

## Ombudsman's Determination

Applicant	Mr N
Scheme	Old Mutual Wealth Personal Pension Plan ( <b>the Plan</b> )
Respondent	Quilter Life and Pensions Limited ( <b>Quilter</b> )

## Outcome

1. I do not uphold Mr N's complaint, and no further action is required by Quilter.

## Complaint summary

2. Mr N has complained that Quilter failed to pay pension withdrawal payments to him within its contractual timescale. Mr N wants Quilter to process its payments within the contractual timescales and for its offers of awards to be increased to reflect the inconvenience and stress caused to him.

## 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 1 March 2021, Mr N sent Quilter an income withdrawal instruction to process for payment.
5. On 5 March 2021, Mr N telephoned Quilter for an update in relation to his income withdrawal payment. Quilter's advisor informed him that the processing team had been contacted to request that the instruction was dealt with as soon as possible.
6. On 9 March 2021, the following actions took place:-
  - Mr N telephoned Quilter for an update. During the telephone call Quilter's advisor recognised that Mr N had submitted an older version of the income instruction form which could not be processed due to a new process being in place.
  - The advisor emailed Mr N the new form, and Mr N returned it to Quilter on the same day.
  - Mr N raised a complaint with Quilter for the delay caused.

7. On 11 March 2021, Quilter submitted Mr N's application for withdrawal.
8. On 25 March 2021, Quilter made payment to Mr N, 10 working days later.
9. On 23 June 2021, Quilter provided a response to Mr N's complaint. It said in summary:-
  - Its advisor should have noticed that Mr N had used the old version of the income instruction form during the telephone call of 5 March 2021.
  - The level of service provided to Mr N was unacceptable and it apologised for the concern caused.
  - In light of the trouble and upset caused, it offered Mr N £200.
10. On 7 April 2022, Mr N emailed Quilter enclosing a completed withdrawal income form.
11. On 19 April 2022, Quilter processed Mr N's instruction and payment was made by CHAPS.
12. On the same day, Mr N raised a complaint with Quilter. He said in summary:-
  - He was not happy that he did not receive his withdrawal payment on time.
  - This was not the first time Quilter had not processed his payment on time despite being informed that the withdrawal income payments were his only source of income due to taking early retirement.
  - After chasing for an update, he was informed on the telephone that his withdrawal payment could not yet be processed due to a problem with a trade. He believed this was in breach of its contract with him and that he should not be penalised because of its admin processes.
13. On 8 June 2022, Quilter responded to Mr N's complaint. It said in summary:-
  - It understood Mr N requested a partial income withdrawal from his pension and expected payment within 10 working days.
  - It received his request for withdrawal on 7 April 2022.
  - It was not able to process the instruction until 19 April 2022 due to trades in progress as per its terms of business.
  - The trade in progress started on 3 April 2022 and completed on 14 April 2022. As the 15 and 18 of April were bank holidays it was unable to process his withdrawal instructions until 19 April 2022.
  - A concession was agreed with Mr N and a CHAPS payment was made on the same day.

- So, it did not uphold Mr N's complaint as it had complied with its procedures and timescales.
14. On 31 October 2022, Mr N submitted a request for a withdrawal from his Collective Retirement Account (**CRA**).
  15. On 16 November 2022, Mr N raised a complaint with Quilter in relation to his withdrawal instruction being delayed.
  16. On 21 November 2022, a CHAPS payment was made to Mr N.
  17. On 16 December 2022, Quilter responded to Mr N's complaint. It said in summary:-
    - It was sorry Mr N did not receive his withdrawal payment on time.
    - The delay was due to a small negative cash balance on Mr N's account which prevented the withdrawal being submitted. So, it sold enough units to cover the negative balance and the payment. However, there was then a few residual purchase orders in place while this was in progress, which consequently left the cash position slightly lower than £6,000 requested. So, a further sale of £30 had to be made.
    - Unfortunately, due to an administrative error, the withdrawal was processed for specific assets instead of using the cash it held from the sale before.
    - In order to rectify matters, it bought back the same amount of units that were sold down to determine if Mr N had been disadvantaged. It confirmed this had been completed and he had been advantaged by £40.72 which was left in his account as cash.
    - It apologised for making errors which delayed Mr N's withdrawal and offered £100 for the trouble and upset caused.
  18. On 8 August 2023, Mr N sent Quilter a completed withdrawal instruction.
  19. On 9 August 2023, Mr N issued a complaint to Quilter in relation to the time taken to process his withdrawal instruction due to trades in progress.
  20. On 21 August 2023, Quilter agreed to make payment to Mr N by CHAPS.
  21. On 23 August 2023, Mr N received payment from Quilter.
  22. On 21 September 2023, Quilter responded to Mr N's complaint. It said in summary:-
    - It understood Mr N was dissatisfied with its timescale to process withdrawal instructions and the delay caused due to trades in progress.
    - It received Mr N's withdrawal form on 8 August 2023. As per its Terms and Conditions (**T&Cs**), it had until the end of the next working day, after the day it had received the withdrawal form, to process it.

- The withdrawal form was submitted to the fund managers on 9 August 2023 and the funds were sold the following day on 10 August 2023. However, on this occasion it could not process his withdrawal as there were trades in progress on the account on 9 August 2023.
- As per its T&Cs (see Appendix 1), it was unable to process a new trade request while one was in progress. So, it had to wait until the trades completed prior to submitting his withdrawal.
- In addition, its withdrawal forms outlined when clients would receive payments (see Appendix 2).
- Given the volume of instructions it received, it did not check each account and contact every client with trades in progress.
- It was unable to uphold Mr N's complaint as it had acted in accordance with its T&Cs and no error had been made by Quilter.

23. Following the complaint being referred to The Pensions Ombudsman (**TPO**), Quilter and Mr N made further submissions that have been summarised in paragraphs 24 to 27 below.

#### **Quilter's position**

24. It was important to note that the T&Cs state payment will be made in 10 working days, this does not mean payment will necessary be received in 10 working days.
25. It had offered Mr N £300 in recognition of the delays caused by it in March 2021 and December 2022.

#### **Mr N's position**

26. The timescales say that payments would normally be made within 10 working days. So, this implied that he was entitled to assume the money would be paid in less than 10 days as 10 days was the maximum time he should be expected to wait.
27. While he had not suffered direct financial loss, these payments were his only source of income as he was not yet in receipt of his state pension, and he could potentially incur bank charges if any payments are processed while not having sufficient funds.

#### **Adjudicator's Opinion**

28. Mr N's complaint was considered by one of our Adjudicator's who concluded that no further action was required by Quilter. The Adjudicator's findings are summarised in paragraphs 29 to 31 below.
29. The Adjudicator sympathised with Mr N's position and understood why it was important that his income withdrawal payments were paid as quickly as possible. However, in her opinion, each instruction Mr N made was dealt by Quilter within its

agreed service levels. She was of the view that the wording “within 10 working days” could not be taken in isolation to mean that payment would be made in 10 working days as soon as an instruction is submitted. Quilter’s terms and conditions made clear that when a trade is in progress, it must deal with that that before processing any other transaction. So, when all requirements are met by Quilter, only then would payment be made within 10 working days.

30. Quilter admitted it caused a delay on two occasions due to administrative errors on its part. Both delays were redressed with an award in recognition of the distress and inconvenience caused to Mr N. So, the Adjudicator came to the opinion that the £300 awarded to Mr N for delay caused in receiving his withdrawal payment was sufficient.
31. The Adjudicator concluded that as Mr N had confirmed he had not suffered any direct financial loss, there was nothing further Quilter needed to do.
32. Mr N did not accept the Adjudicator’s Opinion, and the complaint was passed to me to consider. Mr N provided his comments in response to the Opinion, as follows:-
  - No account has been taken of other occasions Quilter failed to pay his withdrawals within the contracted timescale where there were no trades in progress.
  - Quilter was in breach of contract as, on almost every single occasion of requesting a withdrawal, it had failed to make payment within 10 working days.
  - The use of the wording “within 10 working days” was the contracted time and the word “made” is important as payment could not be considered to have been made until received.
  - On the first occasion of delay, he was notified by Quilter that due to trades being in progress, his payment would be delayed. However, for withdrawals after that time, Quilter had failed to keep him informed. Quilter had not done anything to correct its process of informing its customers that due to trades in progress, payment would be delayed.
33. I have considered the additional points raised by Mr N, however, they do not change the outcome. I agree with the Adjudicator’s Opinion.

### **Ombudsman’s decision**

34. I have noted Mr N’s comments in relation to Quilter’s administrative processes not being consistent regarding notification when payment will be delayed due to trades in progress. While it would be beneficial for all customers to be alerted to a delay in payment, Quilter does not have an obligation to do so, nor did it inform Mr N that this is what it would do. My role is to consider complaints of maladministration causing the applicant financial injustice. I cannot make any direction for Quilter to change its processes, other than to say that it would be good practice if it consistently told Mr N

when there are open transactions that would impact the time taken to complete a payment request.

35. Quilter's terms and conditions make clear that payments will be delayed when trades are in progress. Consequently, if Mr N knew that he needed payment by a specific date, he could have contacted Quilter in advance to establish whether trades were in progress before requesting a withdrawal or submitted his requests earlier to counteract the possibility of ongoing transactions delaying the payment date.
36. In relation to the withdrawal payments that were delayed due to trades in progress, as soon as the trades were dealt with, payments were made to Mr N within Quilter's agreed service level. So, I do not agree that Quilter caused any delay in this respect. I note Mr N's comments that there were instances where trades were not in progress, yet Quilter caused delay in making payment to him. On those occasions, Quilter apologised for the delay caused and offered Mr N £300 in recognition of the distress and inconvenience it caused to him. I find that this is adequate in the circumstances.
37. I do not uphold Mr N's complaint, and no further action is required by Quilter. Mr N should contact Quilter directly if he wishes to accept the £300 offered if he has not yet received it.

**Dominic Harris**

Pensions Ombudsman

8 October 2024

## Appendix 1

### Quilter's Terms and Conditions

- 24.11** We can only carry out one transaction involving buying or selling **units** at a time, even if the **funds** or **ETIs** in the first and subsequent transactions are different. This means that where we are carrying out a number of transactions involving buying or selling **units**, whether or not **instructed** by you, your **financial adviser** or **DIM**, it may take a number of **working days** to complete the first transaction and start the second.
- 24.12** In exceptional circumstances outside of our control, we may delay starting to carry out your **instructions** until the earliest **working day** that is appropriate and reasonable. This could happen if, for example, no accurate **unit** price is available from the **fund manager** or there has been a significant change to the **fund** or the exchange or the **ETI** is unavailable to trade.

## Appendix 2

### Excerpt of Quilter's Withdrawal Form



#### TIMESCALES

- **Single income withdrawal** – Payments will normally be made within 10\* working days of all our requirements being met.
- **Regular income withdrawals** – Payment will be made on the day of the month chosen by you\*, or the working day before if this is a non-working day. We must receive your instructions at least 10 working days before the start date.

*\*If there are any other transactions in progress on your account, it could delay the payment. If this happens, we will make the payment at the earliest possible date once the other transactions have completed. This also applies if a regular income withdrawal payment is due at the time you request a single withdrawal, in that the regular payment must complete before we can make the single payment.*