

## The complaint

Mr C held deferred benefits in an occupational pension scheme (OPS). The OPS was wound up around 2014 and the trustees of that scheme insured members benefits with Pension Insurance Corporation plc (PIC). Mr C complains that PIC isn't providing him with the benefits he was entitled to in his OPS.

## What happened

Mr C has insured retirement benefits with PIC that were set up by the trustees of a previous OPS that he'd accrued benefits in as a result of previous employment.

Mr C became aware that the policy he had in place with PIC didn't provide a feature of his previous pension. It was a '*Value for Money (VFM)*' provision which provided guarantees regarding pension increases. He complained to PIC about that.

Mr C ended up referring that complaint to the Pensions Ombudsman (PO), who gave a determination on that in 2018.

Mr C complained to PIC again in 2021 about a number of issues, including the information that PIC provided in response to his queries about transferring his pension benefits to a different provider. PIC responded to explain that it identified examples where Mr C had been provided with inaccurate information. It apologised and offered Mr C £100 compensation for the inconvenience it caused him.

Mr C complained to our service in March 2022. He provided a list of points he wanted to raise. To summarise, he wanted us to consider his complaint against PIC and also his ex-employer. That complaint was described as being the loss of at least one pension benefit in the transfer to PIC. Which he referred to as the VFM benefit that had been stolen/removed by PIC. He explained that he was so unhappy with the position that, in 2021, he decided he should move his pension benefits away from PIC to a defined contribution pension scheme. Mr C complained that PIC provided him with incorrect information regarding transferring his benefits.

Our investigator explained to Mr C that our service would be unable to consider his complaint points about his previous employer. It wasn't a financial business regulated by the Financial Conduct Authority (FCA) – so wasn't a business that fell under the compulsory jurisdiction of our service.

And our investigator didn't think we should look into Mr C's complaint about the benefits provided by his PIC policy. As that issue had already been considered by an alternative ombudsman service when the PO gave an answer in 2018. Mr C didn't agree, so an ombudsman offered a further explanation to Mr C to explain why we wouldn't consider the issues that the PO had already given an answer on.

Mr C re-iterated that his complaint only related to things that happened in 2021 which he said hadn't previously been referred to our service or the PO. So our investigator considered the events in 2021 in isolation. Which meant looking at the service that PIC provided Mr C

when making enquiries about moving his pension benefits to another provider.

Our investigator gave his view on how the complaint should be resolved. Mr C disagreed with this suggested resolution. He still wanted us to consider the actions of his employer and wanted us to get answers from PIC about his missing benefits. So his complaint was referred to an ombudsman.

### **My provisional decision**

I issued both parties a copy of my provisional determination. In it I gave my decision on why there were certain elements of Mr C's complaint that our service couldn't and wouldn't look into. These related to matters of jurisdiction and dismissal. I explained that:

- We couldn't investigate a complaint against a business that is not regulated by the Financial Conduct Authority (FCA) to carry out regulated activities;
- We won't investigate matters that have already been referred to and investigated by the PO;
- We could investigate the service that Mr C received from PIC in 2021 when corresponding with them for information regarding a transfer of his pension benefits.

My provisional determination went on to explain why I agreed that Mr C's complaint about receiving incorrect information from PIC ought to be upheld. And that I thought that he should be paid compensation of £100 for the trouble and upset that those issues caused.

### **Response to my provisional decision**

Mr C responded to my provisional decision in some detail. In it he made a number of points and levelled a number of allegations as to the honesty of me and this service. He set out all of his objections and re-iterated the points that he'd made previously to us. He also stated his objection to the fact that his case had been escalated to an ombudsman at all.

### **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 my provisional determination on this case, I said the following:

*"I would like to reassure Mr C that all of that correspondence is on our file, and I have reviewed all of it. It isn't practical for me to comment on all of his correspondence in this decision. Our service exists to provide an informal resolution service as an alternative to the courts. I hope Mr C won't consider the fact that I've summarised my findings as dismissive."*

So I'm disappointed to read that Mr C has taken, what I read to be, such offence at my provisional decision. I'm unable to do anything more than, again, offer reassurance to Mr C that I have in fact considered everything in this case. Even though, as he has pointed out, the file has become very long.

Mr C questions the fact that his case was referred to an ombudsman. He has pointed out that he asked our investigator not to escalate it. I'll explain why this happened.

Our service exists to try to resolve complaints in a fair, reasonable, and impartial way. And we operate under rules that are set out for us in the Dispute Resolution (DISP) section of the FCA Handbook. It means that there are procedures that we must follow to try to help

consumers and businesses resolve issues.

DISP 3.5.4R says:

*If the Ombudsman decides that an investigation is necessary, he will then:*

- (1) ensure both parties have been given an opportunity of making representations;*
- (2) send both parties a provisional assessment, setting out his reasons and a time limit within which either party must respond; and*
- (3) if either party indicates disagreement with the provisional assessment within that time limit, proceed to determination.*

Our investigator followed this rule in the way he went about progressing Mr C's case. Mr C and PIC were both sent our investigator's provisional assessments. Which Mr C clearly disagreed with. Mr C had been made aware that as he didn't accept the investigator's assessment, the next step would be referral to an ombudsman to issue a determination. He could have withdrawn his complaint before that happened, which would've ended our service's involvement in his complaint at that point. Mr C didn't withdraw his complaint, so this case is at this final stage of our complaint handling process. This final decision (determination) will be our services last involvement in trying to resolve this matter.

Before we can investigate, or ask questions of businesses, we have to be acting within our authority. I explained my decision about what we can and can't look into in my provisional decision. I've considered these issues again in reaching this final determination. I don't consider that Mr C has provided any additional evidence in his last submission. For the same reasons that I set out to both parties previously, my decision remains that our service will not be considering what happened when Mr C's deferred OPS benefits were, effectively, transferred to PIC. I still consider those issues to relate to the complaint that was dealt with by the PO. So remain dismissed under DISP 3.3.4A.

This means that we haven't investigated what happened when PIC took over the provision of Mr C's retirement benefits. It means that we won't be asking PIC, or any third parties, questions about any benefits that Mr C formerly held. Quite simply, our rules don't give us the right to do so.

Having explained why the above issues aren't things that we'll help Mr C with, I'm left with the issue of the service that Mr C received in 2021. Which is the service that Mr C received from PIC when he was making enquiries about how to transfer his pension.

Mr C needs to be able to continue to contact PIC for as long as he is its customer. And PIC needs to respond to reasonable requests for information. And having seen its responses to him, I think that for the most part that it has. PIC is not responsible for providing Mr C with advice or guidance on how to transfer his pension benefits to a defined contribution pension. Mr C would need to get such advice from an independent financial adviser.

There were however a number of instances in 2021 where PIC provided Mr C with information that wasn't correct. PIC's own investigation accepted the following errors:

- A phone call where Mr C was incorrectly informed that the transfer value would be the higher of the quoted value or the transfer value at the date of settlement. When he would in fact receive the transfer value at the settlement date.
- An incorrect statement in a letter in August 2021 about when Mr C would need financial advice in order to transfer his pension.
- Unclear information in trying to answer Mr C's question about when he would be contacted if the transfer value at settlement changed.

- Incorrectly told Mr C in a phone call that he could do partial transfers.

These errors were corrected for Mr C in PIC's response to his complaint in September 2021. In what I think was a clear way. But I think that Mr C should have been provided with accurate and reliable information in the first place. So I agree with PIC's finding that this part of Mr C's complaint should be upheld.

I've considered the impact of these mistakes on Mr C. It seems he was depending on the information and had a right to expect it would be correct. PIC had provided a transfer pack in a reasonable timeframe, and the issues arose after that pack being sent in July. Although these misunderstandings were cleared up by PIC's response in September 2021, I think Mr C is likely to have been confused and concerned during that period.

I realise Mr C believes he is significantly worse off as a result of his pension now being provided by PIC. But on the basis of the issues that I'm upholding, I don't think Mr C suffered any financial loss. Mr C could have obtained financial advice but he hasn't. Mr C was unable to transfer without it. So any confusion PIC caused didn't delay Mr C transferring his pension to another provider. But Mr C was caused distress and inconvenience. He had to engage in additional correspondence to clear up misunderstandings that shouldn't have been necessary.

To clarify for Mr C, I am aware how many hours he must have invested in preparing numerous lengthy submissions for his complaint. Almost exclusively stating his argument for us to investigate the issues that I've explained we're not looking at. But I don't consider Mr C's decision to invest that time to be a consequence of the failing that this case is being upheld for. Any award I make must reflect the distress and inconvenience caused by the error. For the level of inconvenience caused by confusion over a couple of months, I think that the offer of £100 in compensation that PIC made was fair. So I won't be asking it to increase it.

### **My final decision**

Pension Insurance Corporation plc has already made an offer to pay Mr C £100 to settle the complaint and I think that offer is fair in all the circumstances.

So my decision is that Pension Insurance Corporation plc should pay Mr C £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 January 2023.

Gary Lane  
**Ombudsman**