

## Ombudsman's Determination

Applicant	Mrs Jan Johnson
Scheme	Local Government Pension Scheme ( <b>LGPS</b> )
Respondent	London Borough of Redbridge ( <b>Redbridge</b> )

## Outcome

1. Mrs Johnson's complaint against Redbridge is partly upheld.
2. To put matters right within 21 days Redbridge should provide Mrs Johnson with an apology and £500 for the distress and inconvenience she has suffered.
3. My reasons for reaching this decision are explained in more detail below.

## Complaint summary

4. Mrs Johnson has complained that Redbridge have caused unnecessary delays in providing her with a transfer quotation. She required this information so the transfer could go ahead before her 64<sup>th</sup> birthday on 23 January 2017.

## Background information, including submissions from the parties

5. Mrs Johnson's contact at Liverpool Victoria (**LV**) requested a pension transfer on her behalf in March 2016.
6. On 12 April 2016 Redbridge advised, that due to the changes announced in the Spring Budget, it needed to revise its guidance and the factors used when calculating transfer values. It said it would not be able to issue a transfer quotation until this had been completed. On 1 June 2016 it informed Mr Johnson that it had now obtained what it needed from GAD, was completing a system upgrade and then would treat Mrs Johnson's calculation as a priority.
7. On 9 June 2016, Mrs Johnson's representative, Mr Johnson, invoked stage one of the LGPS Internal Disputes Resolutions Procedure. He complained that it had been a few months since a transfer value was requested. Mr Johnson said Mrs Johnson's 64<sup>th</sup> birthday was fast approaching and she would no longer be able to transfer to a different final salary scheme if the transfer had not happened by 23 January

2017. Therefore, she needed the information as a matter of urgency. This letter was then chased with an email on 25 July 2016, and no response was received. Mr Johnson also complained that Mrs Johnson had incurred fees of £900 for financial advice she had obtained about transferring. As Redbridge did not provide the transfer quotation in a timely manner Mrs Johnson believed it should cover the cost of this.

8. On 10 September 2016 Mr Johnson complained to the Ombudsman, asking that Redbridge be directed to provide a transfer quotation, effect the transfer upon receipt of the necessary advice and provide compensation for delay.
9. On 27 October 2016 Redbridge sent the transfer value quotation to LV, but this did not include all the information that LV required to advise for example, the early retirement factors, commutation factors, revaluation details, indexation in payment details, and guarantee period, pension at date of leaving. That information remained outstanding. On 6 December 2016 LV clarified the additional information which it required. On 22 January 2017 the transfer of the funds took place.

### **Adjudicator's Opinion**

10. Mrs Johnson's complaint was considered by one of our Adjudicators who concluded that further action was required by Redbridge. The Adjudicator's findings are summarised briefly below:
  - Redbridge were aware that Mrs Johnson required a transfer value and the length of time it took to provide this amounted to maladministration.
  - The transfer quotation was requested in March 2016. Although there were issues when the initial request was made due to the Spring Budget Redbridge still had a reasonable amount of time to provide this information.
  - Redbridge are not at fault that Mrs Johnson paid for financial advice before she had received the information required.
11. Mrs Johnson did not accept some of the points in the Adjudicator's Opinion and the complaint was passed to me to consider. Mrs Johnson made 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 Mrs Johnson for completeness.

### **Ombudsman's decision**

12. The Adjudicator's Opinion requested that Redbridge complete the transfer before Mrs Johnson's 64<sup>th</sup> birthday. The transfer of the funds took place on 22 January 2017, just the day before Mrs Johnson's birthday.
13. Whilst the transfer was processed before the deadline of 23 January 2017 that clearly would not have happened had Mr Johnson, Mrs Johnson's representative, not

personally taken all the papers to Redbridge's office to ensure the transfer could happen within the timescale. I consider that Redbridge's delay in providing the quotation caused Mrs Johnson unnecessary stress and inconvenience.

14. Mrs Johnson says that it took a number of months for the information to be provided to LV, and this caused her a lot of time and trouble in constantly having to contact Redbridge. I accept that. Redbridge's delay eventually led Mrs Johnson to bring the complaint to my office and without doing so she believes the transfer would not have gone ahead. I can see why she considered it was necessary to complain and agree that she should not have had to put that much effort into what should have been a simple transfer process.
15. However, I do not agree that an additional cost of £900 was incurred because of the delay. LV's email of 13 September 2016 states that after Mrs Johnson agreed a single price for work on both transfers, they introduced an amended fee structure. When Mrs Johnson told them she needed each piece of advice to proceed separately they offered her that revised fee structure. The figures set out in the 13 September 2016 email show that overall Mrs Johnson was only £18 worse off paying for each piece of advice separately than she would have been paying for both at once under the higher rates which previously applied. In those circumstances I consider that she will be adequately compensated with an award for distress and inconvenience.
16. Therefore, I partially uphold Mrs Johnson's complaint.

## **Directions**

17. To put matters right within 21 days Redbridge should provide Mrs Johnson with an apology and £500 for the distress and inconvenience she has suffered.

**Karen Johnston**

Deputy Pensions Ombudsman  
28 February 2017