

## Ombudsman's Determination

Applicant	Mr T
Scheme	Sainsbury's Pension Scheme ( <b>the Scheme</b> )
Respondents	The Trustee of the Sainsbury's Pension Scheme ( <b>the Trustee</b> ) Willis Towers Watson ( <b>WTW</b> )

### Outcome

1. I partially uphold Mr T's complaint in respect of the award for distress and inconvenience, which I consider to be serious given the considerable delay and the administrative errors made by WTW.

### Complaint summary

2. Mr T complained that WTW caused delays to the transfer of his pension from the Scheme to Aviva.
3. Mr T said that he suffered a financial loss as a result of the delays.

### Background information, including submissions from the parties

4. The sequence of events is not in dispute, so I have only set out the salient points.
5. Mr T was a member of the Scheme, a Defined Benefit (**DB**) occupational pension scheme. WTW is the administrator of the Scheme.
6. On 15 October 2020, Mr T requested a Cash Equivalent Transfer Value (**CETV**) quotation from WTW.
7. On 22 October 2020, WTW sent a guaranteed CETV quotation to Mr T.
8. On 26 February 2021, WTW received a Letter of Authority (**LOA**) from Mr T's Independent Financial Adviser (**the IFA**). WTW sent the IFA information regarding Mr T's benefits in the Scheme, including a current projection of benefits, an early retirement quote and the FAQs document for the Scheme.

9. On 12 August 2021, Mr T telephoned WTW to request a further CETV quotation. He was advised that a fee of £150 was due, as it had previously issued a guaranteed CETV quotation within the last 12 months.
10. On 28 September 2021, Mr T paid the fee for the CETV quotation. WTW confirmed its receipt on 27 October 2021.
11. On 10 November 2021, Mr T chased WTW for an update on the CETV quotation.
12. On 13 December 2021, WTW issued a transfer pack with a CETV quotation for the amount of £319,199, which was guaranteed until 13 March 2022. It also said that it would refund the £150 Mr T paid for the CETV quotation due to the significant delays in issuing the transfer pack.
13. On 25 January 2022, the IFA contacted WTW with further questions regarding Mr T's pension benefits in the Scheme.
14. On 2 February 2022, WTW incorrectly advised the IFA that his LOA was invalid.
15. On 3 February 2022, the IFA telephoned WTW regarding the LOA and was informed that the original LOA would be valid and had not expired. The IFA was also informed that the request for information from 25 January 2022 would be escalated.
16. On 8 February 2022, the IFA provided a new LOA, as the original LOA was due to expire on 18 February 2022.
17. On 11 February 2022, the IFA sent the email of 25 January 2022 to WTW again and additionally requested a current projection, a retirement quotation and details of the Scheme's funding position.
18. On 14 February 2022, the IFA telephoned WTW and asked for an update on its requests.
19. On 16 February 2022, WTW sent the requested information to the IFA. Some of the information requested was still outstanding, however WTW advised that the other queries would be answered in separate emails.
20. On 18 February 2022, WTW paid the refund for the CETV quotation fee to Mr T.
21. On 21 February 2022, the IFA chased WTW for the outstanding information. The IFA also asked if some consideration could be given to an extension of the guarantee period.
22. On 23 February 2022, the IFA requested an extension to the guarantee period of the CETV quotation due to the time taken to receive the information.
23. On 28 February 2022, the IFA telephoned WTW and was advised that the information request and the request for an extension to the guarantee period was still with the administration team. The IFA asked for a telephone update and was informed that he could expect a response by 3 March 2022.

24. On 3 March 2022, the IFA contacted WTW again. The IFA was informed that WTW had sent an email on 1 March 2022, however, it was undelivered as it had used the wrong email address.
25. On the same day, WTW sent an email which contained some more information, but not all of the outstanding information. It also declined the request for an extension of the guarantee period.
26. On 4 March 2022, the IFA contacted WTW and repeated its request for an extension to the guarantee period of the CETV quotation. It also informed WTW that it was still not in possession of all of the necessary information required to be able to advise Mr T on whether a transfer of his Scheme benefits was appropriate. The IFA said the delay in providing the requested information was not an acceptable service standard. WTW declined the IFA's request for an extension to the guarantee period.
27. On 8 March 2022, Mr T telephoned WTW and asked for an extension to the guarantee period of the CETV quotation.
28. On 11 March 2022, WTW approved the request for an extension and the guaranteed date was extended to 28 March 2022. WTW confirmed this to Mr T by email and the IFA over the phone. It also apologised for the delays experienced.
29. On 25 March 2022, WTW received Mr T's completed discharge forms along with the Extra Information Sheet (**the Sheet**) and the Financial Advice Declaration.
30. On the same day, WTW also received the receiving scheme's discharge forms from Aviva by email.
31. On 4 April 2022, WTW issued its standard response explaining its due diligence process. On the same day, WTW sent an email to the IFA to ask for confirmation of employment from the IFA's head office, as its check of the FCA register produced a 'cloned' firm warning. A cloned firm is an unauthorised firm claiming to be authorised by the FCA.
32. On the same day, WTW requested the completion of the Sheet from Mr T. It also confirmed to Mr T and the IFA by phone that the guaranteed CETV had been secured.
33. On 5 April 2022, Mr T telephoned WTW and informed it that the Sheet was returned along with the transfer paperwork on 25 March 2022.
34. On 6 April 2022, WTW sent an email to Mr T confirming it was still awaiting the cloned firm information and that the Sheet was still outstanding.
35. On the same day, Mr T asked WTW why it had requested the Sheet again. He confirmed that he needed the transfer to take place as quickly as possible. Mr T sent the Sheet to WTW again the next day.
36. On 8 April 2022, Mr T complained to WTW expressing his dissatisfaction with the lengthy transfer process.

37. On 11 April 2022, WTW responded to Mr T and said that it was still awaiting information from the IFA to proceed with the transfer.
38. On 12 April 2022, the IFA contacted WTW asking for clarification on what information was still outstanding. Mr T also sent an email to WTW asking the same and requesting WTW to liaise with the IFA regarding the outstanding information.
39. On 27 April 2022, WTW sent an email to the IFA as it had not received the information requested on 4 April 2022. It also confirmed to Mr T that it needed additional information from the IFA's head office, and not from the IFA due to clone activity.
40. On 28 April 2022, WTW received the requested information from the IFA's head office, confirming the employment of the IFA.
41. On 2 May 2022, WTW sent an email to Mr T and confirmed that it now had the relevant confirmation for the IFA, but that the Sheet was still outstanding.
42. On 3 May 2022, Mr T contacted WTW about the Sheet. He was then advised that the request was incorrect and that it had already received the Sheet.
43. On 12 May 2022, Mr T contacted WTW and informed it that he was having financial difficulties due to delays to the transfer of his pension.
44. On 16 May 2022, Mr T was informed again that the Sheet was outstanding. Mr T sent the Sheet again on the same day.
45. On 18 May 2022, the transfer settlement for the original guaranteed CETV for the amount of £319,199.00 was made to Aviva. WTW also sent a confirmation email to Aviva and Mr T on the same day.
46. On 26 May 2022, WTW provided its full response to Mr T's complaint. It offered Mr T £250 in recognition of the delays and inconvenience caused.
47. On 10 August 2022, WTW sent a letter to Mr T and confirmed that it wished to pay a one-off payment of £250 for the distress and inconvenience caused.
48. On the same day, Mr T rejected the offer made by WTW.
49. On 17 August 2022, WTW increased its offer to £500 for the distress and inconvenience caused. However, this was also rejected by Mr T.
50. Following the complaint being referred to The Pensions Ombudsman (**TPO**), Mr T and WTW made further submissions that have been summarised below.

**Summary of Mr T's position:-**

- The entire process of transferring his pension to Aviva took over 12 months, when the industry standard is three months.

- He and the IFA had to chase for information and updates several times. WTW promised responses within certain timeframes, however, they were never met.
- Due to false information and promises he suffered financial difficulty and had to borrow £2,500 from a relative to stop defaulting on bills.
- If his IFA had not intervened and asked for an extension to the guarantee date, he would have lost £40,000.

### **Summary of WTW's position:-**

- Due to a necessity for manual intervention, the calculation of the CETV quotation took longer to prepare than expected.
- It fully acknowledges that there were delays in providing additional information to the IFA after its requests on 25 January and 11 February 2022, which necessitated multiple calls and emails from both Mr T and the IFA.
- WTW incorrectly informed the IFA that his LOA was invalid.
- WTW requested the completion of the Sheet from Mr T several times. However, the Sheet had already been received and these requests were unnecessary.
- It is unfortunate that the IFA's firm was subject to a cloning warning on the FCA register, which created an additional check and a further delay, however, WTW followed the correct procedure to obtain confirmation of the IFA's employment from the head office.
- WTW did not calculate a revised transfer value for Mr T, so it has seen no evidence of the £40,000 Mr T asserted that he 'nearly' lost. WTW paid the transfer quotation that was issued on 13 December 2021 to Aviva.
- It has apologised to Mr T for the delays, and the distress and inconvenienced caused, and it has offered £500 in recognition of this.

### **Adjudicator's Opinion**

51. Mr T's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustee or WTW. The Adjudicator's findings are summarised below:-

- It was maladministration that WTW delayed providing the CETV quotation that was requested on 12 August 2021. The CETV quotation was issued on 13 December 2021, which was an unreasonable amount of time and significantly outside of WTW's normal timeframe of 10 working days.
- WTW caused further delays to the overall transfer of Mr T's pension by failing to provide the information requested by the IFA in a timely manner. The IFA requested information from WTW on 25 January 2022 and 11 February 2022.

WTW partially responded to these requests on 16 February 2022, and the outstanding information was provided on 3 March 2022. It was the Adjudicator's view that the time taken to respond was unreasonable and WTW's actions constituted to maladministration.

- WTW made several unnecessary information requests to Mr T and the IFA. These requests caused further delays to the transfer of Mr T's pension overall. WTW had received the necessary information to progress the transfer on 28 April 2022, when it received confirmation of the IFA's employment in relation to the cloned firm warning. It continued to request the Sheet from Mr T after this and did not progress the transfer until Mr T provided the Sheet again on 16 May 2022. In the Adjudicator's view this amounted to maladministration.
- Although there were significant delays to the transfer of Mr T's pension, the Adjudicator agreed with WTW that Mr T did not suffer a financial loss in respect of the transfer amount that was paid to Aviva as he was able to secure the CETV quotation that was issued to him on 13 December 2021.
- The Adjudicator recognised that the delays would have caused Mr T distress and inconvenience, and that the IFA did request an extension to the guarantee period. However, she was still of the opinion that WTW paid the correct CETV amount to Aviva and Mr T had not been able to sufficiently evidence that he suffered a financial loss in respect of the transfer payment.
- Mr T claimed that he went into financial difficulties as a result of the delays. He has said he had to borrow £2,500 from his relatives to pay his bills due to false promises from WTW. WTW was making the transfer payment to a pension arrangement with Aviva and not directly to Mr T. As Mr T had not evidenced that he was intending to immediately withdraw his pension from Aviva following the transfer, it was the Adjudicator's view that Mr T's argument of financial loss was not supported.
- WTW offered Mr T £500 in recognition of the distress and inconvenience it had caused him. The Adjudicator considered that the award was sufficient.

52. Mr T did not accept the Adjudicator's opinion, and the complaint was passed to me to consider. He provided further comments in response to the Opinion. In summary, he said:-

- He did not consider £500 to be acceptable compensation for the distress and inconvenience he has suffered due to the errors by WTW.
- He has spent an inordinate amount of time on the phone with WTW as it kept asking for information it already had.
- The entire process was very upsetting, and it took a toll on his mental health.

- The IFA was informed of the potential reduction of £30,000 to £40,000 in the value of the CETV by WTW during a phone conversation. He would have suffered this financial loss had his IFA not requested an extension to the guarantee period of the CETV.

53. I have considered Mr T's further comments, and agree with the Adjudicator's Opinion except for the level of award for maladministration. Given the considerable unnecessary delay and administrative errors made by WTW, the maladministration will undoubtedly have caused Mr T serious distress and inconvenience, I am therefore increasing the award to £1,000.

### **Ombudsman's decision**

54. I agree with the Adjudicator that it was maladministration that WTW failed to issue the CETV quotation that was requested on 12 August 2021 in a timely manner. The CETV quotation was issued on 13 December 2021, which was significantly outside of WTW's normal timeframe of 10 working days.

55. I find that the WTW did not respond to the IFA's information requests within a reasonable timeframe. The IFA requested information from WTW on 25 January 2022 and 11 February 2022. WTW partially responded to these requests on 16 February 2022, and the outstanding information was provided on 3 March 2022. This amounts to maladministration.

56. WTW's unnecessary information requests caused further delays to the transfer of Mr T's pension overall. WTW had received the necessary information to progress the transfer on 28 April 2022, when it received confirmation of the IFA's employment in relation to the cloned firm warning. Yet, it continued to request the Sheet from Mr T after this and did not progress the transfer until Mr T provided the Sheet again on 16 May 2022. I find that WTW's actions in this respect also amount to maladministration.

57. I find that WTW did not complete the transfer of Mr T's pension at the earliest reasonable opportunity, and that the delays necessitated the IFA to request an extension to the guarantee period. However, an extension was granted by WTW and Mr T was able to secure the CETV that was issued on 13 December 2021. I therefore agree with the Adjudicator that Mr T did not suffer a financial loss in respect of the transfer payment that was made to Aviva.

58. Mr T has not provided any evidence that he was required to borrow money to pay his bills while the transfer was being processed nor that he intended to make an immediate withdrawal of his pension from Aviva following the transfer. I agree with the Adjudicator that Mr T's claim of financial loss is unsupported.

59. It is clear that there were several avoidable delays and errors by WTW, which necessitated multiple calls and emails from Mr T and the IFA. These amount to maladministration and have undoubtedly caused Mr T serious distress and inconvenience. WTW has offered Mr T redress of £500, which I find is insufficient

CAS-91740-X7K5

given the level of distress and inconvenience Mr T has experienced. I consider an award of £1,000 is appropriate in the circumstances.

## **Directions**

60. Within 28 days of the date of this Determination WTW shall pay Mr T £1,000 in respect of the serious distress and inconvenience which he has suffered.
61. No further action is required by the Trustee.

**Anthony Arter CBE**

Deputy Pensions Ombudsman

20 November 2024