

Ombudsman's Determination

Applicant	Mrs N
Scheme	Prudential Additional Voluntary Contribution Facility
Respondent	Prudential (the Administrator)

Outcome

1. I do not uphold Mrs N's complaint and no action is required by the Administrator.

Complaint summary

2. Mrs N complained that the Administrator delayed the transfer of her Additional Voluntary Contribution (**AVC**) policies to AJ Bell Investcentre (**AJ Bell**). She said it took it seven months to complete the transfers which caused her 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.
4. Mrs N was an active member of the Teachers' Pension Scheme and had chosen to make AVCs. She held a Teachers' Pension AVC policy (**TAVC policy**) and a Leicestershire County Council (Police) AVC policy (**LGAVC policy**). Both of Mrs N's AVC policies were administered by Prudential.
5. On 1 September 2020, the Administrator issued LGAVC policy information and an illustration to Mrs N's independent financial adviser and representative, GHC Wealth Management (**the Representative**). The transfer value was £65,572.94.
6. On 15 September 2020, the Administrator resent a copy of the LGAVC policy information, it had issued earlier that month, to the Representative because it had not been received.
7. On 21 September 2020, the Administrator received a notification from the Teachers' Pension Scheme of Mrs N's intention to retire on 8 December 2020.
8. On 23 September 2020, the Administrator received a letter of authority (LOA) from the Representative in respect of Mrs N's TAVC.

9. On 24 September 2020, the Administrator sent the Representative TAVC policy information and an illustration. The transfer value was £34,511.20. The Administrator's email also informed the Representative that Mrs N could not claim her LGAVC policy benefits without the main scheme requesting them as it stated:

"Please note that all transfer requests must be received and requested via the main scheme pension office."

This was due to Mrs N's LGAVC benefits being held in trust by Leicestershire County Council (**LCC**) so it required LCC's instruction to be able to make a transfer to AJ Bell.

10. In October 2020, the Representative said that AJ Bell had sent Origo transfer requests for both of Mrs N's AVC policies to the Administrator. However, it does not appear that this was the case.
11. On 11 November 2020, the Administrator received a letter from AJ Bell requesting the transfer of Mrs N's AVC policies. It does not appear that the Administrator informed AJ Bell, Mrs N or the Representative, that it could not action the LGAVC transfer request. This was because it had not received the required instruction from LCC.
12. On 1 December 2020, the Administrator sent TAVC policy transfer request forms to Mrs N. It was not able to send them to AJ Bell because it did not have an LOA, but it did not inform AJ Bell or the Representative that this was the case. The transfer value was £34,511.20.
13. On 17,18 and 22 December 2020, AJ Bell contacted the Administrator regarding the transfers. It complained about the delays in its email dated 18 December 2020.
14. On 30 December 2020, the Administrator sent a set of TAVC policy transfer request forms, that had previously been sent to Mrs N on 1 December 2020, to the Representative. The transfer value had increased to £34,674.18.
15. On 4 January 2021, the Representative said it had telephoned the Administrator and was told that it would make both of Mrs N's AVC transfers by Origo before 13 January 2021.
16. On 11 January 2021, the Representative telephoned the Administrator for an update on the progress of Mrs N's transfers. The Administrator said it could not find a record of the 4 January 2021 telephone call and that it still needed completed paperwork from Mrs N.
17. On 12 January 2021, AJ Bell emailed the Administrator, as it had not received the transfer funds for Mrs N's LGAVC policy.
18. On 13 January 2021, the following steps were taken:-
- The Representative telephoned the Administrator concerning Mrs N's transfers. In response, the Administrator confirmed it would provide an update.

- The Representative subsequently emailed the Administrator to complain that it had submitted Mrs N's transfer paperwork to AJ Bell on 2 November 2020, but the transfers had not yet been progressed.
19. On 15 January 2021, the Administrator took the following actions:-
- It telephoned the Representative. During the call, the Administrator said that AJ Bell had indeed sent it several letters requesting Mrs N's TAVC Policy transfer, but it had not made an Origo request. For the TAVC Policy transfer, the Administrator required completed transfer forms or for AJ Bell to make an Origo request. In respect of Mrs N's LGAVC policy, because LCC held it in trust the Administrator could not accept the transfer request. It needed LCC to explain how to transfer the LGAVC policy. The Representative informed the Administrator that Mrs N had completed TAVC policy transfer forms which it would return, and it would contact LCC to ascertain how to transfer the LGAVC funds.
 - It wrote to the Representative to advise that it would respond to its complaint within four weeks.
 - It informed AJ Bell that it was unable to accept an Origo transfer for Mrs N's LGAVC policy.
 - It also sent LCC's AVC department copies of correspondence with AJ Bell regarding the transfer of Mrs N's LGAVC policy. The Administrator said that it had told AJ Bell that it could not proceed without LCC's authority, and it had asked LCC for a response.
20. On 19 January 2021, the Representative emailed the Administrator to complain that it had not received any response to the complaint it raised on 13 January 2021. The Representative also confirmed that it had sent Mrs N's TAVC policy transfer discharge forms.
21. On 20 January 2021, the Administrator received Mrs N's TAVC policy transfer discharge forms which omitted a number of forms that the Administrator required AJ Bell to complete. However, the Administrator did not contact either AJ Bell or the Representative to inform them of this.
22. On 21 January 2021, the Administrator received a request for an LGAVC policy transfer valuation quotation from LCC.
23. On 22 January 2021, the Representative emailed the Administrator to complain that since October 2020 it had been chasing Mrs N's transfers, but they had not yet been completed. It was unhappy that it had to wait for 30 minutes when it telephoned the Administrator before someone answered, and that it had still not received a response to an earlier complaint.
24. On the same day, the Representative telephoned the Administrator about Mrs N's LGAVC policy transfer. The Administrator explained that although AJ Bell had requested the transfer, it required LCC to request it and they had only requested a

valuation and not a transfer request. The Administrator advised the Representative to contact LCC.

25. The Representative subsequently emailed LCC requesting that it formally authorises the Administrator to transfer Mrs N's LGAVC policy.
26. On 25 January 2021, LCC advised the Representative that it had already asked the Administrator for a transfer value quotation on 21 January 2021.
27. On the same day, the Representative formally complained to the Administrator about Mrs N's transfer delays. The Administrator acknowledged the complaint that day and said it would provide an update concerning the transfers.
28. On 10 February 2021 the Administrator emailed the Representative to report that LCC had again only requested a valuation of Mrs N's LGAVC policy, not to transfer it and suggested that the Representative contact LCC about the matter which the Representative did, requesting that LCC confirm to the Administrator that Mrs N wished to transfer her LGAVC policy.
29. On 11 February 2021, the Administrator sent Mrs N's LGAVC policy information to LCC. The transfer value of Mrs N's LGAVC policy was £65,996.04. It emailed the Representative the following day to confirm that this had been done.
30. On 12 February 2021, AJ Bell wrote to LCC requesting the Administrator to authorise the transfer of Mrs N's LGAVC policy funds.
31. On the 19 February 2021, the Administrator received the outstanding TAVC transfer forms from AJ Bell, although it did not correctly update its records at the time of receipt.
32. On the same day, the Administrator responded to the Representative's complaint under stage one of its Internal Dispute Resolution Procedure (**IDRP**). It upheld the complaint and acknowledged that it had not informed the Representative, or AJ Bell, regarding its transfer procedures and stated that its errors had delayed Mrs N's transfers. It said:-
 - It only informed the Representative on the 13 January 2021 that it was necessary for LCC to request the transfer out of Mrs N's LGAVC policy.
 - It had received AJ Bell's transfer request on 12 November 2020, but it did not send it Mrs N's transfer request forms until 1 December 2020. It subsequently received Mrs N's TAVC policy transfer discharge forms on 20 January 2021. The Representative had told it that the other forms had been sent to AJ Bell to complete and return, but AJ Bell had not yet sent it those forms and it had not told either AJ Bell, or the Representative, that it needed the forms to complete the transfer, or conduct an Origo transfer.

- LCC had sent a valuation request for Mrs N's LGAVC policy on 21 January 2021, but it only sent the valuation on 11 February 2021, causing another delay. LCC had not sent it any further correspondence.
- Once Mrs N's transfers completed, it would review the transfers and ensure that it had not financially disadvantaged her because of its delays. It said the Representative had not been kept updated or acknowledged or had replied to its emails. It apologised for the long wait times the Representative had experienced when telephoning its customer service department. It had sent Mrs N £200 as an apology for the inconvenience it had caused her.

33. On 24 February 2021, the following actions took place:-

- The Administrator sent Mrs D a cheque for £200 for the inconvenience it had caused her.
- The Representative asked the Administrator for an update on Mrs N's TAVC policy transfer. It complained that the transfer forms had been submitted to the Administrator multiple times since October 2020
- The Administrator advised the Representative that it had not received any further LGAVC policy transfer forms.
- The Representative emailed the Administrator to confirm that it had sent Mrs N the LGAVC policy transfer forms to sign and return to LCC, because LCC had said that it needed the completed forms to facilitate Mrs N's transfer.

34. On 26 February 2021, Mrs N emailed the Representative to explain that she had received the LGAVC policy transfer documentation which she would complete and return to LCC. She said the Administrator, without an explanation, had sent her a cheque for £200.

35. On 10 March 2021, the following exchanges took place:-

- The Representative emailed the Administrator to ask why it had sent Mrs N a cheque for £200, as it had received no updates on her transfers, or a response to its complaint.
- The Administrator emailed the Representative to advise that it had emailed its complaint response on 19 February 2021. The response said that it would send Mrs N £200 as an apology for the inconvenience it had caused her.
- The Representative informed the Administrator it had not received its 19 February 2021 email. It said that Mrs N had not accepted the Administrator's £200 cheque as she had not received a response to her complaint. The Representative said that the Administrator had still not transferred Mrs N's two AVC policies and it complained that she had lost out financially because of a 12% increase in the value of her proposed new AJ Bell fund.

- The Administrator emailed the Representative a copy of its 19 February 2021 email. It told the Representative that it had not received all of the necessary transfer forms from AJ Bell so it could not complete Mrs N's transfer requests.
36. On 19 March 2021, the Representative sent a joint email to LCC and the Administrator. It asked LCC if it had sent the Administrator the LGAVC policy transfer forms it had received from Mrs N in February 2021. It then asked the Administrator if it had received the LGAVC policy forms from LCC and when it would send the funds to AJ Bell. It also queried why the Administrator had not transferred Mrs N's TAVC policy funds and when it would send them.
 37. On the same day, the Administrator transferred £34,962.68 to AJ Bell in respect of Mrs N's TAVC policy.
 38. On 23 March 2021, LCC emailed the Representative to confirm it had received Mrs N's LGAVC policy transfer forms on 1 March 2021. It said that it was unable to proceed with her transfer as it had not received a Receiving Scheme Form 2, or an official request for the transfer written on its headed paper from the receiving scheme, AJ Bell. The Representative emailed LCC the same day to advise that it had forwarded its email to AJ Bell who had said that it had repeatedly requested the transfers from the Administrator.
 39. On 25 March 2021, the Administrator wrote to AJ Bell to advise that it could not transfer Mrs N's LGAVC policy without LCC's written instruction. It suggested AJ Bell speak directly to LCC to arrange the transfer.
 40. On 10 April 2021, the Administrator transferred £63,904.75 to AJ Bell in respect of Mrs N's LGAVC policy. On the same day, the Administrator sent copies of correspondence to Mrs N only and advised her that it had completed the transfer.
 41. On 16 April 2021, the Representative, having not been notified of the completed transfer, emailed LCC to ask if it could confirm that it had received all the necessary paperwork and that it would complete Mrs N's LGAVC policy transfer without further delay.
 42. On the same day, LCC emailed the Representative to advise that after its receipt of the correct paperwork, it had asked the Administrator on 1 April 2021 to transfer Mrs N's LGAVC policy fund value to AJ Bell.
 43. In response, the Representative emailed the Administrator requesting confirmation that it had transferred Mrs N's LGAVC policy to AJ Bell. The Administrator emailed the Representative by return to confirm that Mrs N's LGAVC transfer had completed and said it would respond to its complaint.
 44. On 11 May 2021, the Administrator sent its response to the Representative's complaint dated 10 March 2021. It said, in summary:-

- A backlog of complaints had unfortunately prevented it from resolving the complaint within its standard timescales and it had been waiting to hear from LCC about Mrs N's LGAVC policy.
 - System updates in November 2020 had affected the service it provided to its customers.
 - It had reviewed both Mrs N's transfers to see if its errors and delays had caused her a financial loss. It acknowledged it had delayed both of Mrs N's transfers.
 - If it had progressed Mrs N's TAVC policy transfer correctly without delay, it should have transferred £34,561.73 on 17 December 2020 instead of £34,962.68 on 19 March 2021.
 - It received Mrs N's LGAVC policy transfer request on 1 April 2021, and it transferred £63,904.75 on 10 April 2021. However, if it had progressed the transfer correctly, it should have transferred £66,198.80 on 29 January 2021.
45. Also on 11 May 2021, the Administrator emailed AJ Bell to see if Mrs N had suffered a financial loss because of the delays in transferring her AVCs. It asked if it would accept a payment for any shortfall.
46. On 14 May 2021, the Administrator sent Mrs N a further cheque for £300 in respect of the inconvenience it had caused her.
47. On 6 July 2021, AJ Bell advised the Administrator that it was not its policy to provide the information that the Administrator had requested in its 11 May 2021 email. It suggested the Administrator obtain the information internally.
48. On 9 July 2021, the Administrator sent Mrs D an ex-gratia cheque for £3,472.48.
49. On 14 July 2021, the Representative emailed the Administrator querying why it had sent Mrs N a cheque for £3,472.48 without any covering letter.
50. On the same day, the Administrator emailed the Representative confirming it had completed a financial loss assessment. It restated the transfer figures with effect from 11 May 2021. The Administrator said Mrs N had not suffered a financial loss due to the delayed transfer of her TAVC policy, but she had suffered a financial loss of £3,472.48 due to the delayed transfer of her LGAVC policy. It had sent Mrs N an ex-gratia cheque for £3,472.48, but it would look at its loss assessment again, if she provided specific information on the investments she held.
51. Following the complaint being referred to The Pension Ombudsman (**TPO**), Mrs N and the Administrator made further submissions that have been summarised below.
52. **Summary of Mrs N's position:-**
- The Administrator had not properly considered her financial loss. Its delays caused her a financial loss because of a 12% increase in the unit price of the AJ Bell fund in which she wanted to invest her AVC funds.

- She had to withdraw funds from her ISA because of the delays, and the Administrator had sent her a cheque for £3,472.48 without any explanation of what it was in respect of.
- Both she and the Representative believe that the additional cheque of £3,472.48 from the Administrator had been issued due to a “miscalculation of the fund transferred so should have been transferred to [AJ Bell].” They thought that the Administrator had incorrectly calculated the original transfer value.

53. Summary of the Administrator’s position:-

- It made the Representative aware that Mrs N could not claim her LGAVC policy benefits without LCC’s instructions.
- When, on 16 December 2020, the Representative enquired about Mrs N’s LGAVC policy transfer, it confirmed that LCC needed to authorise this transfer.
- On 21 January 2021, LCC had only asked it for a transfer value quotation which it sent them on 10 February 2021.
- On 1 April 2021, LCC confirmed that it could pay the LGAVC policy transfer and so it paid it to AJ Bell on 10 April 2021.
- originally, it did not have the correct authority to pay the TAVC policy transfer, which is why it sent Mrs N, and later the Representative, details of its transfer procedure requirements.
- In July 2021, it had requested information from AJ Bell in order to consider whether Mrs N had suffered a financial loss because of its delay in transferring her AVCs. AJ Bell’s response was that it was not its policy to give such information to other pension providers and it should obtain the information internally.
- It said in its complaint response dated 14 July 2021, that there had been a financial loss of £3,472.48 because of its delay in transferring Mrs N’s LGAVC policy. It said in the letter that it had sent Mrs N an ex-gratia cheque for £3,472.48. It also offered to review the loss assessments if the Representative thought the Administrator’s loss assessments was not a fair reflection of the impact of the delays, and that Mrs N, or the Representative, provided specific information of her actual investments. It had not subsequently received any such information.
- It was prepared to reissue the three cheques it sent to Mrs N in 2021, which had not been cashed.

Caseworker’s Opinion

54. Mrs D’s complaint was considered by one of our Caseworkers who concluded that no further action was required by the Administrator. The Caseworker’s findings are summarised below:-

- The remedy in any situation involving delay is for the applicant to be put back in the position they would have been in, had any unnecessary delay not occurred. This would mean redress for any financial loss and/or distress and inconvenience they had suffered.
- The Administrator had recognised that its administration had delayed Mrs N's transfers. To remedy the situation, it carried out loss assessments, which showed that although the transfer value on Mrs N's LGAVC was lower because of its delays, her TAVC transfer value was higher.
- The Administrator found that Mrs N had suffered a financial loss of £3,472.48. It said that it would send Mrs N a cheque for this amount, however, if the Representative thought that it was not a fair reflection of the impact of the delays, it would review its assessment upon receipt of evidence of Mrs N's investments. It had not received anything subsequently from the Representative, or Mrs N.
- The Caseworker noted that the Administrator had unsuccessfully tried to obtain information from AJ Bell to assist its loss assessment calculation and it had also asked if it would accept an extra transfer payment. In the Caseworker's view, Mrs N had the opportunity to invest the £3,472.48 in an AJ Bell fund when she received this from the Administrator in 2021.
- In the Caseworker's opinion, the Administrator had addressed the issue of financial loss and it had attempted to put Mrs N back in the position she would have been in had there been no maladministration or delays. He considered that although Mrs N had suffered a financial loss in respect of her LGAVC policy transfer, she had not suffered a loss in respect of her TAVC policy transfer.
- He recognised that Mrs N had suffered some distress and inconvenience in dealing with the matter. However, he also recognised that the Administrator had apologised and paid her an award of £500. He stated that TPO's awards for non-financial injustice started at £500 for significant distress and inconvenience. In his opinion, the degree of non-financial injustice which Mrs N had suffered due to the Administrator's maladministration was significant because of its poor level of service throughout the transfer process. He noted that the Administrator had said that it would reissue the three cheques it sent to Mrs N in 2021.

55. Mrs N and her Representative did not accept the Caseworker's Opinion and the complaint was passed to me to consider. The Representative submitted further comments in response to the Opinion. In summary it said:-

- There had been no acknowledgement of, what they believed to be, the Administrator's negligent transfer valuation calculations.
- The Administrator's action of sending cheques directly to Mrs N was a "smoke and mirrors" gesture that the Administrator intended to come across as paying her compensation. It should have paid this money to AJ Bell when it made the transfers.

- There had been no opinion on the time that the complaints process took.

56. I note the additional points made by Mrs N's Representative, but I agree with the Caseworker's Opinion.

Ombudsman's decision

57. I can understand Mrs N and her Representative's frustration that her transfers took far longer to complete than they expected. However, transfers are not necessarily straightforward when several parties are involved, and Mrs N wanted to transfer two AVC policies with different transfer requirements. Nevertheless, the Administrator has agreed that it could have done more in relation to both transfer requests.
58. The Administrator acknowledged that it should have informed Mrs N and the Representative of its transfer procedures at an earlier point and so, consequentially, it had delayed both her transfers. It then conducted loss assessments to establish whether Mrs N had suffered a financial loss. I note that prior to conducting its assessments, the Administrator had asked AJ Bell for information to help it produce the loss assessments which, regrettably, was not provided. AJ Bell also said it would not accept any additional transfer payments.
59. Following completion of the loss assessments in 2021, the Administrator gave Mrs N and her Representative the opportunity to provide new evidence in respect of its loss assessment. As this was not provided, the Administrator issued a cheque for £3,472.48, in recognition that had her LGAVC transfer taken place without delay, she would have received £66,198.80 instead of £63,904.75. There is no evidence to suggest that the additional cheque for £3,472.48 was issued, as Mrs N believes, because the transfer values had been originally, incorrectly calculated.
60. I find that the Administrator attempted to put Mrs N back in the position she would have been in had there been no maladministration and delays on its part. It completed loss assessments which showed there was no financial loss on her TAVC transfer, but a £3,472.48 loss on her LGAVC transfer. It also gave Mrs N the opportunity to demonstrate that she had also experienced an investment loss in her AJ Bell fund, but she did not respond. Consequently, given AJ Bell's position that it would not accept additional transfer payments, the Administrator then sent Mrs N an ex-gratia cheque for this amount.
61. In relation to the length of time taken during the complaints process. While I accept that the Representative and Mrs N had cause to complain on several occasions, I cannot see that there was any unnecessary delay in the Administrator responding to the complaints.
62. The Administrator has apologised for the delays it caused and has resent Mrs N £500 for the distress and inconvenience she has suffered. I find that this is adequate in the circumstances.

CAS-78120-H6H7

63. I do not uphold Mrs N's complaint and no further action is required by the Administrator.

Anthony Arter CBE

Deputy Pensions Ombudsman

20 August 2024