DRN-3818719

The complaint

Mr S has complained about the actions of The Royal London Mutual Insurance Society Limited ("Royal London") when it transferred his personal pension to a Qualifying Recognised Overseas Pension Scheme ("QROPS") in 2014. The QROPS subsequently invested in an asset that is unlikely to realise any value meaning Mr S has suffered a significant financial loss.

Mr S says Royal London failed in its responsibilities when dealing with his transfer request. He says that Royal London should have done more to warn him of the potential dangers of transferring, and undertaken greater due diligence on the transfer, in line with the guidance he says was required of transferring schemes at the time. Mr S says he wouldn't have transferred, and wouldn't have suffered financial losses, if Royal London had acted as it should have done.

What happened

On 19 May 2014, Mr S signed a letter of authority allowing Moneywise Financial Advisers Ltd to obtain details on his Royal London personal pension. Moneywise forwarded this on to Royal London. Included in its covering letter was a list of information requirements and a request for discharge forms to allow Mr S to transfer to a different pension scheme.

On 17 June 2014, Mr S signed a similar letter of authority, this time allowing Servatus Ltd, a Dublin based firm, to obtain details on his pension and transfer forms from Royal London.

Servatus recommended Mr S use a Harbour Pensions QROPS to invest in a Dolphin loan note and a managed portfolio. On 9 October, Harbour Pensions Limited wrote to Royal London requesting it transfer Mr S's pension to the Harbour Retirement Scheme ("the Harbour Scheme"), a QROPS based in Malta. Harbour Pensions Limited, the scheme's administrators, wrote to Royal London again on 16 October enclosing another transfer form. Included in all the transfer documents were various forms completed by Mr S and Harbour Pensions Limited, along with a letter from HMRC, dated 9 April 2013, which said HMRC had accepted the Harbour Scheme as a QROPS.

On 21 October, Royal London wrote to Harbour Pensions Limited to confirm it had received the transfer request and to say it couldn't find the Harbour Scheme on HMRC's QROPS list which meant it couldn't proceed. Emails between Royal London and Harbour Pensions Limited rectified this. On 12 November, Royal London completed a "transfer authorising check list". And on 13 November a cheque for the transfer value was authorised and paid to the Harbour Scheme. The transfer value was approximately £55,000.

Of the funds available to invest, 60% was invested in a Dolphin Capital Loan Note. Dolphin Capital (now known as the German Property Group) is a German property venture which has gone into liquidation. The remainder was put into an investment account managed by WH Ireland Limited.

Mr S was, and remains, resident in the UK. He was 51 at the time of the transfer.

In December 2020, Mr S (with the help of a claims management company) complained to Royal London. Briefly, his argument is that Royal London ought to have spotted, and told him about, a number of warning signs in relation to the transfer, including (but not limited to) the following: he was offered a free pension review; he had only been advised by Servatus which meant he didn't have UK regulatory protection; a QROPS was a complex arrangement and not necessary for his situation, especially as he wasn't intending to move abroad; and he was transferring in order to invest in high risk, unregulated, assets.

Royal London didn't think it had done anything wrong. It said, in brief, that it had conducted the checks required of it at the time and that it hadn't found any reason to refuse Mr S's transfer request.

Mr S referred his complaint to us. Our investigator didn't uphold his complaint. Mr S asked for an ombudsman to make 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.

<u>The relevant rules and guidance</u>

Before I explain my reasoning, it will be useful to set out the environment Royal London was operating in at the time with regards to pension transfer requests, as well as any rules and guidance that were in place. Specifically, it's worth noting the following:

- The Pensions Schemes Act 1993 gives a member of a personal pension scheme the right to transfer the cash equivalent value of their accrued benefits to another personal or occupational pension scheme if certain conditions are satisfied. A member may also have a right to transfer under the terms of their pension. This came to be exploited, with people encouraged to transfer to fraudulent schemes in the expectation of receiving payments from their new scheme that they weren't entitled to – for instance, because they were below minimum retirement age. This came to be known as "pension liberation".

- The Pensions Regulator (TPR) launched the "Scorpion" campaign on 14 February 2013. The aim of the campaign was to raise awareness of pension liberation activity and to provide guidance to scheme administrators on dealing with transfer requests in order to help prevent liberation activity happening. The Financial Services Authority ("FSA"), and the Financial Conduct Authority ("FCA") which had succeeded the FSA, endorsed the guidance. The guidance was subsequently updated, including in July 2014. I cover the Scorpion campaign in more detail below.

- In late April 2014 the FCA started to voice concerns about the different types of pension arrangements that were being used to facilitate pensions scams. In an announcement to consumers entitled "Protect Your Pension Pot" the increase in the use of SIPPs and SSASs in pensions scams was highlighted, as was an increase in the use of unregulated and/or illiquid investments. The FCA further published its own factsheet for consumers in late August 2014. It highlighted the announcement to insurers and advisers in a regulatory round-up published on its website in September 2014.

- Royal London was subject to the FCA Handbook and under that to the Principles for Businesses (PRIN) and to the Conduct of Business Sourcebook (COBS). There have never been any specific FSA/FCA rules governing pension transfer requests, but the following have particular relevance:

- Principle 2 – A firm must conduct its business with due skill, care and diligence;
- Principle 6 – A firm must pay due regard to the interests of its customers and treat them fairly;
- Principle 7 – A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading; and
- COBS 2.1.1R (the client's best interests rule), which states that a firm must act honestly, fairly and professionally in accordance with the best interests of its client.

- Also relevant here is that an overseas pension scheme is defined in HMRC regulations as being one which is subject to specified regulatory and taxation restrictions in the country of establishment. To become a QROPS it must also be:
  - Recognised, meaning in short that it meets specified tests applied by HMRC, including on minimum retirement age and the application of tax relief.
  - Qualifying, meaning it must notify HMRC that it is a recognised overseas pension scheme; provide appropriate evidence of this; undertake to adhere to HMRC's requirements; and not be otherwise excluded by HMRC from being a QROPS.

Overseas schemes that have notified HMRC that they qualify to be a QROPS are included in a published list on HMRC's website.

<u>The Scorpion guidance</u>

The Scorpion campaign was launched on 14 February 2013, and was initially focused on pension liberation – namely, the access to pension funds in an unauthorised manner (such as before normal minimum pension age). The guidance was updated in July 2014. It widened the focus from pension liberation specifically, to pension scams – which it said were on the increase.

The materials in the July 2014 Scorpion campaign comprised:

- An insert to be included in transfer packs (the 'Scorpion insert'). The insert warns readers about the dangers of pension scams and identifies a number of warning signs to look out for.

- A longer booklet issued by The Pensions Advisory Service ("TPAS") which gives more information, including example scenarios, about pension scams. Guidance provided by TPR said this longer leaflet was intended to be used in ongoing communications with members so that they could become aware of the scam risks they were facing.

- An 'action pack' for scheme administrators that highlighted the warning signs present in a number of transfer examples. It suggested transferring schemes should "watch out for" various warning signs of a scam. If any of the warning signs applied, the action pack provided a check list that schemes could use to help find out more about the receiving scheme and how the member came to make the transfer request. Where a transferring scheme still had concerns, they were encouraged (amongst other things) to contact the member to establish whether they understood the type of scheme they were transferring to and – where a member insisted on transferring – directing the member to Action Fraud or TPAS.

TPR issued the guidance under the powers at s.12 of the Pension Act 2004. Thus, for the bodies regulated by TPR, the status of the guidance was that it provided them with information, education and/or assistance, as opposed to creating any new binding rule or legal duty. Correspondingly, the communications about the launch of the guidance were predominantly expressed in terms that made its non-obligatory status clear. So, the tenor of the guidance is essentially a set of prompts and suggestions, not requirements.

The FSA's endorsement of the Scorpion guidance was relatively informal: it didn't take the form of Handbook Guidance, because it was not issued under s.139A of the Financial Services and Markets Act (FSMA), which enabled the FSA to issue guidance provided it underwent a consultation process first. Nor did it constitute "confirmed industry guidance", as can be seen by consulting the list of all such FSA/FCA guidance on its website.

I take from the above that the contents of the Scorpion guidance were essentially informational and advisory in nature and that deviating from it doesn't necessarily mean a firm has broken the Principles or COBS rules. Firms were able to take a proportionate approach to transfer requests, balancing consumer protection with the need to also execute a transfer promptly and in line with a member's statutory rights.

That said, the launch of the Scorpion guidance was an important moment in so far it provided, for the first time, guidance for personal pension providers dealing with transfer requests – guidance that prompted providers to take a more active role in assessing those requests. The guidance was launched in response to widespread abuses that were causing pension scheme members to suffer significant losses. And the guidance's specific purpose was to inform and help ceding firms when they dealt with transfer requests in order to prevent these abuses and save their customers from falling victim to them.

In those circumstances, I consider firms which received pension transfer requests needed to pay regard to the contents of the Scorpion guidance as a matter of good industry practice. It means February 2013 marks an inflection point in terms of what was expected of personal pension providers dealing with transfer requests as a matter of fulfilling their duties under the regulator's Principles and COBS 2.1.1R.

<u>What did personal pension providers need to do?</u>

For the reasons given above, I don't think personal pension providers necessarily had to follow all aspects of the Scorpion guidance in every transfer request. However, I do think they should have paid heed to the information it contained. In deciding how to apply the guidance, they needed to consider the guidance as a whole, including the various warning signs to which it drew attention, the case studies that highlighted different types of scam, and the checklist and various suggested actions ceding schemes might take. And where the recommendations in the guidance applied, absent a good reason to the contrary, it would normally have been reasonable, and in my view good industry practice, for pension providers at least to follow the substance of those recommendations:

1. As a first step, a ceding scheme needed to check whether the receiving scheme was validly registered.

2. The Scorpion insert provided an important safeguard for transferring members, allowing them to consider *for themselves* the scam threat they were facing. Sending it to customers considering a transfer of their pension was also a simple and inexpensive step for pension firms to take and one that wouldn't have got in the way of efficiently dealing with transfer requests. So, all things considered, I think the Scorpion insert should have been sent as a matter of good industry practice with transfer packs and direct to the transferring member when the request for the transfer

pack had come from a different party.

3. I also think it would be fair and reasonable for personal pension providers – operating with the regulator's Principles and COBS 2.1.1R in mind – to ensure the warnings contained in the Scorpion insert were provided in some form to a member before a transfer even if the transfer process *didn't* involve the sending of transfer packs.

4. The Scorpion guidance asked firms to look out for the tell-tale signs of scams and undertake further due diligence and take appropriate action where it was apparent their client might be at risk. The guidance points to the warning signs transferring schemes should have been looking out for and provides a framework for any due diligence and follow-up actions. Therefore, whilst using the action pack wasn't an inflexible requirement, it did represent a reasonable benchmark for the level of care expected of transferring schemes and identified specific steps that would be appropriate for them to take, if the circumstances demanded.

5. The considerations of regulated firms didn't start and end with the Scorpion guidance. If a personal pension provider had good reason to think the transferring member was being scammed – even if the suspected scam didn't involve anything specifically referred to in the Scorpion guidance – then its general duties to its customer as an authorised financial services provider would come into play and it would have needed to act. Ignoring clear signs of a scam, if they came to a firm's attention, or should have done so, would almost certainly breach the regulator's principles and COBS 2.1.1R.

These were additional requirements over and above what a ceding scheme would always have needed to do when processing a QROPS transfer. Those requirements included checking whether the QROPS was on HMRC's published list, and ensuring the necessary HMRC forms were completed.

<u>The circumstances surrounding the transfer: what does the evidence suggest happened?</u>

Mr S says he was considering what to do with his pension and telephoned a number of firms to get some help. As a result of this, he was offered a free review. He says he was then referred to Servatus and that he met an adviser at his home. He says Servatus advised him.

Mr S agreed to pay Servatus for its advice. He says Servatus recommended that he use a Harbour Pensions QROPS to invest in a Dolphin loan note. He says he wasn't given much information about Dolphin – just that it was a "building company" and that it was safe and would double his pension by the time he retired. Mr S wasn't therefore motivated by the prospect of accessing his pension early or by receiving any other form of unauthorised payment. He transferred because he thought he would generate better returns.

I note here that there's documentary evidence indicating the involvement of two other firms. In July 2012 Mr S signed a letter of authority giving a firm called "The Review Business" permission to request information on his Royal London policy. And in May 2014, Mr S did the same with Moneywise (and also Servatus the following month). Mr S hasn't referred to The Review Business or Moneywise in any detail in his recollection of events, so I consider them peripheral to what happened.

Mr S has also referred to the involvement of "Portia Finance". Whilst he hasn't provided documentary evidence of Portia's involvement, I'm aware that other complainants in similar circumstances did meet Portia so it's credible that Mr S did meet Portia at some point in the process. However, it's clear from what Mr S has repeatedly said, and from the documentary evidence that has been provided, that it was Servatus that advised him and it is this that is crucial for reasons that I will come on to.

At the time of the transfer, Mr S was 51 years old. He lived in the UK and didn't intend to live overseas. The Harbour Scheme application form only showed the one pension – his Royal London pension. He says he was unemployed, reliant on benefits and without any savings other than his Royal London pension.

What did Royal London do and was it enough?

Due diligence:

The paperwork Royal London received as part of Mr S's transfer request showed HMRC had accepted the Harbour Scheme as a QROPS. I note too that the Harbour Scheme was on HMRC's published list and had been since 2013. I can see Royal London checked this. These steps ensured that the transfer payment both qualified as an authorised payment for tax purposes and also satisfied Mr S's statutory right, and potentially other legal rights, to transfer.

In light of the Scorpion guidance, I think firms also ought to have been on the look-out for the tell-tale signs of a pension scam and would have needed to undertake further due diligence, and take appropriate action, if it was apparent their customer might be at risk. Royal London received completed transfer forms in October 2014, so it is the July 2014 Scorpion guidance that's relevant in this respect.

Given the information Royal London had at the time, one feature of Mr S's transfer would have been a potential warning sign of a scam under the July 2014 Scorpion action pack – there was a transfer of money overseas. Royal London should therefore have followed up on that to find out if other signs of a scam were present. I think it would have been fair and reasonable – and good practice – for Royal London to have turned to the check list in the action pack to do this.

The check list provided a series of questions to help transferring schemes assess the potential threat by finding out more about the receiving scheme and how the consumer came to make the transfer request. Some items on the check list could have been addressed by checking online resources such as HMRC. Others would have required contacting the consumer. The check list is divided into three parts (which I've numbered for ease of reading and not because I think the check list was designed to be followed in a particular order):

1. The nature/status of the receiving scheme

   Sample questions: Is the receiving scheme newly registered with HMRC, is it sponsored by a newly registered or dormant employer, an employer that doesn't employ the transferring member or is geographically distant from them, or is the receiving scheme connected to an unregulated investment company?

2. Description/promotion of the scheme

   Sample questions: Do descriptions, promotional materials or adverts of the receiving scheme include the words 'loan', 'savings advance', 'cash incentive', 'bonus', 'loophole' or 'preference shares' or allude to overseas investments or unusual, creative or new investment techniques?

3. The scheme member

   Sample questions: Has the transferring member been advised by an 'introducer',

> been advised by a non-regulated adviser or taken no advice? Has the member decided to transfer after receiving cold calls, unsolicited emails or text messages about their pension? Have they applied pressure to transfer as quickly as possible or been told they can access their pension before age 55?

Opposite each question, or group of questions, the check list identified actions that should help the transferring scheme establish the facts.

I don't think it would always have been necessary to follow the check list in its entirety. And I don't think an answer to any one single question on the check list would usually be conclusive in itself. A transferring scheme would therefore typically need to conduct investigations across several parts of the check list to establish whether a scam was a realistic threat. Given the warning sign that should have been apparent when dealing with Mr S's transfer request, and the relatively limited information it had about the transfer, I think in this case Royal London should have addressed all three parts of the check list and contacted Mr S as part of its due diligence.

There were *some* parallels between Mr S's transfer and the warning signs identified by the check list. Specifically, the investment that lay behind his decision to transfer was overseas and could, potentially, be described as being "unusual" or "creative". Mr S was also transferring to a QROPS even though he was resident in the UK and didn't appear to be contemplating a move overseas. Whilst the action pack didn't specifically address such a scenario, it's reasonable to say this should have appeared unusual to Royal London.

However, in aggregate, I'm satisfied Royal London wouldn't have thought Mr S was likely falling victim to a scam. I say this because the catalyst for the transfer wasn't the result of unsolicited contact but a result of Mr S contacting firms because he was looking to review his pension. Whilst that wouldn't preclude a scam, it's reasonable to say a scam would have appeared less likely given Mr S initiated the whole process. More importantly, investigations into who had advised Mr S would have revealed the presence of Servatus, which was an advisory firm regulated by the Central Bank of Ireland. Importantly, Servatus was also shown on the FCA's register as authorised in the UK with passporting rights. This means that for UK purposes Servatus was an authorised person under s.31(1)(b) of the Financial Services and Markets Act (FSMA) 2000 and Schedule 3 to that Act.

The presence of Servatus as an authorised person advising Mr S would have indicated to Royal London that the transfer was unlikely to be a scam and that Mr S would enjoy some regulatory protections in the event it turned out to be one. This wouldn't have been via the UK's complaints and investor protection institutions, the Financial Ombudsman Service or the Financial Services Compensation Scheme. But The Republic of Ireland also has a complaints system, financial services and pensions ombudsman and a statutory investor compensation scheme, which EU countries are required to have under the EU's Investor Compensation Directive.

Furthermore, as a firm that was regulated (albeit by a home-state regulator in another EU jurisdiction) the regulatory protections included the fact that Servatus would have been held to a high standard, mandated throughout the EU, by its own regulator. And as an authorised firm, Servatus would have had to follow the applicable European regulatory standards and conduct its practice in accordance with those standards. Its operations would have been under some oversight by its regulator to ensure it was acting in the best interest of its client. It therefore would have had to meet certain required standards in all of its dealings and be subject to regulation and to investor recourse under the Irish system. So in light of this it isn't unreasonable that, had it checked up on its regulatory standing, Royal London could have been reassured that Servatus was regulated to EU standards that were accepted for the purpose of authorisation under UK law.

As outlined previously, firms needed to take a proportionate approach to transfer requests, balancing consumer protection with the need to also execute a transfer promptly and in line with a member's rights. I'm satisfied that the fact that Mr S was being advised by a properly authorised adviser would reasonably have given Royal London reassurance the transfer was unlikely to be a scam. With that in mind, there wouldn't have been a need, and it wouldn't have been proportionate, for Royal London to have given Mr S any specific warnings beyond the warnings contained in the Scorpion insert (which I discuss below).

In coming to that conclusion, I have considered whether the act of contacting Mr S and asking questions about his transfer – which Royal London should have done – would have prompted him to change his mind. Those questions could, for instance, have caused Mr S to have questioned the wisdom of moving his pension outside of his country of residence. But I haven't seen anything that makes me think Mr S was so cautious that he would have backed out of the transfer just as a result of being asked some questions. And if those questions caused Mr S to have done some further research, I'm satisfied he would, like Royal London, have ultimately taken comfort from the fact that he had been advised by a regulated adviser.

The Scorpion insert:

For the reasons given above, my view is that personal pension providers should, as a matter of course, have sent transferring members the Scorpion insert or given them substantially the same information.

There were two obvious opportunities when Royal London should have sent Mr S the Scorpion insert: following the request from Moneywise for transfer papers in May 2014, and when a similar request came in from Servatus the following month.

I've seen nothing to indicate Royal London sent Mr S the Scorpion insert on either occasion. However, the version of the insert that was in use at that time – the February 2013 version – was focussed on the threat posed by offers to access pensions before the age of 55. As he wasn't intending to access his pension early, and as the specific warning signs to "watch out for" didn't describe his situation, I'm satisfied the insert wouldn't have caused Mr S alarm. In that respect, Royal London's failure to send the insert was immaterial – it wouldn't have prompted him to question what he was doing or made a difference to his decision to transfer.

Our investigator said that the July 2014 version of the Scorpion insert could also have been sent. This version covered more than just the threat posed by liberation. But I don't think it would have made a difference to Mr S's thinking either. It highlighted the following warning signs for someone to be on the lookout for:

- claims that a pension pot can be accessed before age 55;
- being approached out of the blue over the phone, via text message or in person door-to-door;
- being enticed by upfront cash; and
- being offered a free 'pension review' or being lured by 'one off' investment opportunities.

It went on to say that if someone thought they were being targeted by scammers, they should not be rushed or pressured into a decision and that they should call TPAS before signing anything or Action Fraud if an offer had already been accepted.

Mr S wasn't attempting to access his pension before the age of 55. He wasn't receiving upfront cash. And he hadn't been approached out of the blue – it was Mr S that started the whole process when he called companies with a view to looking into his pension. In other words, three of the four bulleted warning signs listed above *didn't* apply to Mr S.

Nevertheless, Mr S says he was offered a free pension review. And whilst it's unclear whether the Dolphin investment was presented as a one-off opportunity, the overall tenor of the insert was to be cautious about "too good to be true" claims about investments. So this also had parallels with Mr S's situation. And this version of the Scorpion insert warned about scams in general rather than the narrower warning about pension liberation. So that too may have put Mr S more on guard than he otherwise would have been.

However, on balance, I don't think the July 2014 insert would have changed Mr S's mind. Most of the messages weren't relevant to his situation. And even if the insert had prompted him to review things, it strikes me as doubtful that he would have just aborted the transfer without further research. I consider it likely that further research would have had led to Mr S taking comfort from the fact that a regulated adviser had advised him.

I've considered whether being asked due diligence questions by Royal London would have primed Mr S to have been more receptive to the messages contained in the Scorpion insert and prompted him to "join the dots" about the risks he was taking (or, depending on when it was sent, primed him to have been more concerned when asked those due diligence questions). In other words, I've considered the likely *cumulative* impact of everything Royal London should have done and not just the impact a due diligence process, and the Scorpion insert, would have had in isolation. But I return to what I said before which is that Mr S was being advised by a regulated adviser so I'm satisfied that knowledge would have mitigated any concerns he otherwise may have had.

I've also considered everything Mr S has said about his character at the time which, to summarise, was cautious and prudent and why that, along with his relatively limited long-term savings and financial resources, meant he wasn't minded to, and wasn't in a position to, take risks with his pension. His says this meant he wouldn't have proceeded with the transfer had he been given the appropriate warnings.

I don't disagree with the characterisation of Mr S as being relatively cautious. I note here that on his Harbour Scheme application form, Mr S was recorded as "medium risk" – the middle of five ratings. And his investment objectives were the third most aggressive out of four categories, the description for which was:

"I am comfortable with risk over the longer term and acknowledge that this may mean the investments fluctuate in the medium term."

So whilst the evidence suggests Mr S wasn't a low risk investor (which is how he described himself in his complaint to Royal London), I accept the overall point that he had neither the appetite nor the financial means to take too much risk and that context needs to be taken into account when considering his likely reaction to the Scorpion insert. My disagreement is with what this would have meant for Mr S had he been sent the July 2014 version of that insert. I don't think Mr S would have had any misgivings as a result of the insert because he would have been under the impression (or would have found out) that he had been advised by a regulated firm. I think that would have neutralised the fact that the insert had referenced free pension reviews and one-off investment opportunities, which were the only two warnings that could, reasonably, have resonated with him.

Mr S has argued he would have gone back to Royal London which would have sent him the longer version of the Scorpion warning materials. I don't think this is a likely scenario. I think Mr S would have been more likely to have gone back to the person who he was paying to advise him – Servatus. And, as before, Mr S wouldn't likely have found cause for concern there. But even if he had gone back to Royal London, and been sent the longer Scorpion booklet, that chain of events doesn't change things because that document concludes with what action someone should take should they think they've been targeted by scammers, one of which is using the FCA register to check their adviser. That leads us to the same place: Mr S wouldn't have considered Servatus as being untrustworthy.

Mr S has also pointed to the fact that Mr S didn't proceed with a transfer in 2012 when he appointed an authorised firm to gather information on his pension. He argues that this is evidence that he "made a judgement" based on what that firm said which indicates he would have been receptive to warnings from Royal London had they been given.

There's a lot I disagree with here. First, Mr S hasn't provided any evidence about what happened in 2012, or even referred to what happened in any detail in his recollections, to allow me to reasonably draw comparisons between then and 2014. Second, the events in 2012 predate the launch of the Scorpion guidance so whatever Mr S was told, or shown, back then will, inevitably, be different to the Scorpion inserts under consideration here. And, third, if Mr S did heed what an authorised adviser said in 2012 – which is what he seems to be saying – then that would make it more likely that he would have listened to Servatus rather than taking independent action such as halting the transfer.

Finally, I've considered Mr S's points about what he "would have known" had Royal London acted as it should have done. For instance, he says he "would have known" a QROPS was an unusual arrangement for his situation, he didn't need a QROPS in order to access tax free cash, he hadn't picked Servatus himself and the Dolphin investment was high risk. Mr S is disappointed that we haven't addressed these points previously (and others like it) because he thinks doing so would have inevitably led to the conclusion that he would have backed out of the transfer having been armed with all this information.

The reason why these arguments don't need to be addressed in detail is because they're based on a false premise. Royal London wouldn't have needed to provide any specific warnings to Mr S beyond the Scorpion insert. And neither the Scorpion insert, nor Royal London's due diligence questions, would have provided the detailed information Mr S has suggested. That is the context within which Mr S's likely actions need to be judged, *not* Mr S's list of what he "would have known". Of course, the Scorpion insert and/or due diligence questions may have prompted Mr S to have done further research. But, for the reasons given above, I don't consider this likely and any further research would likely have resulted in Mr S drawing comfort from the presence of a regulated adviser anyway.

It follows from the above that I don't uphold Mr S's complaint.

My final decision

For the reasons given above, my final decision is to not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 February 2025.

Christian Wood
Ombudsman