value in half.
 - Clerical Medical had advised that it needed the Trustee to return some forms.
16. On 20 March 2018, Clerical Medical wrote to the Trustee in response to its email of 12 March 2018. In summary, it said:-
- A Trustee bank account would be required to receive the money which could be requested by the Trustee as a single or two payments.
 - It had enclosed an encashment form for the Trustee to complete.
 - The current fund value was £28,995.67.
17. On 23 March 2018, Miss I emailed the Trustee. She told it that she had been informed by Clerical Medical that it was waiting for the Trustee to return some paperwork.
18. On 26 March 2018:-
- Miss I emailed the Trustee. She said:-
 - She had tried to telephone it a number of times but none of her telephone calls had been returned and no reply had been received to her emails.
 - She had spoken to Clerical Medical and it had confirmed that it was still waiting on paperwork from the Trustee.
 - She needed it to confirm that the initial payment of her benefits would be made by 3 April 2018.
 - If she did not receive this confirmation by 3pm today, she no longer wanted to take her retirement benefits.
 - At 4.04pm, the Trustee responded to Miss I. It said that it had been waiting for documentation from Clerical Medical since her instruction on 26 February 2018. It confirmed that it had now received the documentation and was in a position to process her retirement benefits if she wished. It asked her how she wanted to proceed.
 - Miss I told the Trustee that she had initiated alternative arrangements to minimise the financial impact on her. She notified it that she would be transferring her benefits out of the Scheme.
19. On 10 May 2018, Miss I emailed the Trustee. She said that she had been told by Clerical Medical that the Trustee had not returned the Form. She advised that she wanted to transfer her benefits out of the Scheme but wished to take the maximum

tax-free lump sum before the transfer if she was entitled to PTFC. Otherwise, she wished to transfer her full benefits out of the Scheme.

20. On 18 August 2018, Miss I emailed the Trustee, repeating the information in her email of 10 May 2018.
21. On 23 September 2018, Miss I contacted the Trustee to ask for a response to her earlier emails.
22. On 20 November 2018, the Trustee emailed Clerical Medical. It shared the information in Miss I's email of 10 May 2018, and asked whether she was entitled to PTFC.
23. On 23 November 2018, Clerical Medical responded. It said:-
 - In order for it to confirm whether Miss I was entitled to PTFC, it would need the Trustee to complete and return the Form.
 - It was not possible for Miss I to take her tax-free cash entitlement from the Scheme and then transfer the remainder to another arrangement.
 - It provided details of other options available to Miss I and explained that any entitlement she had to PTFC would be lost if she transferred her benefits out of the Scheme.
24. In November 2019, Miss I instructed Fidelity to arrange the transfer of her benefits in the Scheme to the SIPP.
25. On 21 November 2019, Clerical Medical notified the Trustee that Fidelity had contacted it to advise that Miss I wanted to transfer her benefits.
26. On 10 December 2019, Fidelity wrote to the Trustee. It said Miss I was interested in transferring her Scheme benefits to the SIPP. A letter of authority signed by Miss I was enclosed. It asked the Trustee to provide a transfer value illustration and transfer forms plus some details relating to the Scheme.
27. On 3 February 2020, Miss I notified the Trustee that Fidelity had contacted Clerical Medical concerning the transfer. She said that it had been told that Clerical Medical needed a discharge form completed by the Trustee before the transfer could proceed. Fidelity had asked that a discharge form be sent to the Trustee.
28. On 14 February 2020, Fidelity wrote to the Trustee. The letter used the same wording as in its letter of 10 December 2019, in which it had requested a transfer value illustration, the transfer forms and information concerning the Scheme.
29. On 4 and 23 March and 21 April 2020, Fidelity chased the Trustee for a response.
30. On 2 June 2020, Fidelity contacted the Trustee. It advised that it had cancelled the transfer request due to the fact that the emails it had sent had not been responded to. It confirmed that it had informed Miss I of the cancellation.

31. On 4 June 2020, Miss I emailed the Trustee. She advised she had been told by Clerical Medical that it was unable to proceed with the transfer as it required the Trustee to respond to it and complete some paperwork.
32. On 5 June 2020, Miss I again emailed the Trustee. She said that Clerical Medical had told her that it notified the Trustee on 21 November 2019 that she wanted to transfer her Scheme benefits to Fidelity. Clerical Medical had confirmed to her that transfer paperwork had been sent to the Trustee for it to complete to enable the transfer to proceed, but the paperwork had not been returned.
33. On the same day, the Trustee confirmed to Miss I that it was liaising with Clerical Medical to progress the transfer.
34. On 11 June 2020, the Trustee emailed Clerical Medical a copy of Fidelity's letter of 14 February 2020, asking it to provide the information requested.
35. On 18 June 2020, Clerical Medical provided its response to the Trustee which included a transfer value illustration and the transfer forms. It replied to all the other questions apart from Fidelity's request for the Scheme's HMRC pension scheme tax reference which it asked the Trustee to provide to Fidelity.
36. On 19 June 2020, Fidelity emailed the Trustee to ask if it had been able to return the requested paperwork to Clerical Medical.
37. On 25 June 2020, Fidelity emailed the Trustee twice. It said Clerical Medical had confirmed that discharge forms had been issued on 18 June 2020 and, once the completed forms were returned, the transfer payment would be made.
38. On 2 July 2020, Miss I asked the Trustee if she had PTFC. She also requested confirmation of the amount of the transfer value and whether it was the same as the fund value.
39. On the same day, the Trustee signed the transfer forms and sent them to Fidelity for it to complete. A payment request letter was provided. Clerical Medical and Miss I were also copied in.
40. On 7 July 2020, Miss I's benefits in the Scheme were transferred to the SIPP.
41. On 15 July 2020, Miss I raised a complaint with the Trustee. She asserted that she had incurred a financial loss and also suffered distress and inconvenience. She said:-
 - The Trustee confirmed to Fidelity that she was not entitled to PTFC. However, Clerical Medical had told her that it was likely that she was, and this was why it had asked the Trustee to complete the Form. She wanted to know when the Form was returned to Clerical Medical and asked the Trustee to obtain confirmation from Clerical Medical whether PTFC would have been available to her.

- The transfer value that had been paid may have been lower than the fund value and she asked the Trustee to obtain confirmation from Clerical Medical whether this was the case.
- Her initial instruction for the transfer to be made was in November 2019, but it did not take place until July 2020. It was possible that the fund value reduced while the transfer was delayed due to a lack of response from the Trustee. She asked the Trustee to obtain fund valuations so that a comparison could be made.
- She had suffered a loss due to the transferred funds not being available for re-investment at the time she expected. Around that time, she had instructed Fidelity in relation to another transfer and some of the investments showed positive growth. It was reasonable to assume that the funds from the Scheme, if the transfer had proceeded on schedule, would have been invested in a similar manner. She had estimated that her loss amounted to £3,785.66.
- She had suffered distress and inconvenience and considered that a payment of £2,000 was appropriate.

42. On 24 July 2020, the Trustee responded to Miss I. It said:-

- It had asked Clerical Medical to confirm when the Form had been returned to it. Clerical Medical had advised on 18 June 2020 that Miss I was not entitled to PTFC.
- It had asked Clerical Medical for transfer and fund valuations so she could compare these.
- It had asked Clerical Medical to provide historic valuations at 2 April 2018, 21 November 2019, 21 February 2020 and 7 July 2020.
- Most of the delay was due to the Form which required information dating back to before 6 April 2006. This had been difficult due to changes in personnel, systems and locations. In hindsight it should have sent the Form back to Clerical Medical on receipt and said the information could not be obtained.

43. On 27 July 2020, Miss I provided the Trustee with further information in relation to the loss of £3,785.66 she maintained she had suffered due to the delay in the transferred funds being available for re-investment. Her calculation assumed she would have invested the funds transferred from the Scheme in a similar way to other funds that came available to her at the time. She said that those had grown by 13.1% on average from the date invested (between 23 January and 1 May 2020) to 13 July 2020.

44. Miss I went on to say that Clerical Medical first requested that the Trustee complete the Form in February 2017. The Trustee never contacted her to explain the problems in gathering the information required. Had it done so, she may have been able to assist. She said that the Trustee had not returned her telephone calls and had

ignored most of her emails. Furthermore, it had not replied to correspondence from Clerical Medical. She questioned its comment of 24 July 2020 that Clerical Medical had confirmed that she had no PTFC entitlement. She asked the Trustee to confirm that it would compensate her for the delays in accessing her benefits.

45. On 23 August 2020, Miss I asked the Trustee for a response to her email of 27 July 2020. She also asked for a copy of the Form that it had sent to Clerical Medical and a copy of Clerical Medical's email confirming that she had no entitlement to PTFC.
46. On 1 July 2021, Miss I raised a complaint for consideration under the Scheme's internal dispute resolution procedure (**IDRP**). She repeated previous arguments and said that her loss consisted of the following:-
 - The Scheme guaranteed that her fund would grow by at least 4% annually. However, Clerical Medical had notified her that this guarantee ceased to apply after her SRD. So, from April 2018, her SRD, to when the transfer completed in July 2020, she had lost out on this guaranteed growth. She estimated the loss to be in the region of £1,467.
 - A loss due to the transferred funds not being available to reinvest in a timely manner, which she estimated to be £3,786.
 - A possible loss of an entitlement to PTFC which she estimated to be 50% of £2,904.
 - She accepted that it was likely that no market value reduction had been applied to the transfer value, so assumed no loss in respect of this.
47. In addition, she said that she had suffered a great deal of stress and anxiety when trying to access her benefits from the Scheme. She considered that a distress and inconvenience payment of £2,000 was appropriate.
48. Miss I made the following additional submissions:-
 - She had been told by Clerical Medical that, six months before her SRD, it had sent a pack of forms to the Trustee for it to fill in, so that her pension could be paid. The Trustee never returned these forms.
 - The Trustee gave the impression that any delays in settling her retirement benefits were due to slow responses from Clerical Medical. However, she spoke to Clerical Medical several times and, according to it, there had been no contact from the Trustee. On two occasions Clerical Medical told her that it would send the Trustee a form that needed returning. It was not until the end of March 2018 that the Trustee told her it had been in touch with Clerical Medical. At that point, Clerical Medical was to send the Trustee the required form electronically, and it was to complete and return it immediately. However, it is clear that this did not happen, as the Trustee had now confirmed that the relevant form was not completed until June 2020.

- According to the Trustee, she initially provided an instruction in relation to the transfer in February 2020. However, she requested the transfer several times in April and May 2018, but received no response from it.
- After she made a complaint to the Trustee, it promised to provide information from Clerical Medical so she could quantify the financial losses she suffered as a consequence of the delays. It had never provided this information.
- After she made her complaint, the Trustee said that the delays were caused by difficulties in locating the information required for it to complete the Form. It never made any mention of this earlier. She asked the Trustee for a copy of the completed Form, but it was not provided.
- She had not believed the Trustee's offer of 26 March 2018 to settle her retirement benefits. This was because the Form had not been returned to Clerical Medical and Clerical Medical had not made any payment to the Trustee. Furthermore, she had been told that a Trustee bank account did not exist into which the payment could be made. Also, it was not clear from the Trustee's offer what it was planning to pay her.

49. The Trustee made the following additional submissions:-

- In relation to the request made by Miss I at the end of February 2018 to take her retirement benefits, it had requested information from Clerical Medical in mid-March 2018. Clerical Medical's response was delayed and this had led to a delay in Miss I receiving the information she needed.
- It received the transfer request at the start of February 2020. It should have acted quicker to deal with this request and obtain the required information from Clerical Medical. It sent a letter to Clerical Medical at the start of June 2020 to obtain the required information, which was responded to promptly. The information requested by Clerical Medical was slow and difficult to obtain. It had a small finance team which was focusing on running and supporting the business, resulting in some pension requests not always being dealt with in a timely manner.
- The Form had never been completed and returned to Clerical Medical due to it not having access to some historical information. Furthermore, it had received no advice from Clerical Medical in relation to Miss I's eligibility for PTFC.

Adjudicator's Opinion

50. Miss I's complaint was considered by one of our Adjudicators, who concluded that further action was required by the Trustee, as the transfer had been delayed and there had been maladministration.

51. The Adjudicator's findings are summarised below:-

- Firstly, the Adjudicator considered whether the time taken to complete the transfer was unreasonable. He said that, if he thought it was, he would assess the date that the transfer should have completed if all parties had responded within reasonable timescales.
- The first time that Fidelity made direct contact with the Trustee concerning the transfer of Miss I's Scheme benefits to the SIPP was its letter of 10 December 2019. The Trustee received this letter on 12 December 2019.
- Following the receipt of Fidelity's letter, the Trustee had to contact Clerical Medical to request the information that Fidelity had asked for, including a transfer value illustration and transfer forms. It did this on 11 June 2020. In the Adjudicator's opinion, the time that it took to do this was unreasonable. His view was that it would have been reasonable to expect the Trustee to have done this within a working week of receipt of Fidelity's letter, so by 19 December 2019.
- Clerical Medical responded to the Trustee's email of 11 June 2020 a working week later. Had it received the request on 19 December 2019, then the Adjudicator thought it reasonable to allow for the Christmas and New Year period and assume that it would have taken longer to send its reply. His view was that 10 January 2020 was a reasonable date for it to have provided a response.
- On 2 July 2020, the Trustee signed the transfer forms and sent them to Fidelity for it to arrange for them to be completed. This was 10 working days after it had been provided with the forms by Clerical Medical. In the Adjudicator's view, this timescale was not unreasonable. Applying this to the notional date of 10 January 2020, then a reasonable date for the Trustee sending back the forms would have been 24 January 2020.
- It was then a further three working days before the transfer completed on 7 July 2020. Adding three working days to 24 January 2020 gave a date of 29 January 2020. This, in the Adjudicator's opinion, was the date when it would have been reasonable for the transfer to have completed.
- The Adjudicator looked at the redress for any financial loss that Miss I had suffered as a result of the delay in completing the transfer. His view was that a comparison should be made between her entitlement in the SIPP and what her entitlement would have likely been had a transfer value been paid on 29 January 2020. His opinion was that any loss resulting from the transfer being completed in July 2020 rather than January 2020 should be paid into the SIPP by the Trustee.
- Miss I said that she suffered a further loss due to the settlement of her benefits being delayed beyond her SRD and thus the ceasing of the 4% guaranteed growth previously provided by the Scheme. In the Adjudicator's view, Miss I was never entitled to this guaranteed growth on reaching her SRD. So, the fact that she did not receive it was not a financial loss for which the Trustee could be considered to be responsible.

- Miss I suggested that she suffered a financial loss in relation to her possible entitlement to PTFC. The Trustee has acknowledged that the Form was never returned to Clerical Medical. It said that this was due to it not having access to some of the historical information needed to complete the Form. However, Miss I chose to transfer her benefits out of the Scheme, at which point any entitlement she had to PTFC was lost. The Adjudicator did not take the view that the Trustee could be held responsible for any financial loss in this respect.
- Finally, the Adjudicator looked at any non-financial injustice that Miss I had suffered as a result of the actions of the Trustee. His view was that the Trustee was responsible for the delay in completing the transfer and had also not responded to communications from Miss I and Fidelity in a timely manner. In addition, it had not provided Miss I with the information it had agreed to obtain from Clerical Medical in response to the complaint she had raised. It also provided Miss I with conflicting information in relation to the completion of the Form. This amounted to maladministration on the Trustee's part. The Adjudicator's opinion was that this would have caused Miss I serious distress and inconvenience and a financial payment of £1,000 was appropriate in recognition of this.

52. Miss I did not accept the Adjudicator's Opinion and the complaint was passed to me to consider.

53. Miss I provided some further comments in response to the Opinion. In summary she said:-

- She had spent over 100 hours chasing the Trustee and communicating with other parties in relation to her benefits in the Scheme. The £1,000 payment for distress and inconvenience suggested by the Adjudicator inadequately valued her time and allowed nothing for the adverse impact that this situation had on her wellbeing. As well as anxiety and distress, the events had also triggered physical symptoms. She had been expecting a payment of at least £5,000.
- She had reached her SRD in April 2018, and had started contacting the Trustee a year before that in relation to gaining access to her benefits. In February and March 2018, she had contacted the Trustee almost daily. The Trustee had failed to respond to her and had also failed to pass on information provided by Clerical Medical and return forms Clerical Medical had sent it. The calculation proposed by the Adjudicator for the financial loss she had suffered had a starting point in November 2019, when she asked Fidelity to investigate a transfer. It should have included these two earlier years.
- The Adjudicator said that there was no requirement for the Trustee to compensate her for the reduction in investment returns in the Scheme following the cessation of the 4% per annum guaranteed returns when she reached her SRD. He had not taken into account that it would have been normal for her funds to have been withdrawn at SRD to be invested elsewhere for a better return. She was prevented from doing this. So, the calculation should include allowance for the

loss of annual returns of 4% from her SRD. Alternatively, an estimation could be made of the amount that her funds would have earned had they been removed from Clerical Medical at her SRD and invested elsewhere.

- While she acknowledges that she had requested to transfer her benefits out of the Scheme, she did not agree that the loss of any PTFC was her fault. She had only requested the transfer because she could see no other way of accessing her benefits, having been unsuccessful in requesting that they be paid as a pension. Furthermore, Clerical Medical were unable to offer her drawdown as, after allowing for the lump sum she wished to take, the balance was less than the £30,000 it required to offer this option.
- She had made it clear when requesting the transfer that, if this resulted in the loss of PTFC, she wished to take her tax-free cash and transfer out the balance. This was permitted by HMRC and was something offered by Fidelity. She was never told that Clerical Medical did not offer this option.
- She had no reason to believe that there would be a loss of PTFC. The Trustee told her that it had provided Clerical Medical with the completed Form in June 2020. It had also declared to Fidelity that there were no guarantees or any other benefits that would be lost upon transfer. The Trustee has subsequently advised that the Form had not been returned to Clerical Medical. Clerical Medical had said that it was likely that there had been a loss of PTFC due to the transfer. Fidelity would not have accepted the transfer had it been aware that there was the possibility of her losing her PTFC.
- The crux of her complaint was that the Trustee had failed to act in her best interests. One of its key responsibilities was to help Scheme members access their benefits at retirement and it had failed to do this in her case. She had struggled for more than two years to gain access to her pension benefits.
- In respect to the steps in the 'Putting matters right' section of the Adjudicator's Opinion, she was unable to accept any payments into the SIPP. This was because she has Fixed Protection for an increased Lifetime Allowance that would be invalidated if any additional payments were received.

54. I have considered the additional points raised by Miss I, and accept the Adjudicator's Opinion except that, given the extraordinary time wasted in dealing with Miss I's pension benefits, I consider that the distress and inconvenience award should be increased to £1,500.

Ombudsman's decision

55. Miss I's complaint concerns the time it took for her to access her benefits in the Scheme. She has argued that she has suffered a financial loss and non-financial injustice. She has also complained about a possible loss of an entitlement to PTFC.

56. Miss I has noted that the Adjudicator's proposed method for calculating the financial loss she has suffered used the date when Fidelity first made contact with the Trustee concerning the transfer. In November 2019, Miss I instructed Fidelity to arrange the transfer of her benefits in the Scheme to the SIPP. Fidelity first contacted the Trustee concerning the transfer in December 2019. Miss I says that she reached her SRD in April 2018 and that she began contacting the Trustee a year before this to arrange access to her pension. She questions why the calculation of financial loss did not date back to when she first contacted the Trustee.
57. I acknowledge that Miss I contacted the Trustee on multiple occasions to request the information she required. In addition, there is no evidence that information sent to the Trustee by Clerical Medical on 22 September 2017 was passed on to her. On 26 February 2018, Miss I notified the Trustee that she wished to take her retirement benefits in two tranches, one in the 2017/18 tax year and the other in 2018/19. Then, on 26 March 2018, she told the Trustee that she needed it to confirm, by 3pm that day, that the initial payment of her benefits would be made in the 2017/18 tax year. At 4.04pm that same day, the Trustee responded to Miss I. It said that it was in a position to settle her retirement benefits. Miss I responded to say that she had made alternative arrangements and would be transferring her benefits out of the Scheme.
58. I note that Miss I has expressed a number of concerns in relation to whether the Trustee was in a position to pay the first instalment of her benefits in the 2017/18 tax year. In particular, she said that:
- she believed that the Trustee had not returned the Form to Clerical Medical;
 - Clerical Medical had not made any payment to the Trustee;
 - she had been told that a Trustee bank account did not exist into which Clerical Medical could make a payment; and
 - it was not clear to her what benefits the Trustee was planning on paying her.
59. The Trustee's response did come slightly over an hour after Miss I had requested. However, at that point in time, Miss I did have the option of accepting payment of her retirement benefits. If she had any uncertainty, she could have asked for confirmation of what benefits the Trustee was planning to pay her. She chose not to do so. While I acknowledge the concerns that Miss I had, the Trustee was not given the opportunity to pay Miss I her retirement benefits. For this reason, I find that it cannot be held responsible for any delay prior to it being contacted by Fidelity in relation to the transfer. I agree with the Adjudicator's assessment that redress should be calculated based on a notional transfer completion date of 29 January 2020. I also agree with the redress calculation method proposed by the Adjudicator. This assumes that, having taken 25% of her pension pot as tax-free lump sum in September 2020, Miss I would have done the same had the transfer completed in January 2020.
60. Miss I says that she should receive compensation for the loss of the 4% guaranteed annual growth on her funds in the Scheme which ceased when she reached her

SRD. She says that, in the normal course of events, her funds would have been withdrawn at her SRD and invested elsewhere for a better return. She believes that she was prevented from doing so by the lack of response from the Trustee.

61. I do not agree that this is the case. It was Miss I's decision, in March 2018, to investigate the option of transferring her benefits out of the Scheme. At that time, she would have known that, within a month, she would reach her SRD and the guaranteed growth would cease. However, she chose to pursue the transfer option rather than confirm to the Trustee that she wished to proceed with the settlement of her retirement benefits. It had confirmed, on 26 March 2018, that it was in a position to pay her retirement benefits.
62. In relation to any PTFC that Miss I may have been entitled to, no evidence is available of whether this entitlement exists or not. If it does, the magnitude of the PTFC is not known. Furthermore, any entitlement to PTFC is not a benefit that is payable in addition to Miss I's regular benefits from the Scheme. It is, instead, an adjustment that would give her the option of splitting her benefits between tax-free cash and pension in a different way. While I acknowledge that Miss I may have wished to take a higher tax-free cash sum together with a reduced residual pension, her overall benefit entitlement is not changed.
63. For these reasons, I do not agree that Miss I is entitled to financial redress in respect of the possible loss of any entitlement to PTFC. However, I shall take into account the maladministration that took place in this respect when considering the distress and inconvenience that Miss I suffered.
64. Miss I has advised that she cannot accept payments into her SIPP as she has fixed protection for an increased lifetime allowance. She says that she will lose this if any further payments are made into her SIPP. For this reason, the redress for any financial loss that Miss I has suffered will need to be paid to her direct. It will be Miss I's responsibility to ensure that the tax implications of such a payment are dealt with.
65. Miss I says that she has spent over 100 hours contacting the parties involved to arrange the settlement of her benefits. Furthermore, she had suffered distress and anxiety, and this had an adverse impact on her health. She was expecting a higher payment than £1,000 for the distress and inconvenience she had suffered.
66. In considering the non-financial injustice that Miss I has suffered, I have taken into account a number of factors which I consider to be maladministration on the part of the Trustee. These include:
 - communications to the Trustee that were not responded to in a timely manner;
 - documents and information from Clerical Medical that were of interest to Miss I, but there is no evidence of them being forwarded to her;
 - the delay caused by the Trustee in completing the transfer from the Scheme to the SIPP;

- an inadequate response to a complaint raised by Miss I where it had agreed to obtain further information from Clerical Medical; and
- inconsistent messages provided in relation to whether the Trustee had completed the Form and whether Miss I had an entitlement to PTFC.

67. I find that Miss I would have suffered severe distress and inconvenience, as a result of the Trustee's continued maladministration, for which it should make a £1,500 payment to her.

68. I uphold Miss I's complaint in part.

Directions

69. To put matters right, within 28 days of the date of this Determination, the Trustee shall:-

- Pay £1,500 directly to Miss I in recognition of the severe distress and inconvenience it has caused her.
- Establish with Clerical Medical the transfer value that would have been paid from the Scheme had the transfer completed on 29 January 2020 (**A**).

70. Within a further 28 days of receiving this information from Clerical Medical, the Trustee shall establish with Fidelity:-

- The amount of tax-free lump sum that Miss I took on 14 September 2020 (**B**).
- The value of Miss I's SIPP on 14 September 2020 after she had taken B (**C**).
- The notional value of Miss I's SIPP on 14 September 2020 (**D**) based on Fidelity receiving A on 29 January 2020 and it being invested three working days later in Fidelity's Pension Savings account.
- The notional tax-free lump sum (**E**) that Miss I could have taken on 14 September 2020 had a payment of 25% of D been made to her.
- The notional value of Miss I's SIPP on 14 September 2020 (**F**) being D less E. This figure represents the value after her taking a tax-free lump sum.

71. Within a further 21 days of receiving this information from Fidelity, the Trustee shall:-

- If E is greater than B, make a payment of the difference, together with interest at the Bank of England base rate for the period from 14 September 2020 to the date of payment, direct to Miss I.

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- If F is greater than C, establish with Fidelity how much the difference would have increased to had it been initially invested in Fidelity's Drawdown Account from 14 September 2020 to 27 October 2020, and then invested in its Cash Account from 28 October 2020 to the date of calculation. The Trustee shall then pay this amount direct to Miss I.

Anthony Arter CBE
Deputy Pensions Ombudsman
1 August 2023