

The complaint

Mr B complains that Standard Life Savings Limited delayed a request to transfer his pension fund to another provider.

What happened

Mr B had a Self Invested Personal Pension (SIPP) with Standard Life. He says it took Standard Life 70 days to transfer his SIPP to another provider. He also had an ISA under the same wrapper with Standard Life and it was transferred in 8 weeks. Mr B says there were delays at each stage of the transfer process and he's lost out as a result.

Mr B made his SIPP transfer request towards the end of September 2020. Standard Life sent the valuation for his SIPP to an incorrect email address on 8 October. It wasn't until 3 November, following a query from his financial adviser that Standard Life issued the valuation to the correct email address. He says that although some assets were being transferred in specie, Standard Life didn't disinvest the other assets at the same time and this caused further delays. Mr B says he's lost out, because of the delays, due to changes in the stock market. He complained to Standard Life.

Standard Life looked into his complaint. It said it had completed the transfer request within its service level agreement timeframes and within the 'Financial Services' guidelines. It said that Mr B had requested an in specie transfer for part of the funds in the SIPP and this needed to be completed before it could place sells for the other parts of the funds. It said this type of transfer could be technical and time consuming but it was satisfied it had completed the process in a timely fashion. The industry wide framework indicated that SIPP transfers can take on average three to six months.

Standard Life accepted it had made an error when it sent the initial valuation to an incorrect email address but, taken overall, it said the end to end processing time was not excessive.

Mr B was not satisfied with this response. He referred his complaint to our service. Our investigator looked into the part of his complaint which related to his SIPP. His complaint about the ISA is being considered in a separate complaint.

Our investigator thought about the initial valuation having been sent to an incorrect email address. But, taking everything into account, he thought this wouldn't have changed things because he said the new provider wouldn't have been able to send all the necessary paperwork to Standard Life until 3 November.

Our investigator thought that by 3 November Standard Life had received everything it needed to commence the transfer. But, it didn't action the request until 13 November. He thought there'd been an unreasonable delay actioning the information Standard Life had received on 3 November. If it had actioned that instruction when it received it, he thought the transfer would've completed on 17 November – and not 26 November.

He also thought it wasn't fair to delay transferring the cash by up to two months whilst the in specie transfer was taking place. He said Standard Life had acknowledged this when it had stepped outside its own process and transferred the cash before the in specie transfer had completed. So, he thought it was fair and reasonable to say that all of the assets, including the cash could've been with the new provider by 17 November 2020.

Our investigator said Standard Life should compensate Mr B for the delay. It should determine what the value of his pension would have been if the process had started on 3 November, the funds transferred on 16 November and received by Mr B's new provider on 17 November.

Standard Life didn't accept what our investigator had said. It pointed out:

- Mr B's transfer was an in specie transfer. This was a complex process.
- It had previously explained to Mr B and his advisers that the in specie transfer would be completed first – before any sells would be placed for the rest of his fund. This ensured that he remained invested throughout the process. This was in line with what the majority of pension providers did.
- Standard Life could have received the acceptance on 3 November if it hadn't made the error with the email address but, even if it had received the instruction at that date it didn't have instructions to place the sells.
- The proposed redress had been incorrectly based on this being a cash transfer when this was in fact an in specie transfer.

Our investigator considered what Standard Life said but he didn't change his view. He thought Standard Life had everything it needed on 3 November to commence the transfer. It didn't have to wait until the in specie transfer was completed before transferring the cash. And, it had ultimately transferred the cash before the in specie transfer was complete. It could've offered to do this much earlier.

Mr B accepted what our investigator said.

Because Standard Life didn't agree, the complaint was passed to me to decide. I issued a provisional decision in which I said:

What I've provisionally 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'd just point out at the outset that in this decision I'm only dealing with that part of Mr B's complaint which relates to his Standard Life SIPP. His complaint about the Standard Life ISA is being dealt with separately.

I've considered the sequence of events here and I've provisionally decided not to uphold this complaint. I'll explain why:

Standard Life received a request to transfer Mr B's SIPP to another provider on 28 September 2020. The application form signed by Mr B was a request to "fully transfer" his benefits "in cash." Attached to the application form was an instruction form from the new provider which indicated that the request was for

an in specie transfer and there was an asterisk beside this referring to a handwritten note which stated that the suspended property funds were to be transferred in specie with all other funds transferred as cash.

Standard Life sent a valuation listing for each of the funds in the portfolio to the new provider on 8 October 2020 – but, it accepts it sent that valuation listing to an incorrect email address.

So, I've thought about the impact this error had on the overall process here.

I've looked at the information on the email dated 8 October 2020 (which went to an incorrect email address). It said that in addition to a cash amount there were four funds in Mr B's SIPP which could be transferred to the new provider in specie. The cash amount would be transferred "once all the assets were re-registered."

Three of the funds listed were suspended but Standard Life confirmed that they were eligible for re-registration. The fourth fund, known as the Standard Life Property Fund, was also suspended. Standard Life said it was unable to convert or sell this fund and it said its understanding was that the new provider was unable to hold this share class – but it asked the new provider to confirm the position.

So, because of the status of the fourth fund, it was the case that Standard Life would've needed to agree to a partial transfer of Mr B's SIPP. The SIPP for Wrap terms and conditions stated that Standard Life would only agree to a partial transfer if, in its reasonable opinion, it was cost effective for it to process the transfer or to administer the part left behind.

Despite not having received the email of 8 October, I've noted that Mr B's financial adviser was able to issue an instruction on 29 October that only the suspended funds were to go in specie and all the other funds were to be transferred as cash including the Standard Life property fund when it became tradeable.

I've thought about the reasons why the adviser was able to issue that instruction despite the email having been sent to an incorrect address. I can see that Mr B's financial adviser was also advising Mr B's wife in relation to a similar request at this time. As a result queries had been raised with Standard Life about whether a part transfer of that SIPP could be facilitated. This was not a straightforward query. It took Standard Life about ten days to respond. But, given the fact that this was a complex query I don't think Standard Life took an unreasonable period of time to respond to the query.

So, I'm persuaded, on balance, that even if Standard Life had sent the valuation listing to the correct email address it would still have been 29 October 2020 before Mr B's financial adviser would've been aware that Standard Life was agreeable to a partial transfer here. It was because of that the adviser was able to issue the instruction that the suspended funds were to be transferred in specie and the Standard Life Property Fund was to be transferred as cash when it became tradeable.

It was only after this instruction was issued to Standard Life that the new provider realised it hadn't received the valuation listing. It contacted Standard Life on 3 November and asked for the valuation listing. This was sent on 7

November. The email was an important part of the process. In the email Standard Life said:

"It is of utmost importance that a thorough and complete asset acceptance exercise is completed."

The new provider completed this exercise and Standard Life received the acceptance on 11 November. The in specie request was picked up on 13 November and the transfer process commenced on that date. The re-registration was completed on 30 November 2020.

I've considered the length of time taken to complete the in specie transfer after the date when Mr B's financial adviser issued the instruction dated 29 October 2020. It took a month after that date to have the in specie transfer completed.

When an in specie transfer is requested Standard Life issues a document entitled "Wrap Quick Guide – In specie transfers out – WRAP SIPP." This document was sent to the new provider with the valuation dated 7 November and it included the following wording about expected timescales:

"Whilst there is no industry guidelines with regards to Inspecie transfers, we are very reliant on third party timescales and through on going analysis have found that it's not unusual for straightforward Inspecie transfers to take six-eight weeks."

Having considered everything, I'm not persuaded there was an unreasonable delay actioning or completing the in specie transfer requests. As set out in Standard Life's guide, this process can take longer and involves different parties. In this case the in specie transfer was completed just over a month after Mr B's financial adviser issued the instruction that only the suspended funds were to be transferred in specie.

I've then considered the length of time it took Standard Life to transfer the cash in Mr B's SIPP to the new provider. I've noted that the cash element in the SIPP was a significant proportion of the value of the overall SIPP.

As mentioned above Standard Life had to agree to accept a partial transfer of the SIPP before any part of it could be transferred to the new provider. It appears that after it had confirmed this, Mr B's adviser contacted Standard Life on 29 October to say that the suspended funds could be transferred in specie and everything else was to go in cash.

Standard Life's procedures are that it won't transfer cash until all of the re-registrations have completed. It says that's in line with industry standard. But, although Mr B's advisers would've known about this process (because they'd been told about it in relation to Mr B's wife's transfer request in early October) they weren't formally told about it in relation to Mr B's application until they received the new valuation on 7 November 2020. So, I've thought about whether the process and the date when Mr B's advisers were formally told about it in relation to Mr B's application created an unfair outcome here.

One of the reasons why Standard Life doesn't transfer any cash in the SIPP until all the re-registrations are complete is to ensure there is enough cash to pay client income payments whilst the transfer is being processed and also to cover any ongoing charges that apply to the SIPP. I think this is a fair and

reasonable explanation for its procedure. And, even if the email of 8 October 2020 had been sent to the correct email address – Standard Life wouldn't have been required to change its process or the outcome as regards the time when the cash would have been transferred.

It is the case that Standard Life appears to have stepped outside its own process as regards the time when it transferred the cash in Mr B's SIPP. It transferred the cash to the new provider before the in specie transfer had completed. Our investigator thought it could've offered to do this earlier in the process.

I've looked at the reasons why Standard Life transferred the cash when it did. I can see that Standard Life was aware of the complaint about delays and because of that it decided to go ahead and transfer the cash before the in specie transfer had completed. The cash was received by the new provider on 25 November. At that point the in specie transfer was already well under way. It completed on 30 November. So, although I don't think Standard Life was obliged to transfer the cash before the re-registrations completed I think it wanted to respond to the complaint about delays by transferring the cash earlier than required under its procedure – I think that was fair and reasonable.

Having considered everything here, I don't think there was an unreasonable delay actioning Mr B's request to transfer his pension fund to another provider. So, I don't intend to require Standard Life to have to take any further action.

My provisional decision

For the reasons given above, my provisional decision is that I do not intend to uphold this complaint about Standard Life Savings Limited.

Mr B's representative confirmed he had received my provisional decision. He didn't make any further comments.

Standard Life also confirmed it had received my provisional decision. It said it didn't have anything further to add.

So, I now have 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 considered the responses to my provisional decision. I haven't received any new or further information. So, there's nothing that persuades me to change my view, or the reasons for my view, as set out in my provisional decision.

My final decision

For the reasons given above I do not uphold this complaint about Standard Life Savings Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 December 2022.

Irene Martin
Ombudsman