

Ombudsman's Determination

Applicant	Mr E
Scheme	Smiths Industries Pension Scheme (the Scheme)
Respondents	Smiths Industries Pension Trustees Limited (the Trustee); and Mercer Limited (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's complaint concerns the service and delays caused by the Administrator following his request to transfer his pension funds to Standard Life. He said:-
 - He requested a transfer in September 2021, but it was not completed until June 2022.
 - He made multiple complaints about the delay and has been financially disadvantaged.
 - He is claiming financial loss of £1,350 due to the overdraft fees and charges he incurred during this period.

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 9 September 2021, Mr E requested a transfer quotation via telephone.
5. On 29 September 2021, a transfer pack with a transfer quotation for the amount of £31,360.65 was issued to Mr E. The transfer pack stated the following:-

"It is not a requirement, for a member transferring from a Cash Balance Scheme to take advice from a FCA registered adviser. However, we recommend that advice is still taken.

The transfer value is guaranteed until 29/12/2021. If the transfer is to proceed, please ensure that the enclosed Transfer Request and Discharge Form is signed and returned to us by this date.

...

Please note that under current regulations you are only allowed to receive one transfer value quotation for free each year. Any further requests will depend on the Scheme instructions, which could include being provided free of charge or attracting a fee. If you consider further quotations within a year please contact us for details of any charges.

...

A request to transfer benefits is only valid when we receive the completed Transfer Request and Discharge Form”

6. On 11 October 2021, Mr E contacted the Administrator to chase the transfer quotation as he had not received it. In summary: -
 - The Administrator informed Mr E that the transfer quotation was sent on 29 September 2021, but as this had not been received it would be resent. It confirmed the transfer value quotation amount to be £31,360.65.
 - Mr E asked if he needed to obtain financial advice to complete the transfer. The Administrator said he would need financial advice for a transfer to another defined contribution (**DB**) scheme because his pension was worth over £30,000.
 - Mr E raised a formal complaint with the Administrator. He stated that the value of his pension had increased since he first made the transfer quotation request, and that he had suffered a financial loss as he now required financial advice to transfer his pension, which he said would cost him thousands.
 - Mr E also requested a Retirement Options form to be sent to him.
7. On 2 November 2021, Mr E called the Administrator to request a Retirement Options form again.
8. On 19 November 2021, Mr E called the Administrator and chased his request for a Retirement Options form and complaint response.
9. On 29 November 2021, Mr E called the Administrator and raised another formal complaint as he had not received an acknowledgment letter for his previous complaint. Mr E also noted that the reason he sought to access his pension funds was for a private medical reason, and that the delays seriously affected his health.
10. On 2 December 2021, the Administrator issued the Retirement Options forms to Mr E.

11. On 8 December 2021, the Administrator responded to Mr E's complaint. It confirmed that it was not a requirement for a member of a Cash Balance Scheme to take advice before transferring benefits. It also apologised for the service Mr E had received and acknowledged it was not in line with the level of service it aims to deliver.
12. On 10 December 2021, Mr E called the Administrator to discuss his complaint. In summary: -
 - Mr E explained he was told by the Administrator that he would need to obtain financial advice to proceed with a transfer over £30,000, and then later told this was recommended but not essential. Mr E was unsure of the exact date this happened and gave a timeframe of between April and December 2021.
 - The Administrator confirmed that Mr E did not need to obtain financial advice and informed him that both the transfer pack he was sent on 29 September 2021, and the complaint outcome letter dated 8 December 2021, stated financial advice was not required for a Cash Balance Scheme.
 - Mr E requested a Retirement Options form which led the Administrator to probe further about the transfer he requested. There appeared to be some confusion on Mr E's part regarding the Retirement Options form. The Administrator explained that the Retirement Options form did not apply to Mr E as he wanted to transfer his pension. Mr E was instructed to complete the Transfer Request and Discharge form, which was provided in the transfer pack.
 - Mr E was told the guarantee period on his current transfer quotation had expired and he would need a new transfer quotation in order to proceed with the transfer. Mr E asked for a new transfer quotation and was advised that this would incur a fee. Mr E declined to pay the fee and stated it should be given to him for free due to his experience to date.
13. On 31 December 2021, the Administrator received Mr E's completed Retirement Options form.
14. On 14 January 2022, the Administrator received the completed discharge forms from Standard Life, the receiving scheme.
15. On 4 March 2022, Mr E raised a complaint about the delay in processing his transfer.
16. On 31 March 2022, Standard Life requested an update on the transfer request.
17. Mr E subsequently made several phone calls to the Administrator requesting an update on his transfer.
18. On 9 May 2022, the Administrator responded to Mr E's complaint and apologised for the poor level of service experienced and for any inconvenience caused to him. It explained that the transfer could not be completed because the Transfer Request and Discharge form was not returned within the guarantee period. The Administrator acknowledged it was slow to respond to the complaint and in notifying him that the

transfer could not be completed. As a gesture of goodwill, the Administrator agreed to issue a second transfer quotation free of charge.

19. On 12 May 2022, Mr E responded to the Administrator. He said:-

- A second transfer quotation was requested because he was misled by the Administrator in early 2021 that amounts above £30,000 could only be transferred with the recommendation of an independent financial adviser. His pension was around £30,000 so he contacted the Administrator to check if a financial adviser was needed.
- The Administrator confirmed he did not need a financial adviser, so he proceeded to complete the Retirement Options form and returned it on 27 December 2021.
- Standard Life told him the process should not have taken more than four to six weeks to complete with an expected completion date of 10 February 2022 at the latest. He stated he was later told by the Administrator the transfer would be completed on 14 April 2022.
- He feels let down by the lack of communication and misinformation from the Administrator which has caused him anguish and distress.

20. On 20 May 2022, the Administrator issued a new transfer quotation to the amount of £35,128.01. The guarantee period was to 18 August 2022.

21. On 31 May 2022, the Administrator received the completed transfer form.

22. On 9 June 2022, the transfer value of £35,128.01 was paid to Standard Life.

23. On 2 August 2022, the Administrator responded to Mr E's complaint. It apologised for the level of service Mr E received and offered £50 shopping vouchers to recognise the distress and inconvenience he experienced.

24. Following the complaint being referred to The Pensions Ombudsman (TPO), Mr E and the Administrator made further submissions that have been summarised below.

Summary of Mr E's position:-

- Mr E is unhappy with the length of time taken to complete the transfer of his funds to Standard Life. The transfer was initially requested in September 2021, but it was not completed until June 2022.
- Mr E requested the transfer for the purpose of debt consolidation as he was experiencing financial hardship. As a result of the delay, he had to take out a high interest overdraft to keep himself afloat during this period.
- The Administrator did not keep him informed of the progress causing him to have to chase frequently for updates. He was also provided with misleading information.

Summary of the Administrator's position:-

- Mr E did not return the Transfer Request and Discharge form within the guarantee period therefore it could not proceed with the transfer.
- The Administrator accepted that the level of service provided was not in line with its usual standards and apologised for the shortcomings in its letter dated 2 August 2022. It acknowledged the distress and inconvenience Mr E experienced and agreed to issue a second transfer quotation free of charge, this would normally cost a member £420+ VAT. It also offered £50 shopping vouchers in recognition of this.

Adjudicator's Opinion

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

- Mr E knew from the outset that the transfer quotation of 29 September 2021 was only guaranteed for a short timeframe. Given Mr E's circumstances and the urgency he expressed, it was the Adjudicator's opinion that he should have ensured all the paperwork was completed and returned as early as possible.
- Mr E was provided with conflicting information about whether he needed financial advice to proceed with the transfer during the telephone call of 11 October 2021. However, Mr E did not obtain that financial advice, and he was then informed that financial advice was not required when he contacted the Administrator on 10 December 2021. This information was also readily available to him in the transfer pack he was sent on 29 September 2021. It was therefore the Adjudicator's view that the Administrator's actions did not amount to significant maladministration and there was no direct loss as a result.
- Mr E failed to complete and return the transfer form on time. He was instructed to complete the Transfer Request and Discharge form during his call with the Administrator on 10 December 2021. However, Mr E incorrectly returned Retirement Options form, and the Administrator could not proceed with the transfer as it did not have the correct transfer forms. It was the Adjudicator's view that the Administrator was not responsible for the delays associated with Mr E returning the incorrect form.
- It was also the Adjudicator's view that the Administrator completed the transfer in a timely manner without any undue delays after the second transfer quotation was requested, and the necessary transfer forms were received on 31 May 2022.
- Mr E complained that he suffered a financial loss due to taking out a high interest overdraft which he would not have needed if the transfer had been completed

within six weeks. The Adjudicator's view was that Mr E had a general duty to mitigate any potential financial losses.

- The Adjudicator also considered that the Administrator had taken reasonable steps to remedy any distress and inconvenience Mr E may have suffered from dealing with this matter. This was by providing the second transfer quotation free of charge and offering £50 in vouchers.

26. 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 only requested the first quotation as he was concerned that the value of his pension had exceeded the threshold which required financial advice, as he had previously been advised by the Administrator that amounts above £30k could only be transferred with financial advice.
- The claim that financial advice was not required was not clear in the transfer pack, and he received misleading information from the Administrator.
- He does not consider that the offer to cover the fee for the second transfer quotation was compensation for the delays he experienced, as he did not set out to request more than one quotation in a year. His intention was always to transfer his pension as he wanted to access the tax-free portion of his pension, and that option was not available in the Scheme.
- He called the Administrator several times between December 2021 and May 2022 to chase the transfer of his pension. The Administrator did not inform him that the first transfer value quotation had expired or that he had provided the wrong forms until 9 May 2022. This caused him an unacceptable level of inconvenience and emotional distress. He had already pointed out the financial hardship he was experiencing to the Administrator.
- He wanted to pursue compensation for the distress and inconvenience and the financial loss he suffered.
- He carried out his duty to mitigate any financial losses as best as he could, and he does not consider £50 in vouchers and the offer of a second transfer quotation free of charge adequate redress.

27. 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

28. It was clear from the transfer pack of 29 September 2021 that financial advice was not required for Mr E to proceed with the transfer of his pension. This was confirmed in later conversations with the Administrator.

29. It was unfortunate that Mr E was provided with incorrect information about whether he needed financial advice to proceed with the transfer during the phone call of 11 October 2021. However, following a complaint from Mr E, the Administrator confirmed that it was not a requirement for a member of a Cash Balance Scheme to take advice before transferring benefits. Mr E has said he was informed of this in a phone call with the Administrator on 10 December 2021. Mr E has also confirmed that he did not obtain financial advice on the basis of the incorrect information he received.
30. Mr E was informed in the transfer pack of the next steps he had to take for the transfer to proceed. The transfer value of 29 September 2021 was guaranteed until 29 December 2021 and he had to ensure that the enclosed Transfer Request and Discharge Form was signed and returned to the Administrator by this date.
31. I find that Mr E had enough time to complete and return the Transfer Request and Discharge Form to the Administrator if he wished to do so after he was informed that financial advice was not required to proceed. I agree with the Adjudicator that given Mr E's circumstances and the urgency he expressed; he should have ensured all the paperwork was completed and returned as early as possible.
32. Mr E has said that he did complete and return the Retirement Options form to the Administrator. Having reviewed the phone call of 10 December 2021, I find that Mr E was sufficiently informed that he needed to send the Transfer Request and Discharge Form from the transfer out pack of 29 September 2021 to proceed with the transfer of his pension. The Administrator explained that the Retirement Options form needed to be completed only if he wished to take his pension from the Scheme.
33. As the Administrator did not receive the correct transfer forms within the guarantee period, it could not proceed with the transfer of Mr E's pension. I therefore do not find that the Administrator's actions amount to significant maladministration, or caused a direct loss as a result.
34. Mr E has argued that the Administrator failed to inform him that he had sent the wrong forms and that the guarantee period of the transfer quotation of 29 September 2021 had expired. This was despite his several phone calls and complaints. I do find that the Administrator took an unreasonable amount of time to respond to Mr E's complaint. Considering that Mr E had already explained his financial situation to the Administrator, I accept that this would have caused Mr E some distress and inconvenience.
35. However, the Administrator has acknowledged the delays it caused and its failure to notify Mr E earlier that the guarantee period had expired. It offered Mr E £50 in vouchers and a second transfer quotation free of charge, which would normally cost £420 (with additional VAT). I find this to be sufficient redress in respect of the distress and inconvenience Mr E has experienced.
36. I do not uphold Mr E's complaint, and no further action is required by the Trustee or the Administrator.

CAS-90329-R7N2

Dominic Harris

Pensions Ombudsman
22 January 2025