

Ombudsman's Determination

Applicant	Mr S
Scheme	Standard Life Self Invested Personal Pension Scheme (the SIPP)
Respondent	Standard Life Assurance Ltd. (Standard Life)

Outcome

1. I do not uphold Mr S' complaint and no further action is required by Standard Life.

Complaint summary

2. Mr S complained that Standard Life caused a delay when transferring his pension. Mr S wanted Standard Life to return the fees he had incurred in relation to his transfer and asked Standard Life to investigate whether he had suffered any loss caused by the delay.

Background information, including submissions from the parties

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. On 12 January 2021, Mr S requested Vanguard (the receiving provider) to start its process in transferring his SIPP from Standard Life to Vanguard. Within the SIPP, Mr S had invested in a number of Vanguard's pooled investment funds. It appears that Mr S provided Vanguard with Standard Life's details based on the information he had received in one of Standard Life's Annual Statements. In the footer of this statement, it listed Standard Life's legal name of 'Standard Life Assurance Ltd.'
5. On 14 January 2021, Vanguard incorrectly submitted an Origo Options (**Origo**) transfer request to Standard Life Assurance Company, instead of Standard Life, on behalf of Mr S.
6. On 15 January 2021, Vanguard sent Standard Life its scheme enquiry letter, which is a paper alternative to the Origo system, requesting confirmation of its fund holdings with regard to an in-specie transfer for Mr S.

7. On 29 January 2021, Standard Life received the paper transfer request from Vanguard. The request detailed Mr S' intention to transfer out of the SIPP.
8. On 4 February 2021, Mr S sent Vanguard an email to request an update in relation to his transfer out from Standard Life.
9. On 5 February 2021, Vanguard emailed Mr S and informed him that it had sent Standard Life a paper-based transfer request as it had not responded to it on Origo.
10. On the same day, Mr S requested an update from Standard Life in relation to his transfer which was initiated on 14 January 2021.
11. On 8 February 2021, Mr S emailed Vanguard and asked it to contact Standard Life via Origo to process the transfer so that it was quicker.
12. On 11 February 2021, Vanguard requested its transfer team to resubmit Mr S' transfer via Origo to Phoenix Group.
13. On 12 February 2021, Mr S sent a chaser email to Standard Life and requested confirmation as to who the transfer should have been addressed to.
14. On the same day, Standard Life wrote to Vanguard in response to the letter received on 29 January 2021. It acknowledged Mr S' possible transfer and it provided his plan information. In the next steps section of its letter, it outlined the following information, which had been worded as if the letter had been sent to Mr S:-

“Ask the receiving scheme if they use Origo Options, an online service for transferring between pension schemes. If they do, you can ask them to submit the request for you. This may be quicker and require less paperwork. Origo Options can't be used for in-specie transfers. An in-specie transfer is where the ownership of the asset is transferred from one company to another without needing to convert the asset into cash first. This type of transfer is sometimes available if the plan is a Self-Invested Personal Pension (SIPP). If you need to know what's required for an in-specie transfer, please see the 'In-specie transfer' section below.”
15. On 15 February 2021, Standard Life responded to Mr S' email and confirmed that the transfer would need to be addressed to Standard Life Assurance Ltd. Mr S emailed Vanguard to relay this information on the same day.
16. On 17 February 2021, Mr S sent a chaser email to Vanguard to confirm whether it had submitted an Origo transfer request to Standard Life.
17. On 19 February 2021, Vanguard resubmitted an Origo transfer request to Standard Life.
18. On 22 February 2021, Standard Life received the Origo transfer request. The note informed it to contact Vanguard if Mr S' investments held Vanguard funds.

19. On 1 March 2021, Standard Life contacted Vanguard in relation to Mr S' investments, as requested in its Origo transfer request.
20. On 2 March 2021, Standard Life confirmed to Vanguard that the SIPP held investments in Vanguard funds. On the same day, Vanguard cancelled the Origo transfer request.
21. On 8 March 2021, Mr S raised a formal complaint with Standard Life. He said in summary:-
 - He was conscious he was incurring fees and would be grateful for Standard Life to set out when it would undertake the transfer of his pension.
 - He questioned what compensation would be paid to him due to the delay caused by Standard Life and whether it would cover any loss in fund value caused by the period of time he had been waiting for the transfer to take place and whether it would cover the additional fees he had been subjected to for the period of delay.
22. On 9 March 2021, Vanguard contacted Standard Life to request ISIN reference numbers for Mr S' funds.
23. On 10 March 2021, Standard Life acknowledged Mr S' complaint. In response, it said:-
 - It was sorry for the inconvenience caused to him and that a complaint had been raised on his behalf.
 - Vanguard had cancelled his request to transfer and that if this was an error, he would need to contact it directly.
24. On 12 March 2021, Standard Life telephoned Mr S and confirmed that his transfer could be processed via Origo but not as an in-specie transfer as a number of his investments were in a pooled investment fund which meant they differed from the individual investment funds offered by Vanguard. It explained that only individual investments could be transferred in-specie. It confirmed that a re-request of the transfer via Origo would need to be submitted to Standard Life by Vanguard. It also directed Mr S to pass this information to Vanguard.
25. On 16 March 2021, Vanguard emailed Mr S advising him that it was still liaising with Standard Life to see whether the transfer could proceed as an in-specie request. Mr S consented to proceed with a cash transfer should it not be possible to proceed with an in-specie transfer.
26. On 17 March 2021, Vanguard sent a chaser email to Standard Life for the ISIN reference numbers.
27. On 31 March 2021, Standard Life sent Vanguard Mr S' plan information and valuation, including the ISIN reference numbers.

28. On 1 April 2021, Vanguard emailed Standard Life and requested the ISIN reference numbers for a second time.
29. On 5 April 2021, Standard Life emailed Vanguard with the ISIN reference numbers.
30. On 8 April 2021, Vanguard submitted a new Origo transfer request to Standard Life on behalf of Mr S.
31. On the same day, Standard Life, emailed Mr S with its response to his complaint. It said in summary: -
 - On 29 January 2021, Vanguard sent a request for information to Standard Life. A response was sent on 12 February 2021 informing them that in order to proceed with the transfer, a completed transfer application would be needed, or a transfer request could be made on the Origo electronic transfer system.
 - The Origo request that was sent in January 2021 was not received as it was not sent to the correct company name.
 - On 22 February 2021, it received Mr S' initial transfer request on Origo.
 - Its agreed service level for a transfer out request was five working days, Mr S' case was picked up within this time.
 - On 1 March 2021, it contacted Vanguard via Origo as its notes stated that if the transfer included any Vanguard funds to contact them before processing, and it asked for confirmation as to how to proceed. This request received no response.
 - On 2 March 2021, Vanguard cancelled the Origo transfer and Standard Life's file was marked as closed.
 - On 9 March 2021, Vanguard emailed Standard Life and requested reference numbers for the funds Mr S was invested in.
 - Standard Life did not respond to Vanguard's request within its 10 working day agreed service level.
 - On 8 April 2021, Standard life received a new Origo transfer request from Vanguard. In the notes, it stated that it must contact Vanguard before proceeding. An email was sent to Vanguard, asking for confirmation that it was happy for Standard Life to proceed with the cash transfer value. It was awaiting a response from Vanguard, before it could transfer monies to them.
 - It acknowledged that it failed to respond to an email from Vanguard within its normal timescale, so it upheld Mr S' complaint.
 - In recognition of the error it had made, it offered Mr S a payment of £100 for the inconvenience caused to him.

32. On 9 April 2021, Vanguard confirmed to Mr S that he could not transfer the Standard Life Vanguard funds in-specie, so it would have to process a cash transfer for all the funds it held for him.
33. On 9 April 2021, Mr S' fund value was showing as £537,647.36
34. On 13 April 2021, Mr S' fund value was showing as £539,766.87
35. On 13 April 2021, Standard Life informed Mr S that Vanguard had confirmed it would accept the transfer as a cash payment.
36. On 15 April 2021, Vanguard received the £537,647.36 from Standard Life, it updated Mr S and requested that Standard Life update the Origo system.
37. On the same day, Standard Life updated the Origo transfer status.
38. Following the complaint being referred to The Pensions Ombudsman, Mr S and Standard Life made further submissions that have been summarised below.

Standard Life's position

39. The request sent in January 2021 was unfortunately addressed to Standard Life Assurance Company instead of Standard Life. Had it received the request in January 2021, it would have picked it up and processed it sooner.
40. It did not receive a completed transfer request on 29 January 2021, however the letter stated that Mr S intended to transfer.
41. It received a request from Vanguard to provide information in relation to Standard Life's discharge forms and asked it to complete the transfer forms if no Vanguard funds were held. It provided the requested information to Vanguard on 12 February 2021 and said that it should use Origo to facilitate the transfer.
42. It did not receive the completed transfer request until 22 February 2021 through Origo.
43. On 1 March 2021, it informed Vanguard that the SIPP's investments contained Vanguard funds and asked Vanguard how it would like to proceed. Vanguard then cancelled the Origo transfer request a day later.
44. As there was confusion over whether an in-specie transfer could take place, Vanguard made several requests for information. Vanguard's request dated 9 March 2021 was not responded to until 31 March 2021, when it should have been actioned by 23 March 2021. As its response fell outside of the 10 working day agreed service level, it upheld this part of Mr S' complaint.
45. This information was provided to Mr S on 12 March 2021, so he ought to have shared this information with Vanguard, as directed, to avoid any confusion as to in-specie transfers.

46. It recognised that there was a delay with Mr S' transfer but did not believe it was solely responsible for the delay. It believed Vanguard also contributed to the delay by addressing the transfer request incorrectly and cancelling the Origo transfer request and for making multiple information requests.
47. It also highlighted that the information requested by Vanguard for the ISIN reference number on 9 March 2021 was provided to Vanguard on 31 March 2021. So, it did not need to send an information request on 1 April 2021.
48. The transfer proceeded from 8 April 2021 as it contacted Vanguard by email to raise concern over the time it was taking for Vanguard to provide a valid transfer request. As soon as it received a valid request to transfer and received all the information, it processed the transfer within its normal turnaround time.
49. Vanguard caused the delay by cancelling the Origo transfer request which was caused by a data entry error. Vanguard also took time to resubmit the request.
50. It believed the £100 already paid was reasonable for the delay in responding to the information request on 9 March 2021.
51. It did not believe that Mr S had suffered any financial loss as a result of any delay caused in transferring his pension. The fund value shown on 3 March 2021 was £515,944.23 and on the transfer date of 8 April 2021 it had increased to £534,518.76 which represented an increase in value.

Mr S' position

52. The transfer took too long. The onus was on Standard Life to transfer the funds quickly and not Vanguard.
53. Standard Life should have pushed the transfer along which it failed to do. As a result, he suffered unnecessary worry and £100 was not a reasonable award in recognition for this worry. Even if the fund value loss was zero, he still experienced a loss from paying Standard Life's management fees during the delay.

Adjudicator's Opinion

54. Mr S' complaint was considered by one of our Adjudicators who concluded that no further action was required by Standard Life. The Adjudicator's findings are summarised in paragraphs 55 to 59 below.
55. Standard Life said the original Origo request was sent to the wrong entity, causing a delay. Despite it receiving a paper copy on 15 January 2021, this was not a completed transfer request. Rather, Vanguard sent a scheme enquiry letter informing it that Mr S wished to transfer his pension. It was not until 19 February 2021, that Vanguard submitted the Origo transfer request to the correct Standard Life entity. The Adjudicator gave her view that because Standard Life was not in a position to action

Mr S' transfer until 19 February 2021, it could not be held responsible for any delay caused prior to this date.

56. The Adjudicator noted, having reviewed the agreed timeline of events, that Vanguard cancelled the Origo request on 2 March 2021 without prior warning adding delay in transferring Mr S' pension. She acknowledged there was confusion in relation to whether an in-specie transfer could be completed which caused some additional communication between Vanguard and Standard Life. As Standard Life communicated to Mr S, on 12 March 2021, that an in-specie transfer could not go ahead and directed him to pass this information to Vanguard, this confusion could have been cleared up much sooner avoiding the need for Vanguard to have sent further information requests.
57. Standard Life accepted that it did not respond to the 9 March 2021 information request from Vanguard within a timely manner, it should have responded to this request by 23 March 2021, but it failed to do so. Nevertheless, the information being requested was the ISIN reference number, which Standard Life provided on 31 March 2021, a delay of six working days. Had Vanguard reviewed this email, its information request of 1 April 2021 could have been avoided. So, in the Adjudicator's view, the delay between 31 March and 8 April 2021 could not be attributed to Standard Life.
58. The Adjudicator was satisfied that Mr S did not suffer any direct financial loss as a result of the time taken for his funds to be transferred, as Mr S' funds increased by £18,574.53 between 3 March 2021 and 8 April 2021. Additionally, the Adjudicator was of the view that Standard Life was entitled to charge its members administration charges as per its Terms and Conditions. So, it was not appropriate for Mr S' administration fee charges to be refunded to him given that Standard Life's actions had contributed very little to any delay in the time taken to complete the transfer.
59. In conclusion, the Adjudicator was of the view that Standard Life's award of £100 for the stress and inconvenience caused to Mr S was sufficient in the circumstances.
60. Mr S did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr S provided his comments in response to the Opinion, as follows:
 - Vanguard did not incorrectly submit the original Origo request. He provided the information to Vanguard based on the information provided by Standard Life in its Annual Statement. Standard Life did not provide its pension details in its customer documentation which contributed to the delay.
 - Standard Life also failed to provide its correct details in its client documentation. If this information had been provided, Vanguard could have submitted the correct request at the start.
 - The fee charges had not been properly looked into, the additional fees he has paid should be refunded, as Standard Life did not proactively assist with the transfer.

61. I have considered the additional points raised by Mr S however, they do not change the outcome, I agree with the Adjudicator's Opinion.

Ombudsman's decision

62. I have noted Mr S' argument concerning the accuracy of the information provided in Standard Life's Annual Statement. However, it appears that Vanguard initially submitted a request to Standard Life Assurance Company instead of Standard Life Assurance Ltd. It then submitted its second Origo request to Phoenix Group which is why Standard Life did not receive the Origo request until it was correctly submitted on 22 February 2021. The Annual Statement clearly provides the correct information and Mr S had access to this from the start. I find that Standard Life cannot be held responsible for any delay before 22 February 2021.
63. At the time of submitting an Origo request for transfer, it is the receiving scheme who is responsible for submitting the correct details and not the ceding scheme. On two occasions Vanguard submitted the request to the incorrect entity. As soon as Mr S requested details of the correct entity, Standard Life, it provided the information in a timely manner. Had this information been requested at the outset, even though Mr S already had access to this, considerable time could have been saved. So, I do not agree that Standard Life did not proactively assist with the transfer.
64. In relation to the charges applied to Mr S for administration fees, Standard Life are well within its rights to charge its members fees in line with its Terms and Conditions. As I cannot see that Standard Life's acts and/or omissions caused the transfer to be significantly delayed, it follows that a refund of its administration fees is not appropriate in the circumstances.
65. Standard Life has apologised the delay in responding to the information request on 9 March 2021 and has offered Mr S £100 for the distress and inconvenience he has suffered in relation to this. I find that this is adequate in the circumstances.
66. I do not uphold Mr S' complaint and no further action is required by the Standard Life. Mr S should contact Standard Life for payment of the £100 offered if he has not yet received it.

Anthony Arter CBE

Deputy Pensions Ombudsman

13 September 2024