DRN-3262914

The complaint

Mr T complains about the advice given by Grove Pension Solutions Limited to transfer the benefits from his defined-benefit ('DB') occupational pension scheme with British Steel (BSPS) to a personal pension. He says the advice was poor and the pension transfer was unsuitable for him. He believes he has lost out because of it.

What happened

In March 2016, Tata Steel UK Ltd announced that it would be examining options to restructure its business including decoupling the BSPS from the company. The consultation with members referred to possible outcomes regarding their preserved pension benefits, one of which was a transfer to the Pension Protection Fund ('PPF') – the PPF is a statutory fund designed to provide compensation to members of defined benefit pension schemes when their employer becomes insolvent. The BSPS was closed to further benefit accrual from 31 March 2017.

In May 2017, the Pension Protection Fund (PPF) made the announcement that the terms of a Regulated Apportionment Arrangement (RAA) had been agreed. That announcement said that, if risk-related qualifying conditions relating to funding and size could be satisfied, a new pension scheme sponsored by Mr T's employer would be set up – the BSPS2.

In October 2017, members of the BSPS were being sent a "Time to Choose" letter which gave them the options to either stay in BSPS and move with it to the PPF, move to BSPS2 or transfer their BSPS benefits elsewhere. The deadline to make their choices was 11 December 2017 (and was later extended to 22 December 2017). Mr T opted to join the BSPS2 ahead of receiving advice so that he didn't lose the opportunity to join this scheme.

Mr T sought advice about his pension arrangements and was referred to Grove by another adviser as they weren't able to advise him on his pension planning. Mr T approached Grove on 2 January 2018 to discuss his pension and retirement needs. Grove says he also asked for help in moving his BSPS benefits.

Grove completed a fact-find in January 2018 to gather information about Mr T's circumstances and objectives. Some of the relevant information recorded about Mr T's circumstances was that:

- He was 36, he lived with his partner and two dependent children.
- He was employed full time at Tata Steel, his income was around £2,500 a month and their joint expenditure was at a similar level.
- He, and Mrs T, owned their own home which was subject to a mortgage.
- They had no other savings or investments.
- Mr T was a member of his employer's new defined contribution ('DC') pension scheme into which 16% of his salary was being invested each month.

Grove also carried out an assessment of Mr T's attitude to risk, which it said was 'medium'.

On 15 January 2018, Grove advised Mr T to transfer his BSPS pension benefits, which were valued at £101,020.24, into a Royal London personal pension and invest the proceeds in one of its managed funds. The suitability report said the reasons for this recommendation were that Mr T wanted:

- To improve his death benefits before retirement and better provide for his partner and two young children.
- To be able to withdraw his tax-free cash, and possibly an income, flexibly. And he wanted to retire early, that is ideally from age 57 to 60.
- An income of £15,000 per year in today's terms.
- To minimise the effect of the reduced lifetime allowance.

Mr T complained in July 2020 to Grove about the suitability of the transfer advice.
I understand that he had some contact with the industry regulator and this led to him thinking that the DB transfer might not now be right for him.

Grove didn't uphold Mr T's complaint. It said the advice was given in accordance with the regulators guidance and was suitable for him. The transfer met his objectives of providing better death benefits and using his fund in a more flexible way.

Mr T referred his complaint to our service. An investigator upheld the complaint and recommended that Grove pay compensation. He thought that Mr T would lose out financially due to the transfer of his BSPS pension. And the provision of different death benefits wasn't enough on its own to outweigh this. The advice didn't fully consider Mr T's options at retirement. So, it wasn't in his best interests to transfer his DB scheme.

Grove disagreed, saying:

- It wasn't right to compare the critical yield and the discount rate to determine financial viability. And in any event, Mr T was told the investment returns needed were not achievable.
- But the transfer would still provide a reasonable income and allow him to retire early, and it met his other aim of providing better death benefits.
- Mr and Mrs T's retirement income needs would most likely be met by their other provisions, so they needed a fund to 'bridge' the time between Mr T's early retirement and state pension age.

Grove also got a third party to conduct a technical analysis of the transfer. This concluded that:

- The transfer amount was good value. Given Mr T's age, and the potential returns from equities, it should perform well.
- The transfer was a good fit for him. And as he, and Mrs T, also would have some state pension provision it would be reasonable to use his DB scheme to fund Mr T's early retirement. That is to fund the period between his actual retirement and when the state pension started.

The investigator considered all of the further information provided. But he wasn't persuaded to change his opinion. He was still of the view that the increased risk from the pension transfer, compared with the risk-free BSPS pension, represented a great risk than it was likely Mr T wanted to take.

As no agreement was reached the complaint was referred to me to make a final decision.

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.

I've taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. This includes the Principles for Business ('PRIN') and the Conduct of Business Sourcebook ('COBS'). And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

The applicable rules, regulations and requirements

The below is not a comprehensive list of the rules and regulations which applied at the time of the advice, but provides useful context for my assessment of Grove's actions here.

PRIN 6: *A firm must pay due regard to the interests of its customers and treat them fairly.*

PRIN 7: *A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.*

COBS 2.1.1R: *A firm must act honestly, fairly and professionally in accordance with the best interests of its client (the client's best interests rule).*

The provisions in COBS 9 which deal with the obligations when giving a personal recommendation and assessing suitability. And the provisions in COBS 19 which specifically relate to a DB pension transfer.

Having considered all of this and the evidence in this case, I've decided to uphold the complaint for largely the same reasons given by the investigator.

The regulator, the Financial Conduct Authority ('FCA'), states in COBS 19.1.6 that the starting assumption for a transfer from a DB scheme is that it is unsuitable. So, Grove should have only considered a transfer if it could clearly demonstrate that the transfer was in Mr T's best interests. And having looked at all the evidence available, I'm not satisfied it was in his best interests.

Financial viability

Grove carried out a transfer value analysis report (as required by the regulator) showing how much Mr T's pension fund would need to grow by each year in order to provide the same benefits as his DB scheme (the critical yield). However, this was based on his existing scheme benefits and Mr T didn't have the option to remain in the BSPS – he either needed to opt into the BSPS2 or move with the scheme to the PPF. And in fact, he'd already opted into the BSPS2 and the benefits provided by the BSPS2 were known by the time Grove gave its advice, so, Grove's analysis should've been based on these benefits.

The advice was given after the regulator gave instructions in Final Guidance FG17/9 as to how businesses could calculate future 'discount rates' in loss assessments where a complaint about a past pension transfer was being upheld. Prior to October 2017 similar rates were published by the Financial Ombudsman Service on our website. Whilst businesses weren't required to refer to these rates when giving advice on pension transfers, they provide a useful indication of what growth rates would have been considered reasonably achievable for a typical investor.

Mr T's attitude to risk was documented as being 'medium'. He thinks this isn't correct and that the transfer itself had more risk than he wanted to take. Mr T didn't seem to have much experience of risk-based investments. And this was his main pension entitlement at the time, so it's reasonable to say that he would not want to risk it do a great degree.

But Mr T did indicate that he was prepared to bear some investment risk. And given the length of time that he had to invest this would usually be considered a reasonable thing to do. So, for the avoidance of doubt, I don't think it was unreasonable to say his attitude to risk was around 'medium'. But probably towards the lower end of this.

The critical yield required to match Mr T's benefits at age 65 was 6.91% if he took a full pension and 6.12% if he took tax free cash and a reduced pension. The critical yield to match the benefits available through the PPF at age 65 was quoted as 5.28% per year if Mr T took a full pension and 5.06% per year if he took tax free cash and a reduced pension.

However, Mr T wanted to retire at age 60 and it's not clear why critical yields weren't provided to this age. Grove suggests this wasn't possible using the standard TVAS system, but I'm not persuaded that Grove couldn't have done this analysis at the time. I say this because I've seen this performed in other instances of advice given to BSPS members in 2017 and 2018. And I think Grove should have done this analysis so that Mr T understood the true value of the benefits he could be giving up, particularly if he retired early. The critical yields were likely to be higher at age 60 given the pension would be invested for a shorter time and the benefits would be paid for longer.

The closest discount rate to the time of this transfer which I'm able to refer to was published for the period before 1 October 2017 and is 4.7% per year for 28 years to retirement. I've kept in mind that the regulator's projection rates had also remained unchanged since 2014: the regulator's upper projection rate at the time was 8%, the middle projection rate 5%, and the lower projection rate 2%.

I've taken this into account, along with the composition of assets in the discount rate, Mr T's attitude to risk and also the term to retirement. I think Mr T was likely to receive benefits of a materially lower overall value than the occupational scheme at retirement, as a result of investing in line with that attitude to risk. And I acknowledge this was noted at the time of sale.

Grove says that it is unreasonable to base any findings on the discount rate because taking this into account was not required by the regulator when giving advice and it is not a like for like measure. While I haven't based my findings on this, I think it is a reasonable additional consideration when seeking to determine what level of growth was reasonably achievable at the time of the advice. Under COBS 19.1.2 the regulator required businesses to compare the benefits likely to be paid under a DB scheme with those payable under a personal pension by using reasonable assumptions. So, businesses were free to use the discount rate as this would've been considered a reasonable assumption of the likely returns for the average investor. And in any event, this has been considered in tandem with the regulator's published projection rates, which providers were required to refer to. And it is this combination, along with Mr T's attitude to risk, which leads me to be believe he'd likely be worse off in retirement if he transferred out of the DB scheme.

Grove has provided cashflow models which it says show Mr T would've been able to meet his needs despite the high critical yields. I've considered these, but Grove's models show that, assuming he took the same benefits as the DB scheme at age 65, increasing in line with the retail price index, his fund would be exhausted at his age 96. But as I've said above, Grove's advice was predicated on Mr T retiring at age 60 at the latest – it didn't provide Mr T with this analysis, and it seems to me that this would show Mr T's funds would've depleted sooner than age 96 because the funds would've been invested for less time and he'd be taking income for longer.

Grove also didn't perform any stress testing to show the impact of poor performance on the investment fund and how that might impact Mr T's retirement plans. While not a requirement, I think it was good practice at the time and it would've further demonstrated the value of Mr T's guaranteed benefits in the BSPS2 and how his early retirement plans could be affected by market conditions.

For this reason alone, a transfer out of the DB scheme wasn't in Mr T's best interests. Of course, financial viability isn't the only consideration when giving transfer advice, as Grove has said in this case. There might be other considerations which mean a transfer is suitable, despite providing overall lower benefits. I've considered these below.

Flexibility and income needs

Given that Mr T was so far away from retirement there wasn't a detailed analysis of what his income or expenditure needs would be at this time. This isn't entirely unreasonable given how far away this was. But it is difficult to properly plan for retirement without this.

Because of this, I don't think it was really established that Mr T had a genuine need to access his tax free cash earlier than the normal scheme retirement age and leave his funds invested until a later date. It was discussed that he may want to do this in the future, to perhaps allow him to retire early, but there was no immediate need to do this. And I note his only significant debt, a mortgage, would've been paid long before he retired. So, I don't think there was any particular need for a lump sum, it seems more of a 'nice to have'.

I also can't see any evidence that Mr T had a strong need for variable income throughout his retirement. The retirement planning, what there was of it, was based on Mr T wanting an income of around £15,000 from around age 60. Grove says the only way to achieve this objective was by transferring out of the scheme to a personal pension.

The advice was given on the basis that Mr T wanted to retire at around age 60. It was noted that his, and Mrs T's, state pension would be likely to meet their needs once they became payable. So, the shortfall was between the date Mr T retired and his state pension age. Grove says the flexibility of the personal pension allowed him to draw the required income until Mr T's state pension became payable. And I have noted the detailed analysis that shows this could've been achieved.

But Mr T was only 36 at the time of the advice, and he didn't have concrete retirement plans. And the advice really rests on the assumption that Mr T's circumstances, wants and requirements wouldn't change materially over the next 20+ years. But I don't think this is reasonable. Mr T had a young family, a mortgaged property and there was significant uncertainly around his employment. I think it's far more likely, as is usually the case going forward from this stage of life, that Mr T's circumstances and needs *would* change. And the planning should have encompassed this likelihood. Keeping as many of his options open to him as possible would've been in Mr T's best interest here.

The regulator more recently referred to the scenario of younger consumer in Finalised Guidance 21/3 (which did not represent new rules). It states:

'If a client is some way from retirement and has no clear idea of what they want from it, it may not be possible to advise them on a transfer, until they are closer to retirement. You should be asking the question 'why transfer now?' when your client's retirement plans are unclear. Wanting to take advantage of a high transfer value is not generally a good reason on its own to transfer.'

I think this applies to Mr T. He was clearly interested in early retirement and taking benefits flexibly, however given that he was at least 20 years away from retirement, I think it's fair to say that these retirement objectives were not certain and could of course change. And giving up his guaranteed benefits was an irreversible action. In my view there was no obvious reason for Mr T to transfer in 2018.

Furthermore, I don't think Grove gave enough thought as to how Mr T could meet his desired retirement income by remaining in the BSPS2. Although Grove didn't do this analysis at the time, it has since provided evidence showing that Mr T would've been entitled to a pension of £6,174 per year through the BSPS2. This was guaranteed until he died, and it escalated each year. It seems to me that this would've provided Mr T with a strong foundation for his income needs. Mr T was also contributing to his employer's DC scheme, which Grove estimated would be worth £112,000 by age 60 based on the mid growth rate. So, Mr T would've already had a sizable, flexible pension to draw on when he thought he would retire and could've taken income from this pension to top up the income he would receive from the BSPS2 to meet his needs until the state pension became payable. So, I don't agree that the only way Mr T could achieve his retirement objectives was by transferring out of the scheme. By doing so, Mr T would be taking on all the investment risk, when he didn't need to.

So, I don't think it was a suitable recommendation for Mr T to give up his guaranteed benefits now when he didn't really know what his needs in retirement would be. And overall, I think Mr T could've most likely met his income needs by remaining in the BSPS2. Furthermore, if Mr T later had reason to transfer out of his DB scheme, he could have done so closer to retirement.

Death benefits

Death benefits are an emotive subject and of course when asked, most people would like their loved ones to be taken care of when they die. The lump sum death benefits on offer through a personal pension was likely an attractive feature to Mr T. But whilst I appreciate death benefits are important to consumers, and Mr T might have thought it was a good idea to transfer his DB scheme to a personal pension because of this, the priority here was to advise Mr T about what was best for his retirement provisions. A pension is primarily designed to provide income in retirement. And I don't think Grove explored to what extent Mr T was prepared to accept a lower retirement income in exchange for higher death benefits.

I also think the existing death benefits attached to the DB scheme were underplayed. Mr T wasn't married but it doesn't seem that any marriage plans were discussed, he may have married later. I still don't think this is a good reason to transfer.

He did have two dependent children and so the dependents pension provided by the DB scheme would've been useful to his children if Mr T predeceased them. I don't think Grove made the value of this benefit clear enough to Mr T. This was guaranteed and it escalated – it was not dependent on investment performance, whereas the sum remaining on death in a personal pension was. And as the cashflow analysis shows, the fund may have been depleted particularly if Mr T lived a long life or if investment returns were poor. In any event, Grove should not have encouraged Mr T to prioritise the potential for higher death benefits through a personal pension over his security in retirement.

Furthermore, if Mr T genuinely wanted to leave a legacy for his spouse and children, which didn't depend on investment returns or how much of his pension fund remained on his death, I think Grove should've instead explored life insurance. The fact find showed that Mr T already had life cover of £70,000 in place. He also had death in service cover through his employer. So, he already had some provisions of this type. And given his age and lack of documented health concerns it may have been more cost effective and suitable to increase his life insurance, perhaps on a whole of life basis to provide additional death benefits after retirement.

In addition, Mr T could've nominated the beneficiaries of his DC scheme to receive the remaining sum on his death – so, he already had the means of passing his pension on.

Overall, I don't think different death benefits available through a transfer to a personal pension justified the likely decrease of retirement benefits for Mr T. And I don't think that further life insurance was properly explored as an alternative.

Control over his pension fund

I think Mr T's desire for control over his pension benefits was overstated. Mr T was not an experienced investor, and I cannot see that he had an interest in or the knowledge to be able to manage his pension funds on his own. So, I don't think that this was a genuine objective for Mr T – it was simply a consequence of transferring away from his DB scheme.

Suitability of investments

Grove recommended that Mr T invest in a managed fund. As I'm upholding the complaint on the grounds that a transfer out of the DB scheme wasn't suitable for Mr T, it follows that I don't need to consider the suitability of the investment recommendation. This is because Mr T should have been advised to remain in the DB scheme and so the investments in the managed fund wouldn't have arisen if suitable advice had been given.

Concerns about financial stability of BSPS

Mr T approached Grove at a time when BSPS members were concerned about their pensions. Lots of his colleagues at the time would have been transferring out of the scheme and he was likely initially worried his pension would end up in the PPF. So I think it's quite possible that Mr T came to Grove leaning towards the decision to transfer. However, it was Grove's obligation to give Mr T an objective picture and recommend what was in his best interest. As I've said above, Mr T had already chosen to join the BSPS2.

Mr T should have been advised, in my view, to remain in the BSPS2. Grove also should have explained that even if BSPS2 failed and Mr T was moved to the PPF, the benefits provided would still be very valuable.

The income available to Mr T through the PPF would've still been guaranteed and escalated. It, combined with his other provisions, would still have met his goals. And he was unlikely to be able to exceed this by transferring out. And while the increases in payment in the PPF were lower, again the income was guaranteed and was not subject to any investment risk. So, I don't think that these concerns should've meant Grove recommending Mr T transfer out of the DB scheme altogether.

And if Grove had explained properly why not transferring his DB benefits was in his best interests I have no reason to believe he wouldn't have listened to the adviser.

Summary

I don’t doubt that the flexibility, control and potential for higher death benefits on offer through a personal pension would have sounded like attractive features to Mr T. But Grove wasn’t there to just transact what Mr T might have thought he wanted. The adviser’s role was to really understand what Mr T needed and recommend what was in his best interests.

Ultimately, I don’t think the advice given to Mr T was suitable. He was giving up a guaranteed, risk-free and increasing income. By transferring, Mr T was very likely to obtain lower retirement benefits, and in my view, there were no other particular reasons which would justify a transfer and outweigh this. Mr T shouldn’t have been advised to transfer out of the scheme based on a vague desire to retire early at this point, and the potential for higher death benefits wasn’t worth giving up the guarantees associated with his DB scheme.

So, I think Grove should’ve advised Mr T to remain in the BSPS2.

Of course, I have to consider whether Mr T would've gone ahead anyway, against Grove's advice.

I’ve considered this carefully, but I’m not persuaded that Mr T would’ve insisted on transferring out of the DB scheme, against Grove’s advice. I say this because Mr T was an inexperienced investor and this pension accounted for the majority of his retirement provision so far. So, if Grove had provided him with clear advice against transferring out of the DB scheme, explaining why it wasn’t in his best interests, I think he would’ve accepted that advice.

I’m not persuaded that Mr T’s concerns about his employer and the scheme were so great that he would’ve insisted on the transfer knowing that a professional adviser, whose expertise he had sought out and paying for, didn’t think it was suitable for him or in his best interests. If Grove had explained that Mr T could meet all of his objectives without risking his guaranteed pension, I think that would’ve carried significant weight. And, in my view, he’d already shown that he was open to remaining in the DB scheme by opting to join the BSPS2. So, I think he would’ve been reassured by Grove’s advice that remaining in this scheme was in his best interest. For these reasons, I don’t think Mr T would have insisted on transferring out of the DB scheme.

In light of the above, I think Grove should compensate Mr T for the unsuitable advice, using the regulator's defined benefits pension transfer redress methodology.

Our Investigator recommended that Grove also pay Mr T £300 for the distress caused by the unsuitable advice. I don’t doubt that Mr T has been caused distress and concern in relation to his retirement planning. And I’m conscious this wouldn’t have happened but for the unsuitable advice. And so, in the circumstances, I think the award the Investigator recommended is fair.

Putting things right

On 2 August 2022, the FCA launched a consultation on new DB transfer redress guidance and has set out its proposals in a consultation document - CP22/15-calculating redress for non-compliant pension transfer advice**.** The consultation closed on 27 September 2022 with any changes expected to be implemented in early 2023.

In this consultation, the FCA has said that it considers that the current redress methodology in Finalised Guidance (FG) 17/9 (Guidance for firms on how to calculate redress for unsuitable defined benefit pension transfers) remains appropriate and fundamental changes are not necessary. However, its review has identified some areas where the FCA considers it could improve or clarify the methodology to ensure it continues to provide appropriate redress.

The FCA has said that it expects firms to continue to calculate and offer compensation to their customers using the existing guidance in FG 17/9 whilst the consultation takes place. But until changes take effect firms should give customers the option of waiting for their compensation to be calculated in line with any new rules and guidance that may come into force after the consultation has concluded.

We've previously asked Mr T whether he preferred any redress to be calculated now in line with current guidance or wait for any new guidance/rules to be published.

Mr T has chosen not to wait for any new guidance to come into effect to settle his complaint.

I am satisfied that a calculation in line with FG17/9 remains appropriate and, if a loss is identified, will provide fair redress for Mr T.

A fair and reasonable outcome would be for the business to put Mr T, as far as possible, into the position he would now be in but for Grove's unsuitable advice. Mr T had made the choice to move to the BSPS2. So calculations should be based on this.

Grove must therefore undertake a redress calculation in line with the regulator's pension review guidance as updated by the Financial Conduct Authority in its Finalised Guidance 17/9: Guidance for firms on how to calculate redress for unsuitable DB pension transfers.

For clarity, Mr T has not yet retired, and he has no plans to do so at present. So, compensation should be based on his normal retirement age of 65, as per the usual assumptions in the FCA's guidance.

This calculation should be carried out as at the date of my final decision and using the most recent financial assumptions at the date of that decision. In accordance with the regulator's expectations, this should be undertaken or submitted to an appropriate provider promptly following receipt of notification of Mr T's acceptance of the decision.

Grove may wish to contact the Department for Work and Pensions (DWP) to obtain Mr T's contribution history to the State Earnings Related Pension Scheme (SERPS or S2P). These details should then be used to include a 'SERPS adjustment' in the calculation, which will take into account the impact of leaving the occupational scheme on Mr T's SERPS/S2P entitlement.

If the redress calculation demonstrates a loss, the compensation should if possible be paid into Mr T's pension plan. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mr T as a lump sum after making a notional deduction to allow for income tax that would otherwise have been paid. Typically, 25% of the loss could have been taken as tax-free cash and 75% would have been taxed according to his likely income tax rate in retirement - presumed to be 20%. So making a notional deduction of 15% overall from the loss adequately reflects this.

The payment resulting from all the steps above is the 'compensation amount'. This amount must where possible be paid to Mr T within 90 days of the date Grove receives notification of his acceptance of my final decision. Further interest must be added to the compensation amount at the rate of 8% per year simple from the date of my final decision to the date of settlement for any time, in excess of 90 days, that it takes Grove to pay Mr T.

It's possible that data gathering for a SERPS adjustment may mean that the actual time taken to settle goes beyond the 90 day period allowed for settlement above - and so any period of time where the only outstanding item required to undertake the calculation is data from DWP may be added to the 90 day period in which interest won't apply.

If the complaint hasn't been settled in full and final settlement by the time any new guidance or rules come into effect, I'd expect Grove to carry out a calculation in line with the updated rules and/or guidance in any event.

Grove should pay Mr T £300 for the distress and inconvenience the transfer advice has caused him.

Where I uphold a complaint, I can award fair compensation of up to £160,000, plus any interest and/or costs that I consider are appropriate. Where I consider that fair compensation requires payment of an amount that might exceed £160,000, I may recommend that the business pays the balance.

My final decision

Determination and money award: I uphold this complaint and require Grove Pension Solutions Limited to pay Mr T the compensation amount as set out in the steps above, up to a maximum of £160,000.

Where the compensation amount does not exceed £160,000, I would additionally require Grove Pension Solutions Limited to pay Mr T any interest on that amount in full, as set out above.

Where the compensation amount already exceeds £160,000, I would only require Grove Pension Solutions Limited to pay Mr T any interest as set out above on the sum of £160,000.

Recommendation: If the compensation amount exceeds £160,000, I also recommend that Grove Pension Solutions Limited pays Mr T the balance. I would additionally recommend any interest calculated as set out above on this balance to be paid to Mr T.

If Mr T accepts this decision, the money award becomes binding on Grove Pension Solutions Limited.

My recommendation would not be binding. Further, it's unlikely that Mr T can accept my decision and go to court to ask for the balance. Mr T may want to consider getting independent legal advice before deciding whether to accept any final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 2 January 2022.

Andy Burlinson
Ombudsman