

The complaint

Mrs E complains about the service provided by Standard Life Assurance Limited ('Standard Life') when she contacted it about closing her Self Invested Personal Pension (SIPP). Mrs E says she has lost out financially due to the delay caused and Standard Life should compensate her for this.

What happened

Mrs E had a SIPP with Standard Life. On 2 September 2020, Mrs E telephoned Standard Life enquiring about closing her SIPP. She was told it could take between 1 and 15 working days to withdraw cash and close the SIPP and that this could be done on-line.

This was incorrect information, as requests to withdraw cash up to the value of £50,000 could be done on-line, but if the withdrawal was over £50,000, which Mrs E's was, the customer needed to telephone Standard Life.

On 15 September 2020, Mrs E sent a secure message asking to cash in her SIPP. The same day, Standard Life responded telling Mrs E she needed to call.

On 16 September 2020, Mrs E contacted Standard Life by email saying she had been told she could close her SIPP on-line. That same day, Standard Life apologised for wrong information having been provided and told her it would need to speak to her before her SIPP could be closed. It offered to call her.

On 17 September 2020, Standard Life spoke with Mrs E. However, not all of the call process was completed. Mrs E was told it would need to speak to her again.

On 21 September 2020, Mrs E called to complete the second part of the call. Mrs E complained to Standard Life then about the poor service she had received, the delays and the time on the calls.

Standard Life requested the dis-investment from the third-party investment manager on 24 September 2020.

On 2 October 2020, Standard Life received the dis-investment amount of around £80,855 from the investment manager.

On 2 October 2020, the yearly administration charge of £524.00 and the charge for pension fund withdrawal of £158.00 were deducted by the investment manager and the remaining balance of approximately £80,173 was transferred into Mrs E's account.

Standard Life paid Mrs E a goodwill compensation payment of £100 in recognition of the trouble and upset it had caused her by its error. Mrs E didn't accept Standard Life's offer of settlement and referred her complaint to our service.

Our investigator looked into Mrs E's complaint and concluded that it should be upheld. The

investigator found there were two points to be considered. Firstly, whether the time taken to process Mrs E's SIPP closure request was reasonable. Secondly, whether the incorrect information Standard Life gave Mrs E about the process for closing her SIPP led to a delay and she has lost out as a result.

The investigator noted that Standard Life accepted that it had provided Mrs E with incorrect information about how to close her SIPP. Further, that it had made a £100 payment to Mrs E in recognition of the poor service she had received. Our investigator considered this to be a fair and reasonable offer for the inconvenience caused.

To cover Mrs E's financial losses, the investigator concluded that Standard Life should treat Mrs E's closure request as having been received on 15 September 2020 and there being a six day delay caused by Standard Life's action. If Mrs E had suffered a loss as a consequence of that delay, our investigator concluded that fairly, Standard Life should compensate her for that.

Standard Life didn't accept our investigator's view and asked for the case to be referred to an ombudsman. It pointed out the timeline of events and said that Mrs E had not lost out because of its actions, because she did not call back until 21 September to complete the second part of the process.

Mrs E didn't have anything to add.

Mrs E's complaint has been referred to me for a 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.

In June 2006, the Association of British Insurers (ABI) issued a statement of good practice stating that transfer requests should be completed within 10 working days.

Looking at the guidance available and Mrs E's individual circumstances, I agree with our investigator, ten working days seems a reasonable period within which Mrs E's transfer should have been completed. It was not complex, Standard Life had to ask the investment manager to disinvest the funds, and when the funds were received from the investment manager, it had to transfer the balance to Mrs E's account.

After the second part of the call was completed on 21 September 2020, the funds were transferred to Mrs E's bank account on 2 October 2020, in a timely way.

I note that Mrs E asked how to go about closing her SIPP around a few weeks before she actually wrote to Standard Life to close it. Had Mrs E been given correct information at the outset about the steps required to close her account, I think she would have factored in the additional steps required, when deciding when to contact Standard Life to close her account.

I have taken into account that there was one working day delay between Mrs E's first phone call with Standard Life and her second. However, as Standard Life spoke with Mrs E late on 17 September 2020, and it is unlikely that she knew at that stage there would need to be an extended phone call to close her SIPP, I don't think she can fairly be held responsible for this short delay. As I have said, had the process been made clear to Mrs

E at the outset on 2 September 2020, I think it likely that she would have set aside enough time to complete all the steps to close her SIPP on 15 September 2020.

I think by giving Mrs E incorrect information in the first place, Mrs E's SIPP account was closed later than it would otherwise have been, had she been provided with correct information. I therefore take the view that Mrs E may potentially have lost out financially because of Standard Life's actions. I agree that the amount of £100 already paid to Mrs E for the trouble and upset caused is a fair and reasonable amount, consistent with other awards made by this service.

Putting things right

In assessing how to put things right, my aim is to put Mrs E as close as possible to the position she would now be in if her SIPP closure had not been delayed.

As I've said, I think Mrs E would have telephoned to make and complete the request by 15 September 2020 if she had been told the correct process. I am therefore satisfied that what I have set out below is fair and reasonable.

To compensate Mrs E Standard Life should:

- Compare the actual value of Mrs E SIPP (actual value) with the value if the closure had been requested on 15 September 2020 (fair value).
- If the *fair value* is greater than the *actual value*, there is a loss and compensation is payable.
- If the *actual value* is greater than the *fair value*, no compensation is payable.
- Standard Life should also pay any interest at 8% simple interest per year on any loss from the end date to the date of settlement.
- Provide the details of the calculation to Mrs E in a clear, simple format.

Actual value

This means the actual value of the SIPP (cash) that was received from the investment manager.

Fair value

This is what the SIPP value (cash) would have been had the transfer been requested on 15 September 2020.

Income tax may be payable on any interest paid. If Standard Life consider that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs E how much it's taken off. It should also give Mrs E a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

There is guidance on how to carry out calculations available on our website, which can be found

by following this link: <https://www.financial-ombudsman.org.uk/businesses/resolving->

[complaint/understanding-compensation/compensation-investment-complaints](#).

Alternatively, just type 'compensation for investment complaints' into the search bar on our website: www.financial-ombudsman.org.uk

My final decision

For the reasons given, I uphold Mrs E's complaint and order Standard Life Assurance Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 8 August 2022.

Kim Parsons
Ombudsman