

Ombudsman's Determination

Applicant	Mr Y
Scheme	DHL Group Retirement Plan (the Plan)
Respondents	DHL Pensions (the Administrator); and DHL Trustees Limited (the Trustee)

Outcome

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

Complaint summary

2. Mr Y has complained about the delays he experienced following his request to transfer his pension to Fusion Wealth SIPP (**the SIPP**). He says:-
 - He is unhappy with the service provided by the Administrator.
 - He transferred several other pensions in 2021, which each took around ten days to complete. Therefore, he expected it to take ten days to transfer the Plan, however, it took approximately 80 days.
 - He has suffered a financial loss of £2,316.64 and would like to be put back in the financial position he would have been had the delay not occurred.

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. Mr Y was a deferred member of the Plan which is a defined contribution (**DC**) pension scheme.
5. On 21 June 2021, the Administrator sent Mr Y a breakdown of the benefits he held in the Plan and the transfer paperwork. It said:-

"The value of DC Funds shown is an estimate and is not guaranteed. The value will continue to decrease or increase depending upon investment

performance; the final value of the DC funds could be lower or higher than that shown.

DC funds are based on unit prices on 21 June 2021, the unit linked prices vary daily. These prices may go down as well as up.

Should a transfer proceed, the amount payable will be the value at the time of disinvestment.

Please note that the transfer value is the same as the fund value.”

6. In January 2022, Mr Y received a pension quotation from his independent financial adviser (**the IFA**) valued at £67,457. The pension quotation stated that it was an illustration and not guaranteed.
7. On 24 January 2022, Mr Y authorised the IFA to arrange a pension transfer to the SIPP.
8. On 4 February 2022, the Administrator received a letter from the IFA which stated that it would be sending paperwork to initiate the transfer to the SIPP.
9. On 3 March 2022, Mr Y received a pension quotation which showed the value of his pension was £66,135.34. The pension quotation stated that it was not guaranteed and could change dependent on investment performance.
10. On 7 March 2022, the Administrator says it received the relevant paperwork to transfer Mr Y's benefits to the SIPP.
11. On 8 March 2022, the Administrator wrote to Mr Y advising him that he needed to book an appointment with XPS Pension Scam Identification Team (**XPS**) to complete a pension scam check. Mr Y subsequently made an appointment with XPS.
12. On 14 March 2022, Mr Y received a call from XPS who were tasked to complete the Plan's pension scam avoidance measures and provide a pension scam report. The relevant scam checks were completed.
13. On 5 April 2022, the Administrator contacted Mr Y to confirm whether he had completed the XPS pension scam check. Mr Y advised it that the call had been completed on 14 March 2022. The Administrator contacted XPS for an update on the outcome of the pension scam check. It received the completed pension scam report on the same day.
14. On 6 April 2022, the Administrator began the disinvestment process of Mr Y's funds. A call note from this day showed that the Administrator confirmed with Mr Y the value of his pension was £65,650. It then stated it would begin the disinvestment process and that it could take ten days for the transfer to complete.
15. On 14 April 2022, the Administrator wrote to Mr Y to confirm the amount of £65,140.36 was due to be transferred to the SIPP.

16. The transfer was made on 20 April 2022.
17. On 23 April 2022, Mr Y invoked the Plan's Internal Dispute Resolution Procedure (**IDRP**).
18. On 11 May 2022, the Trustee sent its stage one IDRP response. It did not uphold the complaint; however, it acknowledged it took longer than expected to receive the completed pension scam report and offered £100 compensation for the distress and inconvenience caused.
19. On 23 June 2022, Mr Y appealed the Administrator's stage one IDRP decision.
20. On 24 August 2022, the Trustee sent Mr Y its stage two IDRP decision, again not upholding his complaint. It increased its offer of compensation to £500 for the distress and inconvenience.
21. Mr Y bought his complaint to The Pensions Ombudsman (**TPO**) on 5 September 2022.

22. Summary of Mr Y's position:-

- The transfer process was made difficult due to the delays and poor communication.
- He transferred several other pensions in 2021 which each took around ten days to complete. Therefore, he expected it to take ten days to transfer the Plan to the SIPP, however, it took around 80 days to be completed.
- On 6 April 2022, he was advised the disinvestment process had begun and his pension was locked at £65,650.
- His pension was previously valued at £67,457, however £65,140.36 was transferred to the SIPP so he had suffered a loss of £2,316.64.

23. Summary of the Trustee's position:-

- Pension transfers can take up to 40 working days to be completed and the transfer was completed within 30 working days of it receiving the relevant paperwork on 7 March 2022.
- It acknowledged the delay in receiving an update from XPS regarding the pension scam call but said there were no unreasonable delays caused by the Administrator.
- It offered £500 compensation for the distress and inconvenience caused.

Caseworker's Opinion

24. Mr Y's complaint was considered by one of our Caseworkers who concluded that no further action was required by the Trustee or the Administrator. The Caseworker's findings are summarised below:-

- The Trustee acknowledged that there was a delay when completing the scam check with XPS. However, it did not agree that it was responsible for any financial loss, as the transfer of Mr Y's pension funds was made in a timely manner within its normal timeframe of 40 working days and without any undue delays.
 - Mr Y said his previous transfers were completed in ten days; however, each pension provider has its own set of timescales to complete a pension transfer. It was necessary for the Administrator to complete the XPS scam check and although there was a delay in XPS providing the relevant information to the Administrator, the transfer took place within 40 working days, which was its stated timescale.
 - It is normal for the value of funds invested in a DC pension scheme to fluctuate in line with market conditions. The pension quotation the Administrator sent to Mr Y on 21 June 2021 stated that should a transfer proceed, the amount payable will be the value at the time of disinvestment. The value of the pension at the time of disinvestment was £65,140.36 and this was subsequently transferred to the SIPP.
 - The Trustee acknowledged that Mr Y suffered some distress and inconvenience and offered an award of £500, which the Caseworker considered to be an adequate remedy.
25. Mr Y did not accept the Caseworker's Opinion and the complaint was passed to me to consider. Mr Y submitted further comments in response to the Opinion. In summary he said:-
- The service provided by the Administrator fell short of his expectations.
 - The Administrator received the completed transfer paperwork prior to 7 March 2022; however it requested an original signed copy of the paperwork. It also requested additional documents that could have been requested sooner.
26. I note the additional points made by Mr Y, but I agree with the Caseworker's Opinion.

Ombudsman's decision

27. Mr Y has complained that there was a delay in the transfer of his pension funds from the Plan into the SIPP. He claims that it took 80 days for the Administrator to complete the transfer. He wants to be compensated £2,316.64 for the financial loss suffered due to the delay.
28. Mr Y initially provided a timeline of events produced by the IFA on 14 June 2022 which stated that the Administrator confirmed receipt of the original paperwork and sent further transfer instructions on 22 February 2022. It said that the Administrator's request for original signatures attributed to the delay, and it took from 4 March 2022 to 21 April 2022 for the transfer to be arranged.

29. The IFA then sent Mr Y a further timeline of events on 23 February 2024 to support that the transfer paperwork was received prior to 7 March 2022. This timeline showed that the completed paperwork was sent to the Administrator by recorded delivery on 3 March 2022.
30. The Administrator has confirmed that it did not receive the requested completed paperwork until 7 March 2022, and it has no record of it receiving or acknowledging the relevant paperwork to transfer Mr Y's pension prior to this date.
31. The IFA has been unable to provide any substantial evidence to confirm that the completed transfer paperwork was sent prior to 3 March 2022. Based on the available information, it is reasonable to suggest that the paperwork was sent by recorded delivery on 3 March 2022 and on the balance of probabilities, it is likely that they were received by the Administrator on 7 March 2022.
32. Pension administrators have set Service Level Agreements (**SLA**) within which certain tasks must be completed. These SLAs therefore form the basis for how an administrator approaches its work on a daily basis. In this case, the Administrator had an SLA of 40 working days within which to process Mr Y's transfer.
33. Mr Y believed the transfer should have been paid within ten days based on previous transfers he had completed with other pension providers, but I find that the transfer was processed and paid within the established 40-day SLA, which I do not consider to be unreasonable. It is normal for a pension administrator to have their own SLAs when processing a transfer. I recognise that Mr Y was unsatisfied with the time it took to transfer the Plan. However, the transfer was completed within 40 working days, which is the Administrator's normal timescale.
34. The timescales set by the Trustee and the Administrator are targets and the intention is for the Administrator to aim to perform certain agreed actions within a given timeframe. Even if Mr Y was informed of a different timescale than the 40 working days, the timescales are not legally binding and missing them by a short amount of time does not automatically constitute maladministration. In Mr Y's case, the transfer was completed within the given SLA.
35. I can understand Mr Y's frustration regarding the time it took for the Administrator to receive the outcome of the XPS scam check. This check was necessary in order to protect Mr Y and the Trustee, and although I accept that the Administrator could have received the information sooner, it did not cause the overall transfer to be delayed. The Trustee has acknowledged the time it took to receive information back regarding the XPS scam check and has offered £500 for the distress and inconvenience caused. I agree with the Caseworker that this is an adequate remedy.
36. The Pension Schemes Act 1993, requires that a pension provider completes a transfer within six months of a valid request by the member. In many cases, where it is a straightforward transfer, it should be completed within a shorter timeframe. I find that the time taken for Mr Y's transfer was reasonable.

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37. Mr Y stated that during a phone call on 6 April 2022, he was advised that the transfer value was locked at £65,650. The caseworker was unable to obtain a copy of the call, however the call notes state that the disinvestment of Mr Y's funds were set up on the same day. Mr Y was invested in a DC pension scheme and the value of the pension can therefore go up and down depending on market conditions. At the time of disinvestment, the value of the Plan was £65,140.36, I am therefore satisfied that the amount transferred to the SIPP was correct at the point of disinvestment.
38. I do not uphold Mr Y's complaint and no further action is required by the Trustee or the Administrator.

Anthony Arter CBE

Deputy Pensions Ombudsman

24 June 2024

Appendix

Pension Schemes Act 1993

Section 99 (2) - (2ZA)

Trustees' duties after exercise of option

- (1) Where —
 - (a) a member has exercised the option conferred by section 95; and
 - (b) the trustees or managers of the scheme have done what is needed to carry out what the member requires,

the trustees or managers shall be discharged from any obligation to provide benefits to which the cash equivalent related except, in such cases as are mentioned in section 96(2), to the extent that an obligation to provide such guaranteed minimum pensions . . . continues to subsist.
- (2) Subject to the following provisions of this section, if the trustees or managers of a scheme receive an application under section 95 they must do what is needed to carry out what the member requires—
 - (a) in the case of an application that relates to benefits other than money purchase benefits, within 6 months beginning with the guarantee date shown in the relevant statement of entitlement, . . .
 - (b) in the case of an application that relates to money purchase benefits [other than collective money purchase benefits], within 6 months beginning with the date of the application, and
 - (c) in the case of an application which relates to money purchase benefits that are collective money purchase benefits, within 6 months beginning with the date of the application or such longer period beginning with that date as may be prescribed.

(2ZA) Subsection (2) does not apply if the trustees or managers have been unable to carry out what the member requires because a condition prescribed by regulations under section 95(6ZA) has not been satisfied.