

## The complaint

Mr G says The Prudential Assurance Company Limited ('Prudential') has not provided sufficient redress (and compensation for trouble and inconvenience) for mismanaging the transfer of his Self-Invested Personal Pension ('SIPP') to Aegon in 2020, and for the delay it caused to the transfer.

Prudential accepts that it caused a delay to the transfer but it says Mr G incurred no resulting financial loss and that it has paid him £300 for the trouble and inconvenience caused by the delay.

## What happened

One of our investigators looked into the complaint and concluded that it should be upheld. Both parties disagreed, for their respective reasons, with her conclusions and the matter was referred to an ombudsman.

Overall, the investigator mainly found as follows:

- Mr G's financial adviser led the transfer request on his behalf.
- The transfer request was activated in the Origo electronic transfer service on 15 April 2020, based on a transfer value of £107,605.44; the adviser sought an update on 27 April and Prudential responded on 29 April to say the request had been rejected because only one SIPP plan number had been given in the application, but Mr G had seven fund plans and a cash plan within his SIPP, so individual transfer requests were required for each; in response, and on the same date, the adviser submitted an updated letter of authority for all eight SIPP plans but Prudential limited his access to only six of them; on 29 April, and again on 6 May, Prudential also wrongly confirmed a transfer value of £218,256.91, which it corrected (in May) to £110,000; on 13 May the adviser raised concerns about Prudential's management of the transfer process and on 15 May Aegon submitted a fresh inward transfer request through Origo; the transfer had an expected completion date of 27 May but a disinvestment delay meant it was completed on 8 June; and the total of £110,681.96 was transferred to Mr G's Aegon SIPP on this date.
- Prudential was not wrong to reject the first application, its process needed confirmation on whether a full or partial transfer of the SIPP was requested, so its request for resubmission of the application for each and every plan within it was not unreasonable. However, had Prudential given the correct information to the adviser when it should have the transfer would have been completed sooner than 8 June.
- Had Prudential given the correct valuation, on 29 April and 6 May, the fresh transfer request could have been submitted earlier. Instead, and up to 13 May, the adviser had to pursue clarification of the incorrect valuation and had to amend his advice to Mr G, so the request was not resubmitted until 13 May. But for Prudential's incorrect valuation, an earlier resubmission would have led to completion of the transfer by 20 May.

- Prudential should calculate and pay Mr G redress based on the finding that the transfer should have been completed by 20 May 2020 – in the context of any resulting loss in transfer value and in the context of investment value in the Aegon SIPP. Prudential's payment of £300 to him for the trouble and inconvenience caused is reasonable. He says a comparator complainant received more and so should he, but his case is to be viewed on its circumstances and Prudential appears to have highlighted and corrected its valuation error fairly quickly. What it paid Mr G is fair in these circumstances.

Mr G, with supporting submissions from his adviser, says the basis for redress should be a date earlier than 20 May and should be a date in late April because, primarily, Prudential was unreasonable in rejecting the first request of 15 April.

His adviser presented a comparison between his case and the adviser's experience in other Prudential related transfers. Their argument is that Prudential has processed transfers in other cases based, only, on citation of the lead plan within a SIPP; it had the same (or something comparable) in Mr G's case and the request that was submitted made it clear that the subject of transfer was the entire SIPP; it did not need to have all eight plans set out in the request so it did not need to decline the initial request; that request should have been accepted; it was based on the transfer request to Aegon on 10 April and the Origo activation date of 15 April (either of which should be regarded as the transfer process start date) and the transfer should therefore have been completed by late April 2020.

Mr G also shared evidence about what Prudential's stance was in what he considers to be a comparable case. The investigator repeated that each case will be considered on its circumstances. Mr G understood this but said a point that he wishes to be noted is that Prudential adopted a conceding approach in that case, yet it disputes his.

Prudential's key disagreement with the investigator's view is that it believes, but for its valuation error and the delay it caused, the transfer would indeed have been completed earlier than 8 June but not as early as 20 May (which is what the investigator found). Instead, it says the transfer would have been completed by 26 May, based on a likely resubmission on 8 May. It stresses that the 8 June transfer value was around £3,000 more than what it would have been on 26 May, so there is no loss in this respect; and that it tried its best to obtain information from Aegon about any potential investment loss in the context of the Aegon SIPP but, contrary to Aegon's claims, it never received a response (despite chasing one). It maintains that it did no wrong in rejecting the initial application – because it required specific and procedural clarity on the plans subject to the transfer request. It also made enquiries, through the investigator, about the source and background of information used in the requests (and letters of authority) submitted by Mr G's adviser.

The investigator said she made no finding of wrongdoing by Prudential with regards to its rejection of the initial application and that in terms of the hypothetical timeline on which it has based its argument, it failed to reflect the fact that submission of the second request would not have been delayed if the wrong valuation information had not been given.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The fact that Prudential issued incorrect transfer valuation information, on 29 April (and, it appears, 7 May) is not disputed. The timeline of events shows that time was consumed, up to 13 May (with regards to clarifying this information) when the second transfer request was

submitted, which eventually resulted in completion of the transfer of Mr G's SIPP on 8 June. Prudential essentially concedes the substance of Mr G's complaint, it accepts responsibility for the incorrect transfer valuation information and for the delay that caused to the transfer process, but disputed issues remain in terms of the redress due to Mr G.

Those issues are about whether (or not) redress has been fairly calculated (especially in terms of the date(s) on which the calculation rests) and whether (or not) Mr G should be awarded more than the £300 he has received for trouble and inconvenience. With regards to the former, the questions are whether (or not) the second transfer request should have been required – if not, Mr G says redress should be calculated on the basis that the transfer, through the first transfer request, should have been completed in late April; if the second request was reasonably required, the question that arises is when the transfer would have been completed, but for Prudential's valuation information error and the delay it caused – the investigator concluded on 20 May but Prudential says it would have been 26 May.

I have noted Prudential's submissions about its efforts to obtain information from Aegon on potential investment loss and its queries about how Mr G's adviser submitted the initial transfer request. On balance, I do not consider that either needs to be determined in order to resolve the complaint. It does not appear to be disputed that redress to Mr G reasonably extends to considerations in the context of the receiving Aegon SIPP. This is fair because that SIPP was the destination of the transfer, so it (and any potential investment loss in this respect) is not remote to the delayed completion of the transfer. With regards to Prudential's queries about the input behind the adviser's initial transfer request, my first finding directly below is that, on balance, Prudential was not wrong to request a resubmission of the request. The implication is that the output of the adviser's first submission did not meet what was required. On balance, I consider that this – and not necessarily the input leading to that submission – is what needs to be determined and is what I determine below.

I understand Mr G's adviser's arguments about his experience in previous transfers involving Prudential and in which all that was required was citation of a lead plan number; and about there being enough information in the initial request to make clear that the entire SIPP was subject to the transfer request. Nevertheless, it does not automatically follow that Prudential was *obliged* to proceed as he has argued. I have not seen evidence of a definitive policy that says such an obligation existed at the time. It was also not automatically unreasonable for it to seek clarification and confirmation of the precise plans within the SIPP that the transfer request wanted to transfer. Such clarity benefited both sides – it helped Prudential to be certain about what it was being instructed to do and it catered to Mr G's interest in terms of ensuring the plans within his SIPP were transferred only upon his explicit instruction (for each plan) to do so.

Origo documentation that has been shared with us shows that the adviser's initial transfer request was made on 13 April and activated in the system on 15 April, and that on 29 April Prudential updated the system with notice that included the following –

*"Please request all 8 plans individually if the full SIPP is to be transferred. If this is just a partial transfer please re-request as a partial transfer quoting the amount to be transferred. We re [sic] unable to proceed with the transfer until we receive the correct requests"*

The adviser was also sent an email, by Prudential, on 29 April conveying the same message (with details of all eight SIPP plans). He appears to have shared this notice with Mr G, because there is an email from him (Mr G) to Prudential – sent the next day (30 April) – in which he said *"I'm hoping you will be able to help, my IFA is struggling to withdraw funds as Prudential have said there are 8 policies and they require individual transfer requests, I'm only aware of 2 policies (below), is there others ?"*

The suggestion, or fact, that Mr G was not aware of the total number of plans within his SIPP appears to show even further justification for – and benefit of – Prudential declining the initial request and querying which plans were subject to the request. Had it not done that, it could have transferred all eight plans whilst Mr G held the belief that only two existed and were to be transferred. Due to Prudential's actions, it appears that Mr G was rightly put into a fully informed position, from which he instructed the transfer of all eight plans within his SIPP.

Overall, on balance and for the above reasons, I do not consider that Prudential was unreasonable in declining the first transfer request. I consider that resubmission of Mr G's transfer request was reasonably requested.

The documentation then shows that the resubmitted transfer request was made on 13 May and activated in the system on 15 May.

Mr G's adviser replied immediately to Prudential's email of 29 April by forwarding it a revised letter of authority for the transfer of all eight SIPP plans. However, the valuation information provided directly by Prudential created an issue that required clarification and resolution before any further step towards resubmission could be taken.

The SIPP's transfer value on 29 April was stated on the Origo system as around £107,607. However, on the same date (29 April) and then on 7 May Prudential wrote to Mr G's adviser referring to a total transfer value that was around double this figure. This is the erroneous valuation that Prudential accepts responsibility for. The adviser tried to clarify the conflict by accessing the plans online but he found that he had access to only six of the eight plans (which also showed higher valuations) – there is evidence that he began this pursuit before 7 May as he wrote to Mr G on 4 May with an update on the six plans he had found. He engaged with Prudential to try to resolve this limited access issue (and the need for full access). By 13 May he felt compelled to resubmit the transfer request with the information he had available to him – and, separately, to submit a complaint to Prudential on the same date. Prudential replied the following day (14 May) with an apology for the incorrect valuation(s) and confirmation that the total SIPP transfer value at the time was £110,684.94.

The transfer value misinformation from Prudential to the adviser from 29 April and up to when it was corrected on 14 May is a pivotal event that delayed resubmission of the transfer request. That delay was contributed to by the fact that, despite the revised letter of authority that was given to Prudential, the adviser's online access to the SIPP was limited to only six of the eight plans and the online valuation information was also incorrect. Prudential's correction did not happen until the day after the transfer request was resubmitted, and a day before the resubmission was activated in Origo.

But for the above sequence of events – that is, if the correct, and consistent, valuation information was provided on 29 April and if the adviser had full access to the SIPP online (and/or did not need to investigate the individual plan values online because the correct/consistent value had been given) – I consider that the adviser would probably have resubmitted the transfer request around 29 April.

There is enough evidence to show that, overall, he (the adviser) undertook the transfer pursuit in an efficient and time conscious manner, and I have referred to some of this evidence above. He updated and sent Prudential the revised letter of authority on 29 April. If there was nothing of concern or conflict about information (including valuation information) on the eight SIPP plans it is more likely (than not) that he would have resubmitted the transfer request promptly around this date. In the alternative timeline that Prudential has presented, it appears to accept that it should have issued its rejection of the first request and confirmation of the correct valuation on 22 April – seven days earlier than its letter of 29 April.

In that case, it could be argued that the second request would have been submitted by the adviser even earlier than 29 April.

For the above reasons, I do not accept Prudential's argument that, but for its valuation error and delay, the second request would have been made on 8 May. Without cause for concern and further investigation, I have not seen reason why the adviser would have delayed the resubmission between 22 April (or even 29 April) and 8 May. Instead, a resubmission of the request between 22 April and around the end of April is more likely (than not) to have happened.

Prudential's alternative timeline also concedes that it should have completed the transfer within 18 days of the resubmission. On this basis and in the context that resubmission of Mr G's transfer request would have happened between 22 April and around the end of April, the transfer should have been completed by 20 May as the investigator concluded.

Of course, the above cannot be concluded with precision because it is a consideration, in retrospect, of what would *probably* have happened if Mr G's resubmitted transfer request had progressed as it ought to have. Overall, on balance and for the reasons I have addressed, I am persuaded that the resubmitted transfer request would have led to completion of the transfer on 20 May 2020.

### **Putting things right**

My aim is to put Mr G as close as possible to the position he would now be in if the transfer of his SIPP from Prudential had been completed on 20 May 2020. In order to do so, I order Prudential to do the following:

- Calculate the total transfer value Mr G's SIPP would have had if the transfer was completed on 20 May 2020. (A)
- Calculate the total transfer value of his SIPP when it was transferred on 8 June 2020. (B)
- If A is greater than B, pay the difference to Mr G in compensation for loss of transfer value. If B is greater than A, no such compensation is due.
- Contact Aegon and obtain the notional value of Mr G's pension on the basis that the value of A had been received by Aegon on 20 May 2020; and obtain the current value of his Aegon pension. [Mr G is ordered to engage meaningfully and co-operatively with Prudential to provide it with information and/or consent, which it does not already have and reasonably needs for this purpose.] If the notional value is greater than the current value the difference is compensation for SIPP investment loss that is due to Mr G. If the current value is greater than the notional value, no such compensation is due.
- Pay due compensation into Mr G's pension plan, if possible, to increase its value by the amount of the compensation. The payment should allow for the effect of charges and any available tax relief. The compensation should not be paid into his pension plan if it would conflict with any existing protection or allowance. If the compensation cannot be paid into his pension plan, pay it directly to him. Had it been possible to pay it into the plan, it would have provided a taxable income, so the compensation should be reduced to *notionally* allow for any income tax that would otherwise have been paid. The *notional* allowance should be calculated using his actual or expected marginal rate of tax at his selected retirement age. For example, if he is likely to be a

basic rate taxpayer at the selected retirement age, the reduction would equal the current basic rate of tax. If he would have been able to take a tax-free lump sum, the reduction should be applied to 75% of the compensation.

I share the investigator's findings on Mr G's claim for more compensation for trouble and inconvenience. I understand the comparison he has drawn with the other case he referred to, but my task is to consider an award for such compensation in the circumstances of his case. Prudential has paid him £300 for the trouble and inconvenience the matter caused him. His transfer pursuit was unreasonably set back by around a fortnight, but the error caused by Prudential was resolved during this period and the resubmitted transfer request then progressed to a conclusion without any major additional delays. Overall, on balance and in these circumstances, I am not persuaded that there is a call to make an award for trouble and inconvenience beyond the £300 that Mr G has already received.

### **My final decision**

For the reasons given above, I uphold Mr G's complaint. I order The Prudential Assurance Company Limited to calculate and pay him compensation as set out above, and to provide him with a calculation of the compensation in a clear and simple format.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 May 2022.

Roy Kuku  
**Ombudsman**