

The complaint

Mr D's complaint is about the transfer, from Yorsipp Limited ('YL') to him, of the value within his late wife's Self-Invested Personal Pension ('SIPP').

YL administered the SIPP. Mr D inherited its value and, in 2021, arranged for its transfer into his pension. His complaint was initially about the transfer process and the transfer value. He has also referred to a matter concerning suitability of the SIPP's investments. However, this decision is only about the transfer value ('the complaint'). The complaint about the transfer process has been considered to be out of time and suitability of the SIPP's investments is a separate matter unrelated to YL.

What happened

One of our investigators looked into the complaint and concluded that it should be upheld, because YL had misguided Mr D on the transfer value, so he had experienced a *loss of expectation* in that regard.

He referred to YL providing Mr D with a valuation for the SIPP of £39,762.52 and the Discharge Form ('DF') it issued to him confirming that this valuation was in 'full and final settlement'. However, he said, the SIPP had not been fully liquidated at the time and the valuation was not final because some of its funds were illiquid. By December 2021 Mr D had received a total of £37,389.58 from the transfer. He expected a balance of £2,372.94, but learnt in March 2022 that the value of the remaining illiquid funds in the SIPP was £600. The investigator explained that this had resulted from value fluctuations that happen to investments up to the point they are liquidated, so for this reason YL was wrong to have given Mr D the impression that a specific full and final value was guaranteed.

Prior to the investigator's findings, YL had concluded the same in its complaint response. It acknowledged that its use of the words 'full and final settlement' was inaccurate and could have been misleading, because there were funds at the time that were yet to be liquidated. It apologised for this but offered no compensation.

The investigator concluded that there had been no financial loss caused by YL. Instead, he said, YL is responsible for the unnecessary disappointment faced by Mr D, especially given the sensitive surrounding circumstances, and caused by misleading his expectation of the total transfer value. To compensate for this, he said YL should pay Mr D £150.

The investigator discussed his view with Mr D and with his representative, and there is a telephone note stating that his representative confirmed his acceptance of the view. YL does not appear to have commented on the view, despite invitation from the investigator to do so. The matter was therefore referred for an Ombudsman's 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.

Having done so, I have reached the same conclusion expressed by the investigator for the same reasons. It is also noteworthy that YL's complaint response concedes the same reasoning and conclusion (but not remedy) expressed by the investigator.

Mr D's expectation was wrongly set by the transfer valuation and description of that valuation in the DF. Both were issued by YL. There were no grounds to describe the total valuation as full and final because the SIPP had not been fully liquidated at the time, so its *full and final* total value was unknown at the time.

I have not seen evidence that Mr D could reasonably have been expected to spot this error or to question it, and I am satisfied that he probably accepted the description as it was presented to him, and relied upon it. YL could have described the valuation of £39,762.52 in other ways that would have accurately explained its calculation at the time and explained that it was subject to change (and why). Unfortunately, that did not happen and Mr D expected to receive all the above total amount, only to be disappointed thereafter when he did not.

The fluctuations in values for the funds in the SIPP and the illiquidity of (and any dropped values in) those funds remaining in the SIPP as of March 2022, were not caused by YL. They were subject to market conditions. As I said at the outset, suitability of the SIPP's funds is a matter beyond the present complaint and beyond YL's responsibility – it was the SIPP's administrator, but it had no role in recommending the SIPP's investments. Therefore, and as the investigator said, the only matter to address is the distress (and trouble) caused to Mr D by YL mismanaging his expectation. In this respect, I too consider that £150 is fair compensation. I note that Mr D appears to agree and I will order YL in the next section to pay him this amount.

Putting things right

To compensate Mr D for the trouble and distress caused by YL mismanaging his transfer value expectation, and the disappointment that resulted in, I order YL to pay him £150. I consider that this is fair compensation for the disappointment he faced upon realising that the transfer value he had initially been given by YL was not full and final, as it had been described.

My final decision

For the reasons given above, I uphold Mr D's complaint and I order Yorsipp Limited to pay him £150 for the reason stated above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 March 2023.

Roy Kuku
Ombudsman