DRN-3304728

The complaint

Mr G is represented. He says Suffolk Life Pensions Limited (trading as Curtis Bank ('CB')) delayed the transfer of his Self-Invested Personal Pension ('SIPP') to Aviva, following his transfer instruction in late February 2020. He seeks compensation for financial loss resulting from the delay.

What happened

One of our investigators looked into the complaint and concluded that it should be upheld. He mainly found as follows:

- Mr G signed the transfer application on 20 February; CB received it from Aviva on 29 February and wrote to his representative ('R') on 3 March to confirm the receipt; in the same communication it highlighted a *lost policy declaration* issue in the discharge form and R responded to that on 5 and 6 March; also on 3 March, CB wrote to Aviva to request its acceptance of the SIPP; also on 6 March, R asked CB for an interim cash payment transfer into the Aviva SIPP, CB said that up to around £330,000 could be paid in this respect and that it would look into sending it by BACS the following week; on 11 March Aviva emailed CB, it confirmed acceptance of the SIPP and that four specified funds (JPM Natural Resources, JPM Emerging Markets, M&G Recovery and M&G Global Themes) were to be transferred in specie whilst the others were to be liquidated and transferred in cash; CB contacted R on 13 March to say it could take liquidation instruction only from Mr G or R, not from Aviva, and that such instruction was unclear in his discharge form, so R's instruction/clarification was required; R confirmed the instruction on 16 March; CB transferred an interim payment of £337,000 to Aviva on 19 March; on the same date it also sent wrongly completed stock transfer forms for the other relevant funds; new transfer forms were subsequently submitted; funds were received and remitted over the course of 4, 7, 12, 15 and 22 May; and over the course of 1 and 7 October liquidation proceeds for a specific fund (Threadneedle UK Property Fund) were received and remitted – the fund had been suspended on 18 March.

- Mr G's key arguments are that CB delayed progress of his transfer by 16 days and, but for this, the Threadneedle fund would have been sold before it was suspended; that it should have instructed the relevant fund managers on 3 March (such instruction would have been executed the following day); that the instruction clarification it sought on 13 March should have been sought during its contacts with R on 3, 5 and 6 March; that it also delayed in remitting the cash proceeds; and, also on the Threadneedle fund, that when it was clear his holding could not be traded CB failed to offer conversion to a share class that was acceptable to Aviva, in order to facilitate its transfer.

- CB caused notable delays in the process.

- The documentation it received at the outset confirmed a 'part cash, part in specie' transfer instruction, but it did not specify the funds to be transferred in specie, so CB was right to query this. Aviva confirmed this on 11 March, but CB was also right to

obtain instruction for this directly from R (on behalf of Mr G). However, it could and should have done this as part of its feedback to R on 3 March. It had reviewed the documentation at the time and had identified the discharge form issue that it raised with R, so it ought also to have identified and queried the missing information on the funds to be transferred in specie. R would have responded promptly, as it did to the 13 March enquiry. By the time Aviva confirmed acceptance on 11 March CB would have been in a position to progress the transfer and, within two working days (by 13 March), it would have instructed the relevant fund managers.

- In the call of 6 March CB referred to the expectation that the interim cash payment would be made the following week, and there is a suggestion that it would contact Aviva in this respect – though it is not clear if such contact was ever made. CB made the payment on 19 March, six working days after Aviva's confirmation of acceptance on 11 March. This was done unreasonably late and it should have been done within two working days – by 13 March. With regards to the other payments received and remitted in May, they too were transferred unreasonably late – given the dates on which the different funds were received and subsequently transferred. CB knew, through R's email instruction of 29 April, that Mr G required immediate remittance of the funds. In this respect too, CB should have transferred the funds within two working days of their receipts – which is not what it did.

- Given that CB should have been able to instruct the relevant fund managers by 13 March, this would have happened before the Threadneedle fund suspension on 18 March. Liquidation of Mr G's holding in the fund was instructed on 17 September and execution followed on the same date. It is probable that execution would have been just as prompt if the instruction was given on 13 March, so the holding could have been sold prior to the suspension if such instruction had happened. The fact that remittance of the September sale did not happen until nine days after the sale is noted.

- For the trouble and upset caused to Mr G in the matter, he should be paid £200. In terms of financial loss, the way the interim payment in March was used in the Aviva SIPP ['*the interim Aviva portfolio*'] serves as a natural benchmark for redress. It is not certain that Mr G would have invested any additional sums transferred at the time in exactly the same way, but it is reasonable to conclude that he probably would have invested in broadly the same way. The interim Aviva portfolio should be used to calculate any financial loss resulting from the late transfers of the SIPP's cash and assumptions, in the calculations, should be made that the relevant fund managers would have taken the same time (as they did in reality) to action the instructions they received and to remit the sale proceeds, and that the proceeds would have been invested the day after their receipts in the Aviva SIPP.

Both sides raised queries about the investigator's findings and conclusion.

R mainly says – for the sake of the redress calculation no withdrawals have been made from the Aviva SIPP and the only payments into it are from the transfer; one of the cash receipts and remittances summarised in the investigator's view is wrong (it relates to a fund re-registration and not fund liquidation); we should note that re-registration of the M&G Recovery fund in the transfer process was delayed twice by CB's errors and this should be reflected in terms of financial loss because it delayed subsequent liquidation of the fund and reinvestment of the proceeds in one of the funds within the interim Aviva portfolio (the *CFP SDL UK Buffettology* fund – the 'Buffettology fund'); CB did not need to await Aviva's acceptance confirmation of 11 March in order to instruct the fund liquidations, it could have instructed the fund managers in this respect on 6 March; it was R, not CB, that instructed the Threadneedle holding liquidation on 17 September and it did so because of seeming inaction

by CB; this was unconventional, it ought to have been CB instructing the sale, but Threadneedle agreed; however, because of this approach, the release of proceeds (by the fund) was not as straightforward as it would have been if CB had instructed the sale, CB was required to issue renunciation forms and that led to a release delay of nine working days.

CB considers that the investigator has made unreasonable findings on how the transfer process should have progressed, and that the findings are inconsistent with the industry wide framework for pensions transfers as set out by the Transfers and Re-registration Industry Group ('TRIG'). However, it accepts the investigator's award of £200 for the trouble and upset caused to Mr G by the delay (in terms of incorrect instructions it gave in the process).

It notes that the investigator referred to the same TRIG framework and that based on its provisions, cash transfers should happen within 10 working days and a firm should be allowed two working days for each step of the process.

CB mainly says – in Mr G's case it could not progress the interim payment until it received Aviva's acceptance of the transfer on 11 March; with regards to the other payments, it accepts that it could have sought clarification of the funds to transfer in specie and those to liquidate (and transfer in cash) when it wrote to R at the outset, but it does not agree that this delayed the process because it had to verify Aviva's instruction, through contact with R on 13 March; in the alternative, even if it had made the enquiry on 3 March and received R's response on 5 March, and then asked for Aviva's acceptance confirmation the following day, it took Aviva six working days (in reality) to provide such confirmation, so based on that (and on any further work required if Mr G's instructions were not acceptable to Aviva) it is unlikely that the interim payment or sale and reregistration instructions could have been issued before 19 March; within two days of Aviva's 11 March confirmation it sought clarification of instructions from R, and within three days of receiving that clarification it made the interim payment, these were reasonably timely actions and within the 10 working days set out in the framework for cash transfers; the same broadly applies for the sale and re-registration instructions (other than the events related to the Threadneedle holding which were beyond its cause and control); and by 19 March the Threadneedle fund had already been suspended (without prior warning), the last date to instruct sale of the holding would have been 16 March and that could not have been done because there had been no prior clarity in Mr G's transfer application/instruction on which holdings to sell and which to transfer in specie.

The investigator was not persuaded to change his view and he wrote to both sides to explain why (and to address they main comments). The matter was referred to an ombudsman.

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 matter of liability remains in dispute. This was/is the main focus of CB's response to the investigator's findings. R's response, on behalf of Mr G, also refers to some matters of liability but its main focus appears to be the investigator's findings on redress. I will first address liability (including the points disputed by CB) and then set out my conclusions on redress. It follows from the latter that I have decided to uphold Mr G's complaint – hence the relevance of redress – and that, on balance and for the reasons given in the next section, I am not persuaded by CB's dispute over liability.

Liability

The key dates in the transfer are as noted by the investigator – and are as I summarised

above. A meaningful starting point for my considerations is CB's contacts with R and Aviva on 3 March. This was the Tuesday that followed the weekend in which Mr G's application appears to have been received by CB, so it was not an unduly late date for it to begin the process – which is what it did by contacting both parties. However, like the investigator, I too find that it should have done more on this date.

It was/is an implicit responsibility upon CB, as a priority (or as one of its priorities), to clarify the *part cash part in specie* transfer instruction that was unclear in the application. I do not dismiss the fact that responsibility for the application being unclear in this respect did not belong to CB – and appears to have belonged to Mr G or R – but, in real terms, the responsibility to resolve it passed to CB upon its receipt of the application. Without such resolution at the outset, it was always going to be a foreseeable task to address in the future – because it defined the transfer itself – and one that would potentially cause a delay. On balance, I am satisfied that this should have been identified and queried within CB's contact with R on 3 March, and I have not seen a reason why that could not have happened. It had gone through the application by this date and it had identified the lost policy issue, so it ought reasonably to have also identified the lack of clarity on which assets to sell and which to retain in the transfer.

On 3 March, CB should have written to R to confirm receipt of the transfer application, as it did, but it also should have highlighted and sought instruction on which assets to sell and which to retain (which it did not do); it also should have written to Aviva for confirmation of acceptance of the transfer, as it did. I accept that Aviva's response to CB on 11 March was beyond its control, so I also accept that in any case and in response to its request of 3 March it would have received the same confirmation of acceptance from Aviva that it received on 11 March. However, on that date CB would have had R's confirmation of the interim payment request (which R gave on 6 March), it would have had R's clarification of the lost policy issue (which was done between 5 and 6 March) and it would probably have had R's clarification of the assets to be sold and those to be retained in the transfer – in reality, R responded to CB's 13 March query about this on the next business day of 16 March, so it would probably have done the same if the query was sent on 3 March (that is, it would have probably responded by 4 March) and that would have happened well before Aviva's reply of 11 March.

But for CB's failure to resolve the asset treatment clarification through an enquiry on 3 March, it would have been in a position to move to the next steps of the transfer process – that is, executing the interim payment instruction, beginning the process to transfer the assets to be moved in specie and beginning the process for liquidation of the other assets to be moved in cash – on 11 March.

R says CB should have instructed the relevant fund managers prior to 11 March. Overall, I disagree. It needed to know which assets to retain and which to sell, in the transfer, and I accept that based on my finding above it probably would have had this clarification by 4 March (and before 11 March) had it raised it with R on 3 March. However, I do not consider it unreasonable for CB to have also awaited Aviva's confirmation of acceptance of the proposed transfer before taking any further meaningful steps – such as contacting the fund managers. Aviva's acceptance (or otherwise) was beyond its control and, until confirmed, it was not necessarily a forgone conclusion, so I am not persuaded that CB can reasonably be expected to have behaved like it was guaranteed, by instructing actions on the SIPP's assets prior to such acceptance. On balance, I consider it was reasonable to wait for the confirmation of acceptance on 11 March.

CB presents an alternative argument based on the assumptions that a query raised about the asset treatment on 3 March would have been responded to by R on 5 March, that it (CB) would have then sought Aviva's confirmation of acceptance the following day (6 March), that

Aviva would then have taken the same six business days that it took (in reality) to provide the confirmation, and that Aviva's confirmation would then have been received on 16 March and the enquiry to R on 3 March would not have made a positive difference. This argument essentially says Aviva's confirmation would have been delayed from 11 March to 16 March if CB had queried the asset treatment with R on 3 March. CB also goes on to say the next steps in the process could have been delayed to 19 March if there were problems arising from what Mr G sought to transfer and what Aviva could accept.

The above argument is flawed in two main respects. First, as I said above, CB should have written to both R and Aviva on 3 March as it did. Nothing in my finding about raising the asset treatment issue with R on 3 March said or suggested CB should have suspended writing to Aviva until after receiving R's reply. It had no reason to suspend such action – on the one hand it would have been seeking clarification of the specific instruction from R and on the other hand it was seeking confirmation from Aviva that it was prepared to accept the proposed transfer. The facts show that Aviva gave this confirmation without clarification from CB on the asset treatment – instead, it was Aviva that informed CB about the asset treatment (having been informed by R). As such, evidence shows that CB did not need to clarify the asset treatment before writing to Aviva.

The second point to note, is that it is a matter of fact that there was no mismatch between what Mr G wanted to transfer and what Aviva could accept, so CB's argument about the date of 19 March is unsupported. Aviva would have confirmed acceptance on 11 March, as it did, and nothing would have hindered progress into the next steps in the transfer process.

CB says the TRIG framework refers to the allowance of two working days per step, in a transfer process. The investigator essentially did the same in finding that, but for CB's failure to enquire about the asset treatment on 3 March, the interim payment would have been made by 13 March – this being two working days after Aviva's acceptance confirmation on 11 March. I endorse and incorporate this finding, and I have not seen reason why this would not have probably been the case.

The investigator gave the same two working days allowance – between 11 and 13 March – for the instructions from CB to the relevant fund managers. I agree with, and endorse and incorporate this too, for the same reasons as above. I also share his findings about the additional delays caused by CB – beyond instructing the fund managers late – in terms of remitting the cash it received in May and October. The following illustrate this –

- Cash received on 7 May appears not to have been remitted to the Aviva SIPP until 15 May, six working days thereafter.
- Most of a cash sum received on 12 May appears not to have been remitted to the Aviva SIPP until 22 May, eight working days thereafter.
- The proceeds of the Threadneedle holding sale were received on 1 October but were not remitted until 7 October, four working days thereafter.

Overall and on balance, I consider that each relevant receipt of cash by CB should have been remitted to Mr G's Aviva's SIPP within two working days thereafter. This finding – and my treatment of R's point about release of the sale proceeds by Threadneedle – relate more to my provisions for redress (further below). In this section, the point is that CB should have instructed the relevant fund managers on 13 March, they would then have taken the same time as they took in reality to execute the instructions. Then, CB would have received the cash payments and should have sent those payments to the Aviva SIPP within two working days (of each receipt).

With regards to the Threadneedle holding and the fund's suspension on 18 March, I consider that the fund manager's treatment of an instruction received on 13 March would more likely

(than not) have been the same as its treatment of the instruction it received on 17 September. It executed the instruction of 17 September on the same date. I consider it would probably have done the same in response to a 13 March instruction and that a sale on the same date (13 March) was probable and would have avoided the suspension.

For all the above reasons, I conclude that CB caused delays to the transfer of Mr G's SIPP which affected the interim payment, the fund liquidations and the proceeds that were received in the Aviva SIPP, and which in turn – and as I address below – affected his reinvestment of the interim payment and proceeds in the Aviva SIPP. The assets transferred in specie were not out of the market during the process, so no claim for financial loss arises from them. I note R's argument about the M&G Recovery fund and I address that too below, however a point to make in this section is that – other than R's argument – there appears to be no complaint, in terms of financial loss, about the four funds transferred in specie.

Redress

I agree with the award of £200 to Mr G for the trouble and upset he was caused by CB in the delayed transfer. I note that CB agrees too. I consider it a reasonable award for the level of inconvenience he was caused in the matter and I will order its payment below.

There is enough evidence – in terms of R's advice to Mr G leading to the transfer, and in terms of how the interim payment was used in the interim Aviva portfolio – to show that the cash transferred in the process was intended for reinvestment; that it was, in part and as a matter of fact, reinvested (in the interim Aviva Portfolio); and that it would have been, as a whole and on the balance of probabilities, reinvested but for the delay(s) caused by CB. Before developing these findings further, I will address R's argument about the M&G Recovery fund because it stands outside the findings I have just summarised – it was a fund designated for in specie transfer, so it was not intended to form a part of the *cash* transfer.

R's argument is straightforward and is understood. It cites a delay by CB in re-registering the holding in the M&G Recovery fund during the in-specie transfer, and R says this delayed the planned subsequent liquidation of the fund and reinvestment of the proceeds. The investigator acknowledged evidence that R had advised Mr G, in early February (before and leading to the transfer instruction in late February), about investing in the Buffettology fund and showing an intended absence of the M&G Recovery fund post-transfer. He also reflected evidence that the M&G Recovery fund was liquidated in May and that its proceeds were reinvested in the Buffettology fund – I shall refer to this as the 'dual transactions'.

I too have seen and considered the same evidence. Overall and on balance, it is plausible that these dual transactions were under consideration between R and Mr G as the transfer process began and/or as it was in play. However, a key point that should not be overlooked is that up to 16 March (when R confirmed the asset treatment to CB) the expressed intention (and instruction to CB) was to transfer the M&G Recovery fund in specie.

R has given us reasons for this, which it says are consistent with the dual transactions intent. Even if I accept R's reasons, the point above remains undefeated. CB should be judged, fairly, in the context of the instruction(s) it was given. The instruction was that the holding in the M&G Recovery fund was one of four holdings which were not to be liquidated, but instead were to be transferred in specie (with the implication that they were to remain after the transfer as they were before it). Reference to its errors in the re-registration process therefore does not automatically establish its responsibility for the delay in making the dual transactions. It had no awareness that they were planned and, instead, it had an instruction to the contrary – that the holding was to be retained post-transfer.

The above differs significantly from the handling of the fund holdings that CB was instructed

to sell and transfer in cash. The instruction in this respect carried the implication and/or probability of reinvestment upon completion of the transfer; that would have been known to CB; it played a role in defining part of its responsibility to handle the transfer in a timely and efficient manner; and it created a basis on which CB's potential responsibility for reinvestment related financial loss, if it caused a delay to the transfer, was foreseeable. I am not persuaded that the same can be said about the M&G Recovery fund. Overall and on balance, I do not consider that CB is responsible for any delay in the dual transactions or any loss claimed in relation to them.

I am satisfied with the natural benchmark for redress given to this complaint by the interim Aviva portfolio – the interim payment was remitted on 19 March, it was received in the Aviva SIPP on 25 March and it (minus a cash retention of around 1%) was invested completely in the interim Aviva portfolio on 26 March. In another case, where no natural benchmark exists, I could consider an alternative, but that is not necessary at present. Despite the fact that interim payment was delayed, it was nevertheless paid and received in March 2020 (the same month as the transfer process began) and its use in the interim Aviva portfolio was also in March 2020, so the portfolio provides the best available evidence of how Mr G would probably have invested all of the transferred and liquidated cash (including the interim payment) but for the transfer delays caused by CB. There is also evidence from R showing that the interim Aviva portfolio was populated as closely as possible to the allocations that had been pre-planned (from early February) for the entire liquidated/cash transfer. This adds weight to its suitability as a natural redress benchmark.

Before setting out my redress orders I should address the point raised by R about the delay – between 17 September and 1 October 2020 – in the Threadneedle fund releasing the proceeds of the sale of Mr G's holding. I understand what R has said about being compelled to take the unorthodox approach to instruct the holding's liquidation – it says, CB had promised to do so on 16 September but its inaction, as of 17 September, prompted the steps it (R) took. The instruction to the fund should have come from CB. Whilst I acknowledge R's good intentions – towards Mr G's best interest – in taking the step that it took, I am also mindful of available evidence showing that also on 17 September CB sent an email to R confirming its intention to proceed with the same liquidation instruction the following day (18 September). It appears that R received this after it had instructed the liquidation earlier on the day, so I do not say or suggest that it took that step with knowledge of the email.

R argues that the complication and/or delay in the fund releasing the sale proceeds was CB's fault because it did not instruct the liquidation on 17 September when it should have, instead it (R) gave that instruction and the delay would have been avoided if CB had instructed the liquidation directly. However, a rebuttal to the argument is that there is evidence CB planned to instruct the liquidation on 18 September. CB would say it would have done so had R not acted prematurely on 17 September, and that it is R (not CB) that took unnecessary action which directly caused the release complication and then delay. It is important to take a fair and reasonable approach in determining Mr G's complaint and whilst, I repeat, I acknowledge that R acted in what it considered to be Mr G's best interest, there is evidence that CB intended to do the same a day later – and gave notice of this shortly after R's action. Had R not taken the step it took on 17 September – which it accepts was an unorthodox step to take – CB would probably have instructed the sale on 18 September and the release complication (and delay) would probably have been avoided. On this basis, I am not quite persuaded that CB can fairly be blamed for the release delay in this matter.

Having said the above, redress in relation to this holding is to be based on what would have happened if the holding was liquidated prior to the fund's suspension on 18 March – so, months before what happened between September and October. I do not have evidence that says the same scenario from 17 September would have existed in March so, despite my finding above that CB cannot fairly be blamed for the release delay between September and

October, I do not have a basis to apply the same delay in the redress provisions below. As such, I will order below that the remittance method used by the fund in September/October should be confirmed, that the time consumed by this should also be confirmed and that the same time should be applied as part of the calculation of redress related to this holding. The delay caused by the release complication will not be in my order for the reason given in this paragraph.

Putting things right

My aim is to put Mr G as close as possible to the position he would now be in if CB did not delay the transfer of his SIPP (as addressed above) to Aviva. I consider that he would have behaved differently in terms of the post-transfer re-investments of all the transferred and liquidated cash received in the Aviva SIPP, and that he would probably have made all the re-investments earlier and in line with the interim Aviva portfolio of March 2020. I have addressed above the reasons for this finding and the reason for which the interim Aviva portfolio serves as the natural benchmark for calculating redress in this case. In this section, I will continue to refer to it as either the interim Aviva portfolio or 'the benchmark'. The benchmark will be applied over the time periods I will be setting out below, so it must reflect how the interim Aviva portfolio has behaved over the same time periods (including any changes within it over time and including any relevant transformation, after completion of the transfer, into what has become the Aviva SIPP's investment portfolio).

There is insufficient evidence to reflect *liquidation related prices* that could have been achievable if liquidations happened in or around March 2020, so the provisions below are based on the same liquidation values that were achieved in reality. However, the calculation must reflect the correct *re-investment related prices* that would have applied when the re-investments should have happened (but for the transfer the delays).

I order CB to follow the approach set out above and below in calculating and paying redress to Mr G, and I order Mr G to engage meaningfully and co-operatively with CB to provide it with all information and documentation, relevant to its calculation (and payment) of redress, that it does not already have.

The basis for CB's calculation and payment of redress (to Mr G) is as follows:

- The part of the Aviva SIPP to redress is the part, in total, transferred in cash. I refer to this as the 'cash SIPP'.

- CB must calculate how the entire cash SIPP has performed in reality, from when the transferred and liquidated cash payments were received in it to the date redress is settled by CB (the 'end date'). This will be the 'actual value'.

- The interim payment into the cash SIPP should have been remitted by CB on 13 March 2020. In reality, this payment was received in the SIPP four working days after remittance and it was invested on the fifth working day after remittance. The same should be applied, whereby it should be assumed that the interim payment would have been invested in line with the benchmark on the fifth working day after 13 March 2020. CB must calculate how this investment of the interim payment would have performed, based on the benchmark, from then and up to the end date. [The result is 'A']

- The other part of the cash SIPP was the transferred/liquidated cash, in total, that followed the interim payment. In this respect, and with the exception of the Threadneedle fund holding, it should be assumed that CB issued instructions to the

relevant funds/fund managers on 13 March 2020 and that in each case each fund/fund manager took the same time as taken in reality to process and execute the liquidation instruction, and to remit the sale proceeds to CB. It should also be assumed that, in each case, the proceeds received by CB were paid out into the cash SIPP within two working days and that it took the same time as taken in reality for the transfers to be received in the cash SIPP. CB must calculate, based on the above, when the remitted proceeds in each case would have been received in the cash SIPP; it must then calculate how they would have performed, based on the benchmark, from the next working day in each case (which is when reinvestment would probably have happened, given how the interim Aviva portfolio was reinvested the next working day after receipt of funds) and up to the end date. [The result is 'B']

- For the Threadneedle fund holding, CB should assume that it issued instruction to the fund/fund manager to liquidate this holding on 13 March 2020 and that the holding was liquidated on the same date. CB should confirm the date on which, in reality, the fund/fund manager released the proceeds to CB; it should calculate the time taken for it to receive the proceeds; it should assume that the proceeds received by CB would have been paid out into the cash SIPP within two working days thereafter and that it would have taken the same time as taken in reality for the transfer to be received in the cash SIPP; it should then add all these time periods to 13 March 2020 and, for the same reason as stated above, it should assume reinvestment of the proceeds would have happened the next working day thereafter. CB must then calculate how the money would have performed from then and up the end date based on the benchmark. [The result is 'C']

- If the actual value is the same or greater than the sum of A, B and C, no compensation is due.

- If the sum of A, B and C is greater than the actual value, compensation is due to Mr G. In this case, CB must calculate the difference and that difference will be the *compensation amount* that must be paid to Mr G.

- CB should pay the compensation amount into Mr G's SIPP, 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 SIPP if it would conflict with any existing protection or allowance; if the compensation cannot be paid into his SIPP, it must be paid directly to him; had it been possible to pay it into the SIPP, 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 and if he would have been able to take a tax-free lump sum, the reduction should be applied to 75% of the compensation).

- CB must pay Mr G £200 for the trouble and inconvenience he has been caused in the complaint matter.

- CB must provide Mr G with a calculation of the compensation in a clear and simple format.

Where I uphold a complaint, I can make a money award requiring a financial business to pay compensation of up to £150,000, £160,000, £350,000, £355,000 or £375,000 (depending on when the complaint event occurred and when the complaint was referred to us) plus any

interest that I consider appropriate. If fair compensation exceeds the compensation limit the respondent firm may be asked to pay the balance. Payment of such balance is not part of my determination or award. It is not binding on the respondent firm and it is unlikely that a complainant can accept my decision and go to court to ask for such balance. A complainant may therefore want to consider getting independent legal advice in this respect before deciding whether to accept a final decision. In Mr G's case, the complaint event occurred after 1 April 2019 (it happened in 2020) and the complaint was referred to us after 1 April 2020, so the applicable compensation limit would be £355,000.

My final decision

For the reasons given above, I uphold Mr G's complaint and I order Suffolk Life Pensions Limited to calculate and pay him compensation as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 October 2022.

Roy Kuku
Ombudsman