

Ombudsman's Determination

Applicant	Mr Z
Scheme	LifeSight Master Trust (the Trust)
Respondents	Fidelity International (Fidelity)

Outcome

1. I do not uphold Mr Z's complaint and no further action is required by Fidelity.

Complaint summary

2. Mr Z complained that delays caused by Fidelity, including inaccurate information provided by it, led to the failed transfer of the Trust and caused him a financial loss.

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. Mr Z was a deferred member of the Jacobs Defined Contribution Plan (**the Jacobs Plan**) which was administered by Aegon UK (**Aegon**). In April 2019, he also became a member of the Worley Services UK Pension Plan (**The Worley Plan**).
5. In 2019, Mr Z considered whether to consolidate his pension funds by transferring the benefits held within the Jacobs Plan into the Worley Plan.
6. On 6 September 2019, Mr Z met with a financial advisor, Old Royle Wealth Management (**Old Royle**).
7. In October 2019, Mr Z received a letter from Jacobs, his former employer, to inform him that the Jacobs Plan was going to be transferred as part of a bulk transfer into the Trust. It advised him that the bulk transfer would take place between mid-November 2019 to mid-December 2019, and the Trust would be managed by LifeSight.
8. On 18 October 2019, Mr Z provided Old Royle with the letter he received from Jacobs, regarding the bulk transfer of the Jacobs Plan into the Trust.

9. On 22 November 2019, Old Royle advised Mr Z not to transfer the Jacobs Plan into the Worley Plan. Notwithstanding that the Jacobs Plan was shortly due to be part of a bulk transfer into the Trust, it advised Mr Z to transfer the Jacobs Plan to Fidelity. The value of the Jacobs Plan was calculated as £93,967 when he requested a transfer.
10. On 4 December 2019, Fidelity received instruction to receive a transfer of Mr Z's benefits from the Jacobs Plan.
11. On 6 December 2019, Old Royle informed Mr Z that the transfer would be effective in the next few days.
12. On 11 December 2019, Fidelity created a request for the transfer which it sent to Aegon.
13. On 13 December 2019, Aegon contacted Fidelity. It informed Fidelity that, due to the inception of the Trust, the Jacobs Plan was entering a blackout period. Consequently, the Jacobs Plan was being wound up by its trustees. It advised that the transfer request would need to be sent to the administrator of the resulting Trust, LifeSight.
14. On 27 December 2019, Fidelity emailed Old Royle and explained that the Jacobs Plan was due to enter a blackout period due to its winding up. It said that no transfers could take place until the Trust had been set up.
15. On 31 December 2019, Fidelity reiterated its previous email and explained that Old Royle would need to contact LifeSight to request the transfer once the bulk transfer into the Trust was complete.
16. On 3 January 2020, Mr Z applied to transfer his benefits held within the Trust to Fidelity. Mr Z also provided authorisation for Fidelity to provide details to Old Royle regarding the transfer.
17. On 4 January 2020, Fidelity received the application to transfer form from Old Royle as a new online cash transfer instruction.
18. On 9 January 2020, Fidelity sent an initial transfer request to LifeSight.
19. On 14 January 2020, Old Royle informed Mr Z that the initial transfer request in December had been provided to Aegon, and it had been declined because of the blackout period.
20. On 17 January 2020, LifeSight emailed transfer details to Fidelity. This included a statement of the estimated transfer value, current statement, the transfer agreement, a transfer leaflet, a request for HMRC details, identification details and the required next steps.
21. On 21 January 2020, LifeSight also sent transfer details to Fidelity by post.
22. On 29 January 2020, Fidelity chased LifeSight for details of the transfer as it had not received the paperwork. LifeSight stated that the relevant paperwork had been sent by post on 21 January 2020, but it would resend these details to Fidelity.

23. On 31 January 2020, Old Royle contacted LifeSight to request information about the status of the transfer. LifeSight informed Old Royle that it did not have authority to discuss the issue with it and, therefore, could only provide generic information until authority was provided by Mr Z.
24. On 12 February 2020, Fidelity contacted LifeSight as it had still not received any paperwork regarding the transfer of the Trust.
25. On 24 February 2020, LifeSight contacted Old Royle. It provided a transfer quotation and statement for the Trust which was valued at £101,393.89.
26. On 25 February 2020, Old Royle contacted Mr Z to inform him that LifeSight required further documents before it could make the transfer. These documents included a transfer agreement signed by Mr Z, a copy of the receiving plan details, a copy of Mr Z's passport and his identity verification form.
27. On 26 February 2020, Mr Z provided a copy of his passport via email to Old Royle.
28. On 27 February 2020, Fidelity contacted LifeSight again to chase the transfer request forms. LifeSight advised that it had emailed the forms to Fidelity. Fidelity found the forms later that same day. However, Fidelity said that it would have been able to find the forms quicker had they been sent to the email address that it requested.
29. On 28 February 2020, Mr Z signed and returned the transfer agreement by post. He asked Old Royle to move the Trust to cash as soon as Fidelity received it, due to the uncertainty caused by COVID-19.
30. On 6 March 2020, Old Royle sent the required documentation for the transfer to LifeSight.
31. On 9 March 2020, Old Royle called Fidelity to ask whether the transfer from the Trust could stay in cash rather than being invested once received. Fidelity incorrectly advised Old Royle that it would need to be requested again as a new transfer with this information included.
32. On 13 March 2020, LifeSight emailed Mr Z. It advised him that the Trust had decreased in value by over ten percent since he had been issued with the transfer quotation. It informed him that the non-guaranteed transfer value was £65,799.97 and it asked him to confirm if he still wished to transfer the Trust to Fidelity.
33. On 13 March 2020, Mr Z responded. He advised LifeSight to go ahead with the transfer.
34. On 14 March 2020, Fidelity received instruction from Old Royle to cancel the transfer.
35. On 16 March 2020, LifeSight received a call from Old Royle during which it informed LifeSight to cancel the transfer.

36. On 20 March 2020, LifeSight contacted Mr Z. It advised him that it had received a call from Old Royle informing it that Mr Z no longer wished to proceed with the transfer. It asked him to confirm whether this was correct.
37. On 20 March 2020, Mr Z responded. He advised LifeSight that he had not told Old Royle to cancel the transfer. He stated that he had made a formal complaint against Old Royle because it had taken more than four months for the transfer to be completed. Mr Z stated that, due to this complaint, Old Royle had unilaterally decided to stop the transfer and that he was no longer its client. Mr Z informed LifeSight that as a result, the transfer was no longer taking place.
38. On 20 March 2020, the value of the Trust was £73,651.24.
39. On 30 March 2020, LifeSight emailed Mr Z. It confirmed that it had closed its records in relation to the transfer of the Trust and the transfer was cancelled.
40. On 16 May 2020, Mr Z made a complaint to LifeSight. His complaint was that it had been inefficient in executing clear instructions and there was a lack of customer care. He argued that he should be compensated for this maladministration.
41. On 20 May 2020, LifeSight responded. It stated that it had replied to all requests within the agreed service level (**SLA**) of ten working days. Therefore, it did not agree that Mr Z was entitled to any compensation.
42. At some point between May and September 2020, Mr Z made a complaint to the Financial Ombudsman Service (**FOS**). His complaint was about the service he received from Old Royle and LifeSight.
43. On 11 August 2020, Mr Z transferred the benefits from the Trust to Legal and General. The value of the pension fund transferred was £75,927.94.
44. On 29 September 2020, FOS responded. It informed Mr Z that it could investigate his complaint against Old Royle, but he would need to make a complaint to The Pensions Ombudsman (**TPO**) regarding his complaint about LifeSight.
45. On 4 October 2020, Mr Z made a complaint about the service he had received from LifeSight to TPO.
46. On 11 June 2021, Mr Z made a complaint to Fidelity. On the same day, Fidelity acknowledged his complaint.
47. Between June and September 2021, Fidelity wrote to Mr Z on four occasions to update him that it was still investigating his complaint.
48. On 28 September 2021, Fidelity responded. It apologised for the delay in its response and offered £50 compensation to Mr Z for the delay. It stated:

“I appreciate in your secure message you mention that in the period December 2019 to January 2020 your adviser informed you everything was fine with your transfer, and that this was the result of inaccurate information

from ourselves. I am unable to find any evidence that we provided your adviser with inaccurate information in this period, and the misinformation we did provide on 9 March 2020 was not in relation to any delay in your transfer. I assure you all actions we made were within our timeframes for a transfer. While I'm sorry to hear your pension suffered a financial loss in this time, we do not deem it appropriate to compensate you for this loss".

49. On 30 September 2021, Mr Z contacted TPO. He stated he was not satisfied with Fidelity's response and wished TPO to investigate his complaint.

Adjudicator's Opinion

50. Mr Z's complaint was considered by one of our Adjudicators who concluded that no further action was required by Fidelity. The Adjudicator's findings are summarised below:-

- On four separate occasions between January and February 2020, Fidelity was proactive in chasing LifeSight for a response once the new transfer request was made on 6 January 2020. On 27 February 2020, LifeSight informed Fidelity that it had emailed the information it required for the transfer. On the same day, Fidelity found this information, which had been sent to an incorrect mailbox.
- Fidelity carried out its actions within a ten-day service standard to enable the transfer from the Trust with two minor exceptions, on 29 January 2020, and 27 February 2020, where on each occasion it was a day or two over its SLA. It was proactive in chasing both LifeSight and Old Royle between December 2019 and March 2020. Therefore, in her view, Fidelity did not cause any unnecessary delay in the proposed transfer of the Trust.
- On one occasion between December 2019 and March 2020, Fidelity provided incorrect information to Old Royle. On 9 March 2020, it incorrectly advised Old Royle that a new transfer form would be required instead of a new investment instruction to change the destination fund for Mr Z's transfer to the Cash fund. However, once Fidelity was aware of its error, it offered £50 compensation to Mr Z in recognition of this which, in her view, was reasonable in the circumstances.
- Fidelity was not responsible for the cancellation of the transfer on 14 March 2020. The instruction was cancelled by Old Royle after it ceased to act for Mr Z. Therefore, she did not agree that Fidelity was responsible for any maladministration relating to the cancellation of the transfer.
- Further, even if she agreed that there had been maladministration, she did not believe Mr Z demonstrated a financial loss. She noted that the value of the Trust on the 13 March 2020, when Mr Z instructed the transfer to proceed, was £65,799.97. Subsequently, when Mr Z transferred the Trust to Legal and General on the 11 August 2020, the transfer value was £75,927.94. Therefore, there was no evidence of financial loss.

- She acknowledged that Fidelity took more than eight weeks to investigate Mr Z's complaint. However, it provided regular updates every four weeks to inform him that it was still investigating his complaint. After three months Fidelity provided a full response to Mr Z's complaint. It also offered a further £50 as compensation for the delay he experienced while he waited for his complaint to be resolved. She felt that this was reasonable to account for the delay Mr Z experienced in these circumstances.
- In her view, Fidelity did not cause the issues with Mr Z's failed transfer, nor did it cause unnecessary delay in the proposed transfer of the Trust which resulted in a loss to Mr Z. Therefore, it was her opinion that the complaint should not be upheld. She also noted that Fidelity offered to pay £100 in total compensation to Mr Z, for the incorrect information it provided to him on the 9 March 2020, and the delay in responding to his complaint. She advised Mr Z that it was up to him whether he wished to accept this offer.

51. Mr Z did not accept the Adjudicator's Opinion and the complaint was passed to me to consider.

52. Mr Z provided his further comments which are set out below:

"I agree in principle that Fidelity were not the main cause of the transfer delay I've suffered.

...I did suffer a financial loss; if the transfer would have been carried out by competent and efficient people, the transfer would have happened, at the latest, in February 2020 when the trust value was around £100,000, because of the delays caused by all the parties involved, the trust value dropped to ca. £75,000 in March 2020, hence a loss of £100,000 minus £75,000 equals £25,000".

53. I note the additional point raised by Mr Z, however, it does not change the outcome, I agree with the Adjudicator's Opinion.

Ombudsman's decision

54. The transfer was requested on 6 January 2020, and Mr Z signed and returned the transfer agreement by post on 28 February 2020. The transfer was due to complete in March 2020, shortly after the transfer agreement had been signed by Mr Z. Trustees must ensure they have received the correct paperwork including any identification documents, and that the transfer agreement is signed by the applicant before effecting a transfer. Therefore, the transfer could not have completed in February 2020, and I do not accept that this is a reasonable argument for Mr Z to make.

55. Mr Z was informed by LifeSight on 13 March 2020, that the fund value had dropped by over 10 percent, and he responded that he was happy to proceed with the

transfer. However, the transfer did not go ahead, and Mr Z transferred to another scheme on 11 August 2020, at a time when the fund value had increased by £10,000. Therefore, I agree with the Adjudicator that Mr Z has not suffered a loss.

56. I accept that Fidelity provided incorrect information on one occasion and there was a delay in its investigation of Mr Z's complaint. However, I do not find that this amounts to maladministration of any significance.
57. I agree with the Adjudicator that there was no unnecessary delay and Mr Z did not suffer a financial loss. Therefore, I do not uphold Mr Z's complaint.
58. Mr Z is free to approach Fidelity in relation to its offer of £100 for non-financial injustice should he wish to take up its offer.

Anthony Arter CBE

Deputy Pensions Ombudsman
12 August 2024

[Appendix]

Date	Action	No. of working days
4 December 2019	Transfer request received by Fidelity.	
11 December 2019	Fidelity sent transfer request to Aegon.	5
13 December 2019	Aegon reply to Fidelity to explain the blackout period has commenced so this transfer needs to be referred to LifeSight once the bulk transfer of accounts has completed.	
27 December 2019	Fidelity inform Old Royle.	8
31 December 2019	Fidelity chase Old Royle for a response.	2
6 January 2020	Fidelity receive a new transfer request from Old Royle with the ceding Trust as LifeSight.	4
10 January 2020	Fidelity sent its enquiry letter to LifeSight.	4
29 January 2020	Fidelity chase LifeSight – it was informed the paperwork had been sent to Fidelity on 21 January 2020 but LifeSight would resend.	13
12 February 2020	Fidelity chase LifeSight as it still doesn't have the transfer paperwork.	10
27 February 2020	Fidelity chase LifeSight as it still doesn't have the transfer paperwork. LifeSight sent the forms to an incorrect email address and that mailbox was not monitored closely.	11
5 March 2020	Fidelity sent transfer agreement forms, requiring Mr Z's signature, to Old Royle.	5
9 March 2020	Old Royle contacted Fidelity to request Mr Z's transfer be invested in the Cash fund upon receipt. Fidelity incorrectly tell Old Royle this would require a new transfer form.	
14 March 2020	Old Royle contact Fidelity to withdraw the transfer request.	
11 June 2021	Mr Z raises a formal complaint with Fidelity.	
11 June 2021	Fidelity acknowledge complaint.	0
14 June 2021	Fidelity acknowledge complaint.	1
8 July 2021	Fidelity sent Mr Z an email at the 4 week stage to explain it is still investigating his complaint.	18
5 August 2021	Fidelity still investigating at the 8 week stage.	20
6 September 2021	Fidelity sent a letter to Mr Z to inform him he has the right to refer to TPO before its final response.	21
28 September 2021	Fidelity sent Mr Z its Final Response Letter	16