

Ombudsman's Determination

Applicant	Mr Y
Scheme	Halifax SIPP (the SIPP)
Respondent	AJ Bell Management Limited (AJ Bell)

Outcome

1. I do not uphold Mr Y's complaint and no further action is required by AJ Bell.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr Y is complaining that AJ Bell arranged a transfer from Standard Life Limited (**Standard Life**), however, the transfer was made in cash instead of in specie as he requested. Mr Y believes he has suffered a loss because of this.

Background information, including submissions from the parties

4. On 25 January 2016, Mr Y completed a transfer form asking for the transfer of two separate fund holdings. On 2 February 2016, AJ Bell informed him that one of the two funds could not be held in the SIPP. On 3 February 2016, they confirmed that the other fund could be held and the same day Mr Y told AJ Bell he had actioned a transfer to consolidate his holdings within that fund. On 4 February 2016, AJ Bell wrote to Standard Life, and provided the transfer form which gave authority for Standard Life to send the two funds which it held to AJ Bell. The accompanying letter asked for the transfer of "cash and assets" and for the return of the transfer forms when transfer had completed. It said 'please use the date that the stock is transferred as the effective date of transfer'. It also said 'it is very important that you also advise me of the full details and timing of the transfer, which should occur on the same business day where there are multiple assets to be transferred.'
5. On 23 February 2016, Standard Life replied with a CETV, and asked for further details, including written or verbal authority to transfer, acceptance from the receiving scheme and BACS details.

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6. On 23 March 2016 Standard Life transferred £16,930.32 in cash and nothing in specie to AJ Bell. When Mr Y became aware that the transfer had been made in cash and not in specie, as requested, he emailed AJ Bell, and asked for the matter to be rectified.
7. AJ Bell said it was looking into matters and contacted Standard Life to find out why it did not send the funds in specie as instructed on the transfer form.
8. On 13 April 2016, AJ Bell said they had now had an answer from Standard Life who said they were unable to transfer in specie.
9. On 5 May 2016, AJ Bell said they were arranging to transfer the money back.
10. On 23 May 2016, Mr Y requested that they reinstate the fundholding, refund the £60 transfer charge and allow him to transfer to another SIPP provider free of charge.
11. On 8 June 2016, AJ Bell told Mr Y that Standard Life were prepared to accept the funds back providing they were returned by 10 June 2016. The short timescale to reply was imposed by Standard Life.
12. On 9 June 2016, Mr Y replied saying that he would agree to the proposal provided AJ Bell would agree to the other two conditions.
13. AJ Bell did not return the funds and the cash remained uninvested. Mr Y raised a formal complaint with AJ Bell. On 16 June 2016, AJ Bell provided their position on his complaint to them. It said that Standard Life were at fault as it should have made the transfer in specie as this is what the transfer form requested. Standard Life offered to take the funds back to put Mr Y in the position he would have been in, but he was only given a short window to accept this, which he missed, due to the conditions he raised.
14. On 17 August 2016, Mr Y brought his complaint to the Ombudsman. His view was that AJ Bell provided misleading information in their letter of 4 February 2016, when it asked for the transfer of cash and assets, as opposed to a transfer in specie. He believed this is why Standard Life completed the transfer in cash.
15. AJ Bell's letter of 16 June 2016, said that Standard Life had confirmed that AJ Bell should have been informed that the transfer could not be processed in specie and in light of this they offered to accept the transfer back. However, Mr Y instructed that the funds should not be returned to Standard Life.
16. Mr Y considers that his complaint is against AJ Bell, as this was the only company he had dealt with regarding the transfer. He says he did agree to transfer the funds back when offered this and it is not his fault that the deadline was missed. It was because AJ Bell could not organise their response to his other two requests in time 'so they decided not to pursue this route.'

Adjudicator's Opinion

17. Mr Y's complaint was considered by one of our Adjudicators who concluded that no further action was required by AJ Bell. The Adjudicator's findings are summarised briefly below:
- AJ Bell sent information to Standard Life which clearly requested for a transfer in specie.
 - Standard Life received information asking for the transfer to be made in specie. However, it processed the transfer in cash. Therefore, AJ Bell cannot be held responsible.
18. Mr Y did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr Y provided further comments which do not change the outcome. I agree with the Adjudicator's Opinion, summarised above, and I will therefore only respond to the key points made by Mr Y for completeness.

Ombudsman's decision

19. Mr Y arranged for all his investments to be transferred together in specie. Mr Y says that AJ Bell should have checked that the transfer from Standard Life was in specie before accepting. I have some sympathy with this argument, but I do not consider that the fault lies with AJ Bell. Mr Y asked for transfer of two funds, which AJ Bell knew had been consolidated into one so that it could be received in specie. AJ Bell asked for the transfer in terms which foresaw that some cash might need to be transferred as well as holdings in specie, but I do not find that it was wrong that the standard letter requested this. The application clearly stated that the transfer was to happen in specie. It did not request disinvestment. AJ Bell then received documents from Standard Life which offered cash and asked for BACS details. This was clearly inconsistent with AJ Bell's request.
20. Mr Y said that AJ Bell were managing the transfer process and received a payment for this. Therefore, he believed it was their responsibility to make sure the transfer happened correctly. Although, I sympathise with Mr Y's position, both parties had a responsibility to make the transfer happen according to instructions given by Mr Y. It is clear that Standard Life did not follow the instructions set out by him and AJ Bell. In my view AJ Bell cannot be held responsible for that failing.
21. I accept that AJ Bell should have noticed that the transfer had not happened as Mr Y requested. However, when the matter came to light they endeavoured to put matters right for Mr Y. It contacted Standard Life as soon as it became aware the transfer had happened in cash. Standard Life then offered to take the funds back but left a small window of time for this to happen. I do not consider that AJ Bell can be held responsible for Mr Y missing the short deadline that Standard Life imposed, as it had no control on the deadline set by Standard Life.

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22. Therefore I do not uphold Mr Y's complaint against AJ Bell.

Karen Johnston

Deputy Pensions Ombudsman

30 March 2017