

The complaint

Mrs G complains that Quilter Life & Pensions Limited caused delays when she was transferring her personal pension to it, and she lost out because the funds were invested at a later date than they should have been.

What happened

Mrs G's complaint was considered by one of our investigators. She sent her assessment of the complaint to both parties in September 2022. The background and circumstances to the complaint were set out in that assessment. I won't repeat them all again here as they are - largely - not in dispute. However in summary, I think the key points are that Mrs G's original pension provider, which I will refer to as Provider A, wrote to Mrs G on 1 April 2021 saying it had received her application to transfer but required further paperwork. It explained Mrs G could download a form from the self-serve part of its website and this would need to be completed and returned by Quilter.

Mrs G e-mailed this letter from Provider A to Quilter on 7 July 2021. Quilter posted a self-serve top up application to Mrs G on 28 July 2021. Mrs G returned the completed application to Quilter on 2 August 2021.

Quilter contacted Mrs G about her application on 30 September 2021 saying two bits of information weren't included within the completed form. Mrs G responded the following day, however she didn't provide one part of the information requested - the ceding scheme reference.

Quilter forwarded most of the necessary information to Provider A on 1 November 2021, but not a pension declaration form that Provider A had said it required (in the letter Mrs G had forwarded onto Quilter). Provider A noted this in return correspondence sent on 5 November 2021. And chased this outstanding form again on 23 November 2021.

Following some further correspondence, the outstanding form was completed and provided to Provider A on 29 November 2021. Provider A disinvested the funds and these were received by Quilter on around 13 December 2021.

When Mrs G complained to Quilter it upheld her complaint and offered her a total of £300 in respect of the distress and inconvenience caused. It also completed a loss assessment on the basis that but for any delays it was responsible for, the transfer could have gone ahead on 9 September 2021. The assessment showed Mrs G hadn't suffered a financial loss.

Our investigator thought that the transfer could have been completed at an earlier date. She said firstly that she didn't think the evidence suggested that Quilter had caused any delays before receiving Mrs G's transfer request in July 2021. She said Mrs G's correspondence to Quilter on 7 July 2021 contained a copy of the letter from Provider A requesting the secondary information from Quilter. The investigator said although Mrs G hadn't forwarded the form from Provider A's website, it was accessible to any party. She said if Quilter couldn't download it directly it could have asked Mrs G to do so. However it didn't appear that had happened.

The investigator said following Mrs G's 7 July 2021 request Quilter hadn't posted the application until 28 July 2021. She said she would have expected this to be completed within five working days. The investigator said the completed pack was received by Quilter on 2 August 2021, three working days after sending it to Mrs G. And she didn't see any reason why Mrs G wouldn't have returned it equally promptly if it had been sent to her earlier.

Quilter then didn't contact Mrs G until 30 September 2021 to confirm it had received her transfer request. It said it required the transfer value and ceding scheme's policy number. The investigator thought Quilter should have reviewed the application within a few working days, identified what information was missing and contacted Mrs G about it.

The investigator said although Quilter had said Mrs G hadn't provided the transfer value she had included it in a different part of the form. And her understanding of the need for the ceding scheme reference was to assist with the transfer, but it wasn't a requirement of the ceding scheme, and so shouldn't have delayed the transfer.

The investigator said if Quilter hadn't seen that the transfer value was noted in a later part of the application it should have continued to request this from Mrs G. She noted that Mrs G had responded to the initial request the following day - albeit without sending the information specifically required. The investigator thought if Quilter had asked for the information again Mrs G would likely have responded promptly. But in any event, as the transfer eventually proceeded without this information it suggested it wasn't a key necessity; she noted Quilter hadn't asked Mrs G for it again.

The investigator said Quilter had been alerted to the information that was required by Provider A in the correspondence Mrs G had sent to it on 7 July 2021:

- evidence of registration by HMRC from the receiving scheme
- receiving scheme policy or reference number
- receiving scheme payment details
- the personal pension declaration form (downloaded from Provider A's website)

However it hadn't forwarded most of this until 1 November 2021. She said Provider A had then alerted it within four working days that the pension declaration form remained outstanding. And again on 23 November 2021. Quilter issued the required outstanding form on 29 November 2021.

The investigator said in deciding on when the transfer should reasonably have been completed she had considered the best practice issued by the Transfer and Re-registration Industry Group (TRIG) in 2018. This provided end-to-end good practice standard timescales for differing types of transfer.

The investigator said Quilter was notified of Mrs G's intention to transfer on 7 July 2021. She said Quilter could have sent Mrs G the top-up application by 14 July 2021, and had it then been received three working days later (as it was), this would have been 19 July 2021. She thought Quilter could have sent Provider A the information it had specified in the letter of 7 July 2021 within five working days. And mirroring the actual timescales taken; the time taken for Provider A to send the funds to Quilter (8 working days), and for Quilter to receive and invest the funds (2 working days), she thought Quilter could reasonably have been in receipt of the transferred funds from 28 July 2021.

The investigator said she'd thought about whether Mrs G should have downloaded Provider A's form herself and provided this to Quilter. The investigator said she had followed the instructions given by Provider A herself, and it had taken only a few minutes. She also noted

that when reminded for the second time Quilter had downloaded and completed it. So she didn't think it was overly burdensome. She thought Quilter could have sent it to Provider A in the first instance, alongside the scheme registration, reference and payment details.

Quilter accepted that it was responsible for some of the delays. But it didn't agree with all what the investigator said. It said, in summary, that Mrs G didn't provide either the ceding scheme's policy number or the transfer value on the application form. It said Mrs G had confirmed a value of £14,454 in section 5 of the transfer form. But this related to any residual cash if assets were being transferred in-specie/re-registered, which in this instance they were not.

It said the ceding scheme's reference number was always requested otherwise there was a higher probability that a transfer would either be rejected or delayed. It was therefore necessary to ask for this information and it was also stipulated on the form, which Mrs G hadn't completed in full. It said the e-mail it subsequently received from Mrs G confirmed the ceding scheme's account number. It didn't confirm the cash value, but it proceeded having the ceding scheme's account number anyway.

Quilter said it hadn't downloaded the forms – Provider A had e-mailed it copies. It said it wasn't Quilter's responsibility to download any further forms that might be required – it was Mrs G's responsibility to provide all the necessary information to transfer her pension,. The letter it received on 7 July 2021 was addressed to Mrs G and not Quilter, and it outlined the requirements for Mrs G to complete.

Quilter said it forwarded all the relevant documents that it was in possession of on 1 November 2021. It didn't agree it had forwarded *most* of the required information. Provider A provided copies of the forms it needed completing on 5 November 2021. These documents had not been presented to Quilter previously for completion. Provider A chased for this information on 23 November 2021 and it posted the completed forms on 26 November 2021 (not 29 November 2021).

Quilter said it received the transfer money on 9 December 2021. And Provider A e-mailed the benefit letter to it at 6:10pm on 10 December 2021, after close of business. It couldn't invest the money without this letter. So its requirements were fulfilled on 13 December 2022.

Quilter also said as Mrs G had already accepted its offer of £300.00 it didn't think it should offer a further £200.00.

The investigator responded to say that when first forwarding Provider A's letter to Quilter on 7 July 2021 Mrs G had confirmed the current value of the fund to be moved. And the figure matched the figure she had provided, albeit in the incorrect section of the transfer form.

The investigator said she didn't think it was unreasonable for Quilter to request the ceding scheme reference number. But that it hadn't done so for almost two months. She thought this should have been identified and communicated much earlier.

The investigator said she didn't think the letter from Provider A was in any way ambiguous about the information it required and from whom. It was addressed to Mrs G, but she had forwarded it to Quilter with her e-mail which said *'I would like to transfer my pension, see letter attached, from [Provider A] current value as at 07/07/2021 £14,454.63 to Quilter...'* The attached letter said *'Please arrange for the following forms to be completed and returned to us by ...the receiving scheme.'* The letter went on to specify what was required; including the personal pension declaration form.

The investigator said although the personal pension declaration form wasn't included, the

letter explained how to obtain it. The investigator said this took a matter of minutes. But that even if Quilter wasn't prepared to download it itself, it should have told Mrs G that she needed to do this.

The investigator acknowledged that Quilter was correct to say a subsequent e-mail from Provider A had attached copies of the declaration relevant form. But she said it still remained that Quilter hadn't asked Mrs G to provide the declaration form between 7 July 2021 and issuing the rest of the information on 1 November 2021, almost 4 months later. She said Mrs G had already forwarded the letter from Provider A setting out its requirements so wouldn't have known that she needed to download and supply this form when returning Quilter's form on 2 August 2021. The letter specifically noted for the forms to be completed and returned by the receiving scheme.

The investigator said although she didn't think it would have been unreasonable for Quilter to download the necessary form following the 7 July 2021 e-mail, if it wasn't going to do so she thought it should have told Mrs G. Had it done so Mrs G would have responded with the relevant form by 19 July 2021, based on her response time. Quilter could then reasonably have completed and sent this to Provider A within five working days or by 26 July 2021 at the latest.

The investigator said by applying Provider A's timescales and acknowledging Quilter's comments about the benefit letter, she thought Quilter could reasonably have been in receipt of the transferred funds and benefit letter by 9 August 2021, and these should then have been invested within two working days. Therefore she thought the transfer should have been completed by 11 August 2021, and that Quilter should carry out a comparison of the relative positions at that date to calculate if compensation was due.

Quilter responded to say that it didn't agree with the date that the investigator had said the transfer could have been completed by. It said, in summary, that it was Mrs G's responsibility to download the forms and forward them to Quilter. The fact that Mrs G didn't do this didn't prevent the transfer from going ahead. Provider A confirmed its requirements to Quilter in a timely manner once it received the transfer instruction from Quilter. It said Provider A's letter was addressed to Mrs G, not Quilter. Provider A had clearly informed Mrs G what it needed and it wasn't Quilter's responsibility to inform Mrs G of Provider A's requirements.

Quilter said Mrs G chose to complete the transfer on a self-serve basis and therefore she was responsible. It said it was reasonable for a ceding scheme (Provider A) to confirm any additional requirements to the receiving scheme (Quilter) once the transfer was initiated, as it did. It said the application form and Transfer Authority form were signed and dated by Mrs G. It said she had therefore agreed to its terms, which included that Quilter didn't accept any liability for any losses arising from the misunderstanding of the information provided or omissions therein; and Quilter would only contact the transferring pension provider once all relevant information was received in respect of the transfer, including any additional documents required.

Quilter provided an alternative timeline of events assuming there had been no delays. It said based on this timeline it thought the funds would have been invested on 1 September 2021 and a comparison should be completed on that basis.

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.

Having done so I've come to the same overall conclusions as the investigator about the merits of the complaint, and for the same reasons. However I've come to a different conclusion about any further payment for distress and inconvenience.

Quilter acknowledged from the off that it was responsible for some delays. What's not yet agreed is the length of the delays and therefore by what date the transfer ought reasonably to have been completed by.

For the reasons set out by the investigator, I think it would have been reasonable for Quilter to have completed the transfer by 11 August 2021. The alternative timeline provided by Quilter is not significantly different to the investigator's findings, and differs largely due to Quilter's view on the provision of the pension declaration form.

As the investigator said, when Mrs G forwarded her e-mail to Quilter she said she wanted to transfer her pension and specifically referred to the letter attached from Provider A. This asked her to arrange for certain forms to be completed and returned to it *by the receiving scheme*. Whilst I accept it was Mrs G's responsibility to provide all the necessary information to transfer her pension, I think it was reasonable for her to understand that her e-mail alerted Quilter to the receiving scheme's requirements and the matter was in hand. Quilter has said Provider A confirmed its requirements to Quilter in a timely manner once it received the transfer instruction from Quilter. But Mrs G had already alerted Quilter to Provider A's requirements in the 7 July 2021 e-mail.

In my view if Quilter expected Mrs G to do something more about those forms it ought reasonably to have alerted her following receipt of her 7 July 2021 e-mail. And given Mrs G's normal response times I think it's likely she would have acted on the matter promptly and obtained a copy of the declaration form and forwarded it to Quilter within a few days. So I think the pension declaration form would have been sent along with the other documentation and so there wouldn't have been the further delay.

Quilter has referred to Mrs G agreeing to the terms in the application and Transfer Authority forms that she signed. I don't think the particular clauses referred to are material to the circumstances of the case. However in any event, I don't think Quilter can exclude or restrict its regulatory duties or liabilities – it acknowledged itself that it was responsible for at least some of the delays.

However I do agree with Quilter about the distress and inconvenience payment. Mrs G accepted the £300 and she subsequently said she accepted that payment for the inconvenience caused. Mrs G has said she thinks an award is appropriate given the length of time the transfer took and that the communication wasn't clear at any stage. I accept that Mrs G did suffer a degree of distress and inconvenience caused by Quilter's delays. But Quilter accepted and addressed that, and I don't think Quilter needs to make an *additional* payment over and above that £300 that was accepted by Mrs G.

My final decision

My final decision is that I uphold Mrs G's complaint.

I order Quilter Life & Pensions Limited to calculate and pay compensation to Mrs G on the following basis:

Fair compensation

In assessing what would be fair compensation, my aim is to put Mrs G as close as possible to the position she would probably now be in had it not been for the unnecessary delays.

To compensate Mrs G fairly Quilter Life & Pensions Limited should compare the actual value of Mrs G's pension at the date of this decision with what it would have been worth at the same date assuming the transfer value had been transferred to Quilter and subsequently invested on 11 August 2021.

If its value assuming the transfer had completed on 11 August 2021 is higher than its actual value there is a loss.

- If there is a loss, Quilter Life & Pensions Limited should pay such an amount into Mrs G's pension plan to increase its value by the amount of the compensation. The payment should allow for the effect of charges and any available tax relief. Quilter shouldn't pay the compensation into the pension plan if it would conflict with any existing protection or allowance.
- If Quilter is unable to pay the compensation into Mrs G's pension plan it should pay that amount direct to her. But had it been possible to pay into the plan, it would have provided a taxable income. Therefore the compensation should be reduced to notionally allow for any income tax that would otherwise have been paid. This is an adjustment to ensure the compensation is a fair amount – it isn't a payment of tax to HMRC, so Mrs G won't be able to reclaim any of the reduction after compensation is paid.
- The notional allowance should be calculated using Mrs G's actual or expected marginal rate of tax at her selected retirement age. It's reasonable to assume that Mrs G is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mrs G would have been able to take a tax free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.
- Quilter should provide details of the calculation to Mrs G in a clear, simple format.

Quilter Life & Pensions Limited should also pay Mrs G £300 in total for the distress and inconvenience caused by the matter (if it hasn't already done so).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 21 June 2023.

David Ashley
Ombudsman