

Ombudsman's Determination

Applicant	Mr E
Scheme	Admenta Pension Scheme (the Scheme)
Respondents	Trustee of the Admenta Pension Scheme (the Trustee); Aon (the Administrator)

Outcome

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

Complaint summary

2. Mr E has complained that the Administrator caused delays to the transfer of his pension from the Scheme to Standard Life. He has said that:-
 - The Cash Equivalent Transfer Value (**CETV**) available to him significantly reduced in value as a result of the delays.
 - The Administrator and the Trustee failed to respond to complaints by him and Grove Pensions Solutions (**GPS**) in a timely manner.
 - He wants to be compensated for the drop in the value of the CETV and for financial penalties to be imposed on the Administrator and the Trustee for the delays in responding to his complaints.

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. On 23 July 2020, Mr E received a retirement pack for a retirement date of 3 August 2020. This included a guaranteed CETV of £1,159,941 (**the First CETV**) which was guaranteed until 7 October 2020 from the Administrator.
5. Mr E's Independent Financial Adviser (**the IFA**) instructed GPS to investigate the option of transferring Mr E's pension benefits out of the Scheme.

6. On 12 August 2020, the IFA informed Mr E that he had spoken to the Administrator. The Administrator had said that it would need to issue a new retirement pack if Mr E wished to retire on 24 October 2020, as opposed to 3 August 2020. The IFA also said that Mr E had to complete some new forms for GPS to review his pension transfer.
7. On the same day, Mr E emailed the IFA and said that he had never informed the Administrator that his retirement date was 3 August 2020. He also questioned why new forms were necessary.
8. On the same day, the IFA wrote to the Administrator and asked if it would be possible to carry on with the retirement pack that was already received and confirm the correct retirement date in the form of a covering letter.
9. On 20 August 2020, the Administrator received a letter from GPS which included a Letter of Authority (**LOA**) and a request for information relating to the First CETV and how it could be secured.
10. On 26 August 2020, the Administrator telephoned GPS to respond to its queries. It explained that Mr E could put his pension into payment from the Scheme, and the pension would be backdated to his chosen retirement date. It also said that if Mr E wanted to accept the First CETV, he would need to return the transfer forms by 7 October 2020, otherwise a new CETV would need to be issued at a charge. According to records of the call, GPS indicated that Mr E did not want to transfer out at the time and that he was planning to stay with the Scheme and retire in October 2020.
11. On the same day, the IFA confirmed to Mr E that the Administrator had said it would accept the forms that had been previously sent in if he wanted to go ahead with receiving his pension from the Scheme. The IFA also confirmed that it had sent all the relevant paperwork to GPS to review Mr E's pension transfer.
12. On 2 September 2020, GPS asked the Administrator for a breakdown of Mr E's pension, split between the pension accrued before and after 2006.
13. On 10 September 2020, the Administrator provided GPS with the information it requested. This included answers to a list of questions that GPS required to be able to secure a CETV urgently if that was needed, with the intention of not having to seek further information from the Administrator.
14. On 29 September 2020, GPS completed its fact-finding call with Mr E.
15. Throughout September and October 2020, GPS chased the Administrator for additional clarification regarding the split between the pension accrued before and after 2006.
16. On 20 October 2020, the Administrator provided GPS with further information regarding the split of benefits.

17. On 28 October 2020, GPS requested a new retirement quotation from the Administrator as Mr E had passed his normal Scheme retirement age.
18. On 7 December 2020, the Administrator sent GPS a copy of the same retirement quotation that had been previously provided.
19. On 8 December 2020, GPS chased the Administrator for a new retirement quotation.
20. Throughout December 2020, GPS chased the Administrator for the new retirement quotation.
21. On 6 January 2021, GPS transferred Mr E's case to a new abridged process, as it had not been able to provide its advice before the December 2020 deadline. In December 2020, GPS' charging model changed, and it had to reassess the advice it provided after this deadline.
22. On 7 January 2021, the Administrator issued a new retirement pack with a proposed retirement date of 27 January 2021.
23. On 25 January 2021, the Administrator confirmed that Mr E was still showing as an active member. GPS queried this as it was incorrect, that he continued to be an active member. It also requested information regarding a salary link and spouses' pension in deferment.
24. Throughout February 2021, GPS chased the Administrator for the information it had requested on 25 January 2021.
25. On 3 March 2021, the Administrator responded to GPS and confirmed Mr E's salary link.
26. On 15 March 2021, GPS provided abridged transfer advice to Mr E as to whether the pension transfer would be suitable.
27. On 23 April 2021, Mr E confirmed to GPS that he wanted to proceed with the transfer.
28. On 21 May 2021, GPS sent a final suitability report to Mr E.
29. On 25 May 2021, the Administrator received a request from Mr E for a new CETV quotation by telephone. The Administrator explained that the CETV could not be guaranteed as Mr E was still in service. It informed Mr E that he should expect to receive a non-guaranteed CETV within 20 working days.
30. On 15 June 2021, the Administrator confirmed the transfer out request to Mr E.
31. Early in July 2021, the Administrator received notification that Mr E had left his employment on 24 October 2020.
32. On 13 July 2021, the Administrator issued Mr E a leaving statement which provided details of his deferred pension at the date he left the Scheme.

33. On 15 July 2021, the Administrator sent details of Mr E's deferred pension entitlement to its actuaries to carry out calculations for a new CETV.
34. On 23 July 2021, the Administrator confirmed that it would need to recalculate the CETV to provide a new transfer pack.
35. On 29 July 2021, GPS contacted the Administrator for an update and was informed that the recalculation was still being processed by its actuaries.
36. On 30 July 2021, Mr E complained to the Administrator as he had still not received a new CETV quotation.
37. Between 5 August 2021 and 16 September 2021, GPS chased the Administrator regarding the new CETV quotation.
38. On 16 September 2021, the Administrator issued a retirement pack directly to Mr E with a date of leaving the Scheme of 24 October 2020. The pack included a CETV of £1,085,546 which was guaranteed until 6 December 2021 (**the Second CETV**).
39. On 24 September 2021, the retirement pack with the Second CETV was received by GPS.
40. On 30 September 2021, the Administrator acknowledged the complaint raised by Mr E.
41. On 6 October 2021, GPS sent completed transfer forms to the Administrator.
42. On 26 October 2021, the Administrator contacted Mr E to request additional forms to be completed.
43. On 8 November 2021, Mr E sent the completed forms to the Administrator.
44. On 25 November 2021, the Administrator paid the Second CETV to Standard Life.
45. On 22 December 2021, GPS complained to the Administrator.
46. On 8 February 2022, the Administrator issued its response to Mr E's complaint. It did not agree that it was responsible for the decrease in the value of the CETV available to him. However, it acknowledged that there were shortcomings in the service received and delays in responding to Mr E's complaint. It also informed Mr E of the Scheme's Internal Dispute Resolution Procedure (**IDRP**).
47. On 1 April 2022, Mr E responded to the Administrator and said he did not believe his complaint was fully investigated.
48. On 11 May 2022, the Administrator responded to the additional points Mr E had raised.
49. On 25 November 2023, Mr E raised a formal complaint under the Scheme's IDR.
50. On 28 January 2024, the Trustee received notice of Mr E's IDR complaint.

51. On 26 March 2024, the Trustee provided its formal response to Mr E's complaint. The Trustee said that it considered that Mr E should be offered £1,500 in compensation for the distress and inconvenience caused by the matters complained of and the Administrator's failings in handling his subsequent complaint, however no further compensation was payable as no financial loss had been caused.
52. Following the complaint being referred to The Pensions Ombudsman (TPO), Mr E and the Trustee made further submissions that have been summarised below.

Summary of Mr E's position:-

- The Administrator caused delays to the transfer of his pension, and as a result the CETV that was available to him decreased significantly in value.
- GPS and Mr E's IFA has said that they did not inform the Administrator that Mr E did not want to transfer out of the Scheme on 26 August 2020.
- The Administrator failed to respond to information requests in a timely manner, which meant that GPS was unable to advise him about the pension transfer until May 2021.
- He had to use £26,000 of his savings to fund his retirement over 13 months.
- The Administrator and the Trustee failed to respond to complaints raised by him and GPS in a timely manner.
- He does not consider £1,500 adequate compensation for the distress and inconvenience caused.

Summary of the Trustee's position:-

- The Administrator and the Trustee did not cause Mr E to miss the opportunity to accept the First CETV. It was guaranteed until 7 October 2020 and neither Mr E or GPS took any steps to accept the First CETV. GPS was informed of the steps required to secure the First CETV in the paperwork that was issued with the quotation, and it was informed of the steps again on 26 August 2020 by the Administrator.
- Due to errors by the Administrator, there were avoidable delays in issuing the Second CETV. The Second CETV was requested on 25 May 2021, but it was not issued until 16 September 2021. As the Administrator initially indicated that a new CETV would be issued within 20 working days of the request, the Trustee considers that it would have been reasonable to assume that had it not been for the Administrator's error, the Second CETV would have been issued by 14 June 2021.
- The Trustee requested for its actuaries to calculate what the notional CETV would have been on 14 June 2021, and it concluded that Mr E benefitted from the delay by £51,004 and so he has not suffered a financial loss.

- It acknowledged that there were failings in the Administrator's handling of the complaints raised by Mr E and GPS.
- It accepted that there were several failings and offered £1,500 to compensate Mr T for the distress and inconvenience caused.

Adjudicator's Opinion

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

- The Administrator did not cause Mr E to miss the opportunity to accept the First CETV. Although Mr E's correspondence with the IFA at the time shows that he was still considering the transfer option, the Adjudicator said that she had not been provided with any evidence during the investigation that showed that Mr E or GPS had instructed the Administrator to proceed with the First CETV.
- The Adjudicator recognised that the Administrator did not fully respond to GPS' information requests until after the guarantee period had expired on 20 October 2020 and that GPS needed this information to provide Mr E with advice regarding the suitability of the transfer. Although the time taken by the Administrator to provide the requested information was unreasonable, it was the Adjudicator's view that on the balance of probabilities Mr E would not have been able to secure the First CETV, even if the Administrator had responded in a timely manner.
- In taking this view, the Adjudicator noted that GPS only made an information request to the Administrator on 20 August 2020, which only allowed around half of the remaining guarantee period for GPS to obtain the necessary information, in order to advise Mr E of the transfer option, and arrange for the transfer forms to be completed and submitted to the Administrator on time.
- Furthermore, once the information from the Administrator was received on 20 October 2020, GPS still had a number of steps to complete in its internal process before it could provide advice on the suitability of the transfer to Mr E. Also, Mr E was still considering both the option of retiring from the Scheme and the option of transferring out of the Scheme at this point.
- The Administrator did cause avoidable delays to the issuance of the Second CETV, which was maladministration. The Trustee calculated what the notional CETV would have been, had it been calculated and issued on 14 June 2021. The notional CETV value would have been £1,034,542, which was £51,004 less than the value of the Second CETV that was issued on 16 September 2021. It was therefore the Adjudicator's view that Mr E had not suffered a financial loss due to the delays caused by the Administrator.

- Mr E also complained that he was required to use £26,000 of his own savings to fund his retirement due to the delays to the transfer of his pension. The Adjudicator considered that Mr E had not suffered a financial loss overall as the income from the transfer payment that would have otherwise been taken as drawdown was available for him to use following the transfer. It would also have been prudent for Mr E to plan his finances so as to account for any unforeseen delays.
- The Administrator did delay providing information to GPS, a number of times prior to the request for the Second CETV on 25 May 2021, which was maladministration. However, it was the Adjudicator's view that the Administrator was not responsible for any financial loss in respect of the delays, as GPS was still carrying out its advisory process at the time so Mr E had not been provided with advice on the suitability of the transfer of his pension at that point.
- The Trustee has acknowledged that there were several failings by the Administrator, both before and after Mr E raised complaints. In recognition of the distress and inconvenience caused by the Administrator's failings, the Trustee has offered Mr E £1,500. The Adjudicator was of the opinion that the award offered was sufficient.

54. Mr E did not accept the Adjudicator's Opinion, and the complaint was passed to me to consider. Mr E submitted further comments in response to the Opinion. In summary he said:-

- He disagreed with the overall conclusion that no part of his complaint should be upheld and that no further action was required by the Trustee or the Administrator.
- He disagreed that he should have expected the unforeseen delays caused by the Administrator's errors, maladministration and failings, and he was unhappy that no comments had been made about the fact that the transfer took an inordinate amount of time.
- The Administrator was not blameless in the time it took for GPS to provide advice to him, so that he could make an informed decision about his pension.
- He informed the Administrator that he had retired and required his pension on 26 October 2020.
- The complaint raised on 30 July 2021 should have been acknowledged in two to three working days, but it took two months, and the complaint was not responded to for another four months which was unacceptable.

55. I have considered Mr E's further comments, but they do not change the outcome, I agree with the Adjudicator's Opinion.

Ombudsman's decision

56. Mr E has said that he informed the Administrator that he had retired and required his pension on 26 October 2020. While I appreciate that Mr E may have wished to complete the transfer of his pension and take a pension income from the transfer payment by this timeframe, I find that Mr E and GPS did not take the necessary steps to secure the First CETV. Mr E was informed that he needed to complete the transfer forms and return them to the Administrator by 7 October 2020 to secure the First CETV.
57. The Administrator failed to provide a full response to GPS' information request of 20 August 2020, in a timely manner and I find that this amounts to maladministration. However, I agree with the Adjudicator that on the balance of probabilities Mr E would not have been able to secure the First CETV, even if the Administrator had provided the information earlier.
58. GPS still had a number of steps to complete within its internal process before it could provide advice on the suitability of the transfer to Mr E. The first information request by GPS was also only sent to the Administrator on 20 August 2020, which did not allow a reasonable length of time for it to obtain the necessary information to advise Mr E on the transfer option and also to arrange for the transfer forms to be completed and submitted to the Administrator before the deadline.
59. I accept that the GPS' advisory process could have been completed sooner if the Administrator had provided the requested information in a timely manner. While it was unfortunate that the overall process of transferring Mr E's pension did take far longer than necessary, I find that Mr E did not suffer a financial loss as a result of the delays.
60. Mr E's correspondence with the IFA showed that he was considering both the option of retiring from the Scheme or transferring out of it. I appreciate that it was Mr E's intention to ensure that he took the best option, which is why he requested advice from GPS on the suitability of the transfer before he confirmed his final decision.
61. However, it was not clear at the outset that it was Mr E's intention to transfer his pension. The Administrator could not proceed with the transfer before both a request for a second CETV quotation and also a formal request for the transfer of Mr E's pension were received. I therefore find that it would not be appropriate to hold the Administrator responsible for any alleged financial loss during the period prior to the receipt of the request for the second CETV quotation.
62. There were delays to the process following the request on 25 May 2021 for a second CETV quotation, and I agree with the Adjudicator that this clearly amounts to maladministration by the Administrator. The delays have been acknowledged by the Trustee and it has carried out a loss assessment, which showed that the Second CETV, which Mr E received, was £51,004 higher in value than the notional CETV had it been calculated and issued on 14 June 2021. I therefore find that Mr E has not suffered a financial loss as a result of the delays by the Administrator.

63. I appreciate that Mr E was required to fund his retirement with other personal funds and that it might have been an unplanned expenditure. However, Mr E did not suffer a loss overall as the income that otherwise would have been taken as drawdown from the transfer payment to fund his retirement, was available to use following the transfer.
64. It is clear that there were several avoidable delays and errors by the Administrator during the transfer process and the complaints process. These amount to maladministration and have undoubtedly caused Mr E serious distress and inconvenience. The Trustee has already offered Mr E redress of £1,500 and I find this to be sufficient in respect of the distress and inconvenience which he has experienced. I would have awarded a similar sum if the offer had not been made.
65. Mr E should contact the Trustee if he now wishes to accept its offer of £1,500.
66. I do not uphold Mr E's complaint, and no further action is required by the Trustee or the Administrator.

Anthony Arter CBE

Deputy Pensions Ombudsman
15 November 2024