

Ombudsman's Determination

Applicant	Mr N
Scheme	Prudential Staff Pension Scheme (the Scheme)
Respondents	Prudential Staff Pensions Limited (the Trustee) and; XPS Administration (the Administrator)

Outcome

1. I do not uphold Mr N's complaint and no further action is required by the Trustee or the Administrator.

Complaint summary

2. Mr N has complained that the Administrator failed to provide information to Old Mutual Wealth (**OMW**) in a timely manner following the transfer of his pension funds from the Scheme to a personal pension with OMW.
3. Mr N has said that this resulted in a delay in the transferred pension funds being invested, causing him a significant financial loss as well as time and effort in pursuing the matter.

Background information, including submissions from the parties

4. The sequence of events is not in dispute, so I have only set out the salient points.
5. On 5 December 2019, the Administrator sent Mr N a transfer pack with a Cash Equivalent Transfer Value (**CETV**) quotation. The CETV guaranteed a transfer value of £203,095.53 for three months until 5 March 2020.
6. Mr N forwarded the completed transfer pack to his Independent Financial Advisers, Grove Pensions Solutions (**GPS**).
7. On 5 March 2020, GPS contacted the Administrator by email and submitted completed transfer forms and an application to transfer Mr N's pension funds from the Scheme to OMW.

8. On 13 March 2020, OMW sent the Administrator a transfer request letter. It confirmed that Mr N wanted to proceed with the transfer to OMW and attached his signed authority. On the second paragraph of the transfer request letter OMW said:-

“For us to complete this transfer, we need full details as shown at the end of this letter, which should be sent to us with the appropriate payment. If any information is not provided, or is unclear, it will result in a delay in processing the payment.”

Page two of OMW’s transfer request letter is provided in Appendix One. It sets out the information required to complete the transfer.

9. On 28 March 2020, the CETV was recalculated. The recalculation produced a value of £235,469.93, which was a greater amount than the guaranteed CETV which had been provided in the transfer pack sent to Mr N on 5 December 2019.
10. On 30 March 2020, the Administrator wrote to both Mr N and OMW to confirm that it had arranged to transfer £235,469.93 from the Scheme to OMW.
11. On 1 April 2020, OMW received the proceeds of the transfer. However, the information that it had requested on 13 March 2023, had not been received. On the same day, OMW sent an email to the Administrator summarising its information request. It asked the Administrator to respond to the following questions: -
- Can you confirm the amount that was sent in this transfer?
 - Can you confirm if this payment is coming from an occupational or personal pension?
 - Can you confirm the plan type for this pension (DB, DC, IPP, AVC, SIPP etc)?
 - Can you confirm the monies that we have received are un-crystallised?
 - Lastly, are there any court orders that we are unaware of?
12. On 4 April 2020, OMW received the Administrator’s letter dated 30 March 2020.
13. On 8 April 2020, OMW sent a further email to the Administrator requesting that its five questions were answered as soon as possible so that Mr N’s pension funds could be invested.
14. On 16 April 2020, OMW confirmed to the Administrator that it had received the letter dated 30 March 2020, that answered three of its questions and required a response in relation to the remaining two outstanding issues.
15. On 17 April 2020, the Administrator wrote to OMW providing answers to all its questions.
16. On 20 April 2020, OMW invested the proceeds of the transfer.

17. On 24 April 2020, Mr N sent an email to the Administrator and queried the information provided to OMW regarding the transfer value.
18. On 11 May 2020, the Administrator responded to Mr N's questions and provided copies of correspondence with OMW.
19. On 14 May 2020, OMW responded to Mr N's complaint about the delays to the investment of his pension funds transferred from the Scheme. It said that it had not previously received a statement of entitlement with the original documentation that was sent to it by GPS, which is why it needed to request further information to invest the proceeds of the transfer. It also confirmed that its request of 13 March 2020 confirmed all of the information it required to be able to invest Mr N's pension funds.
20. On 15 May 2020, following email communication with the Administrator, Mr N made a complaint. He complained that the Administrator had delayed providing information to OMW which resulted in him suffering a significant financial loss.
21. On 1 June 2020, the Trustee wrote to Mr N stating that it believed that all the information OMW required could have been obtained in the statement of entitlement, which was included in the transfer pack issued on 5 December 2019. It also stated that it recalculated the CETV at the actual transfer date, which resulted in an increased value of the CETV by £32,374.40, which was significantly greater than the original quotation.
22. On 10 June 2020, Mr N informed the Trustee that he did not accept its response. He raised a complaint under the Scheme's Internal Dispute Resolution Procedure (**IDRP**).
23. On 18 August 2020, the Trustee issued its Stage One IDRP response to Mr N. It did not uphold his complaint. It stated that all OMW's questions were answered by the Administrator within 10 working days, in line with the Service Level Agreement (**SLA**) the Administrator needed to adhere to.
24. The Trustee concluded that while it was unfortunate that the delay between 1 April 2020 and 17 April 2020 may have caused Mr N a financial loss, the Administrator could not be held responsible for the cost of unit prices in the funds that were being purchased increasing in this period.
25. Mr N remained dissatisfied with the Trustee's response and stated that it had ignored the root cause of the delay. He said that OMW had asked for information in its initial correspondence on 13 March 2020. So even if the funds were transferred within 10 working days, the information was not provided in this timescale. Mr N also disagreed that OMW had all the information in the transfer pack dated 5 December 2019. He pointed out that the Administrator did not make any reference to the transfer pack in its communication with OMW.
26. On 21 October 2020, the Trustee issued its Stage Two IDRP response to Mr N and upheld his complaint in part. It concluded that the Administrator could have either

mentioned that the information required was provided in the original transfer pack or amended its standard letter to provide all the information to OMW. The Trustee offered Mr N £1,000 compensation for the distress and inconvenience caused.

27. The Trustee maintained that all emails were responded to within its SLA of 10 working days. It reiterated that the email on 1 April 2020 was responded to fully on 17 April 2020. Based on this, it felt the Administrator could not be responsible for any changes in the unit price or losses.
28. Following the complaint being referred to The Pensions Ombudsman (**TPO**), Mr N and the Trustee have made further submissions that have been summarised below:-

Summary of Mr N's position:-

- He was informed by the Administrator that it was its standard procedure to recalculate the CETV before the transfer took place. He was also advised that if the CETV had increased that he would receive the higher value, but if the CETV had fallen he would still be paid the original figure as long as the transfer request and the required documents were received within the three months of the guarantee date of the CETV of 5 December 2019.
- There was a delay in investing his pension funds because the Administrator failed to provide all the information requested by OMW when it transferred his pension fund.
- The delay in reinvesting his pension funds meant they remained disinvested for a longer period than necessary. He estimated that this period was around two to three weeks during which the FTSE 100 rose by 6.9%. He made this calculation using the FTSE 100 unit prices on 3 April 2020 and 17 April 2020, as he considers that OMW would have been able to invest his funds the morning of 6 April 2020 had there been no delays in respect of providing the information requested by OMW.
- Mr N calculated his loss of investment growth to be £16,247. He feels that he is entitled to the recalculated CETV in addition to the interest he would have earned if the transfer had been completed more quickly.
- The service provided caused him to spend a lot of time and effort in dealing with the issue.

Summary of the Trustee's position:-

- The Administrator responded to all emails within 10 working days. The request for additional information was sent by email on 1 April 2020 and the response was provided on 17 April 2020. Taking into account bank holidays and weekends, this was within its SLA.
- The Trustee reiterated that in its view, all responses to OMW were sent within 10 working days.

- The Administrator could have been clearer in explaining that the information OMW requested was provided in the transfer pack issued to Mr N on 5 December 2019.
- The Trustee and the Administrator cannot be held responsible for the increase in unit prices, but the Trustee offered Mr N £1,000 in recognition of any distress and inconvenience.
- The Administrator paid the larger amount of £32,374.40 to OMW as part of a practice of recalculating transfer values before payment. The additional amount was not expressed as being paid as mitigation or compensation.
- The Administrator was not required under pensions legislation to pay the larger amount to OMW. The additional amount of £32,374.40 can be characterised as a payment to which Mr N had no entitlement under pensions legislation.

Adjudicator's Opinion

29. Mr N's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustee or the Administrator. The Adjudicator's findings are summarised below:-

- It was maladministration that the Administrator failed provide a full response within its SLA period of 10 working days to the information requests it received by OMW on 13 March 2020 and 1 April 2020. It did not provide the information that was requested by OMW on 13 March 2020 when making the transfer and failed to respond within the SLA time period for all questions except the fifth question in the email of 1 April 2020.
- The fifth question requested for details of "any court orders" and it was a wider request to the more specific request raised on 13 March 2020 which specifically asked for details of court orders arising from divorce or dissolution. The Adjudicator viewed the email of 1 April 2020 as an email chasing for the information requested on 13 March 2020 summarised in a shorter format. But the fifth question, was deemed as a 'new' request and subject to its own SLA period.
- However, it was still the Adjudicator's opinion that Mr N had not sufficiently evidenced that he had suffered a financial loss or that he should receive an additional payment to reflect the alleged loss of financial gains for the period between the date of transfer on 30 March 2020 and 20 April 2020 when the transferred amount was invested.
- Mr N had not suffered a financial loss in respect of the amount that was transferred to OMW as he benefited from the Administrator's decision to recalculate the CETV. The transfer payment was also completed in a timely manner on 1 April 2020.

- It was the Adjudicator's opinion that it would not be appropriate for the Administrator to be found liable for the omission of relevant information from the transfer pack that had been received by Mr N on 5 December 2019. Mr N received the full transfer pack from the Administrator. The statement of entitlement which was included in the transfer pack is an important document because it provided the information that OMW requested on 13 March 2020. The statement of entitlement confirmed the type of scheme, and that the funds were uncrystallised and were not subject to any orders arising from divorce or dissolution.
- Even if OMW was not provided with the full transfer pack, it should reasonably have been aware that a statement of entitlement would be included in a transfer pack issued in respect of a DB scheme, and it could have requested the required information from Mr N. It was therefore the Adjudicator's opinion that the Administrator was not responsible for the alleged financial loss that Mr N might have suffered due to his pension being left disinvested until 20 April 2020.
- The Trustee has offered £1,000 to compensate for the distress and inconvenience caused, and the Adjudicator considered the award offered to be sufficient and in line with the Ombudsman's guidelines for serious distress and inconvenience.

30. Mr N did not accept the Adjudicator's opinion and the complaint was passed to me to consider. He provided further comments in response to the Opinion. In summary, he said:-

- He does not agree that the fifth question was a new question and subject to its own SLA, as it is clear that it was a rephrasing of the original questions about divorce or dissolution from 13 March 2020. In any event, the Administrator breached their SLA time period as a result of not responding to the information requested on 13 March 2020 until 17 April 2020. This should be considered maladministration.
- OMW were not able to invest his pension until it received the information that it had requested. This meant that less units were purchased in the receiving pension due to the Administrator's maladministration.
- He has calculated the effect of this to be a financial loss amounting to £26,885.35. This calculation is based on his funds being invested on the morning of 6 April 2020 as opposed to 20 April 2020.
- He does not consider that the events outside of the period between 13 March 2020 and 17 April 2020 has any relevance to the maladministration. He suffered a significant financial loss due to the maladministration and it cannot be offset by the higher figure he received due to the Administrator's decision to recalculate the CETV.
- He questions why only an award for distress and inconvenience is considered appropriate. The financial loss he suffered should be remedied to put him back in the position he would have been if the maladministration had not occurred.

31. The Trustee provided further comments in response to Mr N's comments. In summary, it said:-

- It considers that the fifth question in OMW's email of 1 April 2020 was a new request. It agrees with the Adjudicator's opinion that it responded to this question within its SLA timeframe, and so its actions did not amount to maladministration in this instance.
- The information that was requested by OMW on 13 March 2020 had been provided in the CETV transfer pack of 5 December 2019 and the transfer letter which was posted on 30 March 2020.
- As Mr E has confirmed that the transfer letter of 30 March 2020 was received by OMW on 6 April 2020 as opposed to 16 April 2020, it does not consider that its actions amount to maladministration given the timings.
- In any event, it does not consider that the maladministration identified by the Adjudicator can be said to have caused the alleged financial loss, either because
 - (i) the fifth question in OMW's email of 1 April 2020 was a new question which needed to be responded to before the transfer payment could be invested, which means that the maladministration could not in practice have caused the delay; or
 - (ii) the fifth question in OMW's email was not a new request and therefore all the information requested in the email had already been provided in the CETV transfer pack issued on 5 December 2019, which means that if Mr N or GPS had provided the full pack to OMW, it would have had all the information necessary to invest Mr N's transfer payment.

32. I have considered Mr N's and the Trustee's further comments, but they do not change the outcome, I agree with the Adjudicator's Opinion.

Ombudsman's decision

33. I do not find that the Administrator was responsible for the alleged financial loss that Mr N suffered due to the perceived delay in his transferred pension funds being invested.

34. OMW required the information requested on 13 March 2020 to invest Mr N's pension funds, and it asked for the information to be provided with the transfer payment. The transfer pack of 5 December 2019 contained most of the information that OMW required. The statement of entitlement which was included in the transfer pack confirmed the type of scheme, that the funds were uncrystallised and were not subject to any orders arising from divorce or dissolution. The transfer pack was issued in full to Mr N by the Administrator. I do not find that the Administrator is responsible for the full transfer pack not being forwarded to OMW.

35. The Administrator's letter of 30 March 2020 provided a final confirmation of the amount that was transferred to OMW. This letter was issued on the same day that the transfer amount was paid to OMW. I therefore find that the Administrator did not delay providing the information that OMW required to invest Mr N's transferred funds.
36. I agree with the Adjudicator that the Administrator failed to clearly respond to OMW's information request of 13 March 2020.
37. The Administrator should have either informed OMW that the requested information was contained in the transfer pack of 5 December 2019, or it should have reissued the information OMW required with the letter of 30 March 2020, when it confirmed that the transfer had been completed.
38. OMW made a second request for information on 1 April 2020, which contained five questions and which largely summarised its request of 13 March 2020. OMW has confirmed that the Administrator's letter of 30 March 2020 contained responses to three of its five questions.
39. I agree with the Adjudicator that the fifth question was subject to its own SLA period of 10 working days, as it was a wider request than the more specific request raised on 13 March 2020. It specifically asked for details of court orders arising from divorce or dissolution.
40. I therefore find that it was only the fourth question which queried whether the funds were uncrystallised, that was not responded to by the Administrator in a timely manner. This information was first requested by OMW on 13 March 2020 and the Administrator did not provide a response until 17 April 2020.
41. However, as I have already established, the information sought by the fourth question had already been provided in the transfer pack that was issued by the Administrator on 5 December 2019. Furthermore, to the extent that an answer to the new, fifth question (dealing with the existence of court orders in general) was necessary in order for OMW to invest the transferred funds, then it would not have been possible to process the payment until an answer was received to that query. That answer was received in good time. As a result, I do not find that the Administrator was responsible for the alleged financial loss Mr N suffered due to the delayed investment of his transferred pension funds.
42. I further find that the Administrator completed the transfer of Mr N's pension funds in a timely manner. It was the Administrator's standard process to recalculate the transfer value before payment. Mr N was therefore entitled to the higher transfer value he received, and this amount was paid by the Administrator to OMW without delay.
43. The Trustee has already offered Mr N redress of £1,000, and I find this to be sufficient in respect of the distress and inconvenience he has experienced due to the maladministration by the Administrator.

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44. Mr N should contact the Trustee if he now wishes to accept its offer of £1,000.

45. I do not uphold Mr N's complaint, and no further action is required by the Trustee or the Administrator.

Dominic Harris

The Pensions Ombudsman
31 December 2024