

The complaint

Mr A complains about the advice that an appointed representative of The On-Line Partnership Limited ('TOPL') gave to him to transfer the benefits from his defined-benefit ('DB') occupational pension scheme to a personal pension. He says the advice was unsuitable for him and believes this has caused a financial loss.

It was one of TOPL's appointed representatives, rather than TOPL itself, which gave Mr A transfer advice. But as TOPL is responsible for responding to the complaint I will only refer to it within this decision.

Professional representatives have helped Mr A to bring this complaint. But, for ease of reading, I will refer to the representatives' comments as being Mr A's.

What happened

In January 2017, after his long-term employer had told Mr A and his colleagues that it would be closing down its local business, Mr A approached TOPL to discuss his pension and retirement needs.

TOPL completed a fact-find to establish Mr A's circumstances and objectives. Amongst other things it noted that Mr A was 53 years old, married with three non-dependent children. He intended to continue working until his employer ceased operating locally, scheduled for June 2018. He owned his home, with a value in the region of £240,000 on which he had an outstanding mortgage of £90,000. He was paying around £450 a month to service a mortgage. He had £2,000 in savings. Mr A and his employer were also paying into a separate defined contribution scheme (the DC scheme) which was worth £67,200. His employer had told Mr A to expect a redundancy payment of £73,465. He was hoping to then work part-time and use the £30,000 tax free element of his redundancy payment to supplement his income. He estimated he'd need around £11,000 a year income after being made redundant. TOPL assessed Mr A's attitude to risk as balanced.

TOPL gathered information about Mr A's DB scheme and obtained a transfer value analysis report ('TVAS'). His DB scheme had a cash equivalent transfer value ('CETV') of £220,842. At age 65 it would pay Mr A a full yearly pension of £13,610. TOPL also gave Mr A an illustration from a named personal pension provider showing how his fund might perform once transferred.

In April 2017 TOPL sent Mr A its suitability report setting out its advice. It recommended that Mr A should transfer the funds from his employer's DB scheme to a named personal pension. It said the growth rate required to match the benefits from the DB fund (the critical yield) at age 65 was 9.9%. It said meeting this critical yield was a "*big task*" and if it was basing its advice on that figure alone a recommendation "*would not be forthcoming*". It said that if Mr A remained in the DB scheme and took the benefits from it at age 55 his pension would decrease from £10,678.58 to £5,766.48 a year, without Mr A taking TFC.

TOPL added that, if Mr A transferred the funds from both his DC and DB schemes to a personal pension, it could give Mr A a total fund of £248,630, together with a TFC

entitlement of £82,999. It said Mr A could use the TFC to almost totally repay his mortgage, which would be a “*massive relief*” for Mr A and his wife. It also said that if Mr A took “*income at a rate of 4% pa (not guaranteed), based on the total pension monies, this will provide income of £9,945.20 pa gross of income tax*”. It added that, if Mr A’s investment return met a 4% a year growth assumption then the value of the fund “*may not reduce*”.

TOPL said Mr A’s objectives, in terms of his DB funds, were:

- To transfer the monies to a pension plan to improve the death benefits.
- To withdraw the maximum tax-free cash (‘TFC’) at age 55, and not have to take an income at the same time.
- To have flexible access to his pension in the future.
- To have control over how his pension was invested.

Mr A accepted TOPL’s advice and the DB funds were transferred to the named personal pension. The following year Mr A transferred the funds from his DC scheme to the same personal pension.

Mr A complained to TOPL in 2022. In brief he said that its advice to transfer his DB funds wasn’t suitable for him. TOPL replied. It didn’t uphold Mr A’s complaint. Amongst other things it said that the main rationale for the transfer was to address Mr A’s “*financial hardship*”; so it said the advice was suitable for him.

Mr A brought his complaint to us. One of our investigators looked into it. She upheld the complaint and recommended that TOPL should calculate if Mr A had suffered a financial loss and if so pay him compensation. TOPL initially agreed to calculate whether or not Mr A had suffered a loss. But, it then told us that it didn’t necessarily agree with our investigator’s assessment. It said it would make a decision on whether or not to pay compensation once it had done that calculation. As TOPL hasn’t agreed to our investigator’s recommendation the complaint was referred to me 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.

In bringing this complaint both Mr A and TOPL have made a number of points. But in this decision I don’t intend to address each and every issue raised. Instead I will focus on what I see as being the key issues at the heart of Mr A’s complaint and the reasons for my decision.

Mr A has also complained about TOPL’s later advice to transfer his DC scheme funds to a named personal pension. But, we are looking at that complaint under a separate reference number. So I don’t intend to comment on the merits of that advice within this decision.

When looking at this complaint I’ve taken into account relevant law and regulations, regulator’s rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. This includes the Principles for Business (‘PRIN’) and the Conduct of Business Sourcebook (‘COBS’). And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

The applicable rules, regulations and requirements

The below is not a comprehensive list of the rules and regulations which applied at the time of the advice, but provides useful context for my assessment of TOPL's actions here.

PRIN 6: A firm must pay due regard to the interests of its customers and treat them fairly.

PRIN 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.

COBS 2.1.1R: A firm must act honestly, fairly and professionally in accordance with the best interests of its client (the client's best interests rule).

The provisions in COBS 9 which deal with the obligations when giving a personal recommendation and assessing suitability. And the provisions in COBS 19 which specifically relate to a DB pension transfer.

Having considered all of this and the evidence in this case, I've decided to uphold the complaint for broadly similar reasons to those our investigator gave.

The regulator, the Financial Conduct Authority ('FCA'), states in COBS 19.1.6G that the starting assumption for a transfer from a DB scheme is that it is unsuitable. So, TOPL should have only considered a transfer if it could clearly demonstrate that it was in Mr A's best interests. And having looked at all the evidence available, I'm not satisfied it was in his best interests.

Financial viability

TOPL carried out a transfer value analysis report (as required by the regulator) showing how much Mr A's pension fund would need to grow by each year in order to provide the same benefits as his DB scheme (the critical yield).

The advice was given during the period when this Service was publishing 'discount rates' on our website for use in loss assessments where a complaint about a past pension transfer was being upheld. Whilst businesses weren't required to refer to these rates when giving advice on pension transfers, I consider they provide a useful indication of what growth rates would have been considered reasonably achievable when the advice was given in this case.

Mr A was 53 years old at the time of the advice. He was being made redundant and said he wanted to find part-time work. His DB scheme's normal retirement age was 65. The critical yield required to match Mr A's benefits at 65 was 9.9% if he took a full pension. This compares with the discount rate of 3.9% per year for 11 full years to retirement. I've kept in mind that the regulator's projection rates had also remained unchanged since 2014: the regulator's upper projection rate at the time was 8%, the middle projection rate 5%, and the lower projection rate 2%.

I've taken this into account, along with the composition of assets in the discount rate, Mr A's balanced attitude to risk and also the term to retirement. There would be little point in Mr A giving up the guarantees available to him through his DB scheme only to achieve, at best, the same level of benefits outside the scheme. But here, given the critical yield was 9.9%, I think Mr A was likely to receive benefits of a substantially lower overall value than the DB scheme at retirement, as a result of investing in line with that attitude to risk.

For this reason alone a transfer out of the DB scheme wasn't in Mr A's best interests. Of course financial viability isn't the only consideration when giving transfer advice. Indeed TOPL has argued that by transferring Mr A could achieve his other objectives. So I've considered this below. When doing so I've been mindful that TOPL's role was to find out what Mr A's wants and needs were and why. Its role wasn't simply to do what he wanted without appropriate analysis and challenge of his motives for doing so, in order to ensure its recommendation was in his best interests.

Flexibility and income needs

TOPL's said transferring allowed Mr A to take maximum TFC at age 55, which would also allow him to pay off the majority of his mortgage. But at the time TOPL gave its advice, Mr A was 53 and he couldn't access his pension benefits, whether they were transferred or not, until he was 55 years old. So he had no need to transfer his DB benefits immediately in order to have access to them in two years time.

Further, Mr A had no concrete plans for what he would do after being made redundant. And his tentative plans were to keep on working, although he thought that would more than likely be on a part-time basis. So, Mr A didn't have any actual need – at the time of the advice – to access his pension benefits, as he couldn't be certain what his income levels would be once he turned 55. So there was no compelling reason to advise Mr A to give up the guaranteed income from his DB scheme. As he didn't know at that point whether he'd need that income or not in another two years.

Also I think the figures that TOPL gave to Mr A in its suitability report were somewhat misleading. TOPL had noted that if Mr A took 4% of his pension benefits (once both funds were transferred and setting aside his TFC sums) from a total fund of £248,630 he could have an income of £9,945.20 a year. And it implied that based on an assumed growth rate of 4%, then he could take that income without his fund reducing. In other words, he would only use the funds generated by investment growth to live off. But TOPL's comments don't allow for the effects of pension fund charges or inflation.

When calculating critical yields, actuaries factor in the effect of pension plan charges on the overall growth rate. In this case, although TOPL recommended a transfer on the basis that Mr A could begin to take income from his pension at age 55, it didn't calculate a critical yield for that age. It's not my role to calculate critical yields. So I can't be certain what the actual growth rate required would be to match the DB scheme if Mr A had decided to take the benefits from his DB fund at age 55.

But, what I do know, is that TOPL was charging Mr A 2% of his DB fund value (after deducting TFC) amounting to around £3,312 for its initial transfer advice. It would also charge Mr A 0.5% of the fund value each year for ongoing advice. And the personal pension provider also applied charges of 1.05% a year. So those fees would reduce the actual growth rate by 1.55% a year. So (without deducting the initial adviser fee) based on TOPL's assumptions, the charges would reduce the actual growth from 4% to 2.45%, which, on a fund value of £248,630 would be around £6,091 not £9,945. So, if Mr A withdrew £9,945 from his fund, after applying charges, his fund would actually have gone down by (£9,945 - £6,097) £3,854. And that is without factoring in the effects of inflation. I note that TOPL's suitability report did refer to the charges that would apply. But the report was 35 pages long and it didn't mention the charges when saying that Mr A could take almost £10,000 a year from his pension once transferred. So it's not the case that if Mr A's fund grew at 4% a year he could live off the 4% growth sum without depleting the fund. It follows that I don't think TOPL presented these figures fully and fairly.

TOPL did point out some of the risks involved with investments and said that growth wasn't guaranteed in a personal pension. But I think it's worth pointing out that in order to have flexible access to his pension funds, Mr A would be placing the security of his income in retirement at risk as it would then depend on the volatilities of the investment markets. And, if there was a market crash, or a sustained period of poor performance, then his fund could grow at a slower than anticipated rate, or even suffer losses. And that would compromise his income in retirement. In contrast his DB funds were guaranteed and index linked to protect against the effects of inflation. That's not something I think was worthwhile giving up for flexible access to his money.

Moreover, TOPL said in its suitability report that Mr A transferring his DB fund would allow him to pay off the majority of his mortgage and said this would come as a "*massive relief*" to him. Mr A's told us that he had no desire to pay off his mortgage and, in fact, he still hasn't done so. Obviously I wasn't there when TOPL and Mr A discussed this, so I can't know for certain what was discussed. But I've noted that TOPL referred to Mr A's desire to pay off his mortgage in its fact-find. And it similarly referred to it in its suitability report. So, I think it's more likely than not that it was discussed at some point, even if Mr A believes that TOPL has put too much emphasis on it. However, I think it's reasonable to conclude that TOPL was of the opinion that Mr A felt paying off his mortgage was a key goal for him. But, as I've said above, at the time of the advice Mr A wouldn't be able to access his TFC to pay off the mortgage for at least two years. So, he had no need to transfer his DB benefits when he did.

Also, assuming Mr A was planning to pay off his mortgage early, he had no need to transfer his DB benefits in order to do so. Mr A knew he would receive a redundancy payment of around £73,500. And while he intended to use £30,000 of that as living expenses, he intended paying the other £43,500 into his DC scheme, which would have taken the fund value to around £110,000. So, if he was insistent on paying off his mortgage then he could have used the DC scheme to do that, while leaving the guaranteed benefits from his DB scheme safeguarded. But there's little evidence that TOPL put that to him.

Alternatively, Mr A could have accessed his DB fund from age 55. TOPL did point this out to Mr A and it said that his pension would be reduced from £10,678.55 a year to £5,766.48. In fact the figures TOPL quoted were Mr A's DB entitlements in 2017 and, as he couldn't take his benefits until 2019 at the earliest, then when adding the scheme indexation for the intervening two years, those figures would likely have increased to around £11,200 and £6,050. TOPL referred to this reduction for taking his DB benefits early as being a "*penalty*". Whereas TOPL sold the possibility of Mr A taking money from a personal pension before his normal retirement age as a flexible benefit of transferring. But, the "*penalty*" that TOPL referred to was in fact nothing more sinister than actuarial adjustments. Those adjustments reflect that, by taking a pension earlier, it's likely that the pot to pay for that pension will have to last longer. As such the actuaries calculate a reduction in the yearly pension to allow for the fact that the pensioner will claim the pension – most likely – for a longer period. That's not a '*penalty*' for taking the pension early, it's simply an adjustment for having the benefits of that pension over a longer period.

Mr A could have chosen to take money from his new personal pension from age 55 without a "*penalty*". But any such deduction would reduce the remaining pension pot and also decrease the amount the fund would grow by. So drawing down funds from an earlier date would in effect either lessen: the amounts he could take as income; the time frame he would have funds available; or – as I explain below – the remaining funds available as a death benefit. As a result, taking money from his personal pension early could have a more significant effect on Mr A's income in retirement than taking benefits from the DB scheme.

Also, while benefits taken early from the DB scheme would be reduced, the advantage to Mr A of that strategy would have been that he could then have continued to receive

guaranteed and index linked increases in his DB pension for the remainder of his life. He could then have topped that income up, either from part-time work if he went down that route or by drawing income from his DC pension in the flexible manner he desired. And that could have allowed him to meet his income requirements and to keep paying off his mortgage at the same time. That would have removed the necessity to take large sums from his pension fund in order to repay the mortgage early.

But TOPL's suitability report doesn't provide an analysis of the merits of Mr A taking benefits from his DB scheme at 55, while also taking income from his DC scheme. And in order to allow him to make a fully informed decision this was something that I think TOPL should have explored in detail. It follows that I don't think TOPL gave Mr A all the information he needed. And I don't think transferring his funds in order to repay his mortgage early, when there may not have been any need for that, was a worthwhile reason to advise him to give up the benefits of his DB scheme for.

That said, it's true to say that Mr A couldn't have had the same level of flexible access to his DB funds as he could from a personal pension. While he could have chosen to take his DB funds early, if he'd wanted to take TFC, then he would have had to take that at the same time as drawing a regular income from his pension. Whereas the personal pension would allow Mr A to draw down funds as he saw fit, once he'd turned 55. It's also the case that Mr A could have taken 25% of his entire personal pension fund as TFC. But the DB scheme has stricter rules about how much can be taken as a lump sum. So I can see why a higher lump sum and more choice over how much to take and when might have been an attractive prospect for Mr A. But, as I've said above if he did need flexible access to funds, he could have arranged to take those from his DC pension while still having a guaranteed income from his DB scheme. And TOPL should have made the advantages of that clear to Mr A. But it didn't do so.

I understand that the option of drawing all his pension income flexibly might seem like something that would be nice to have. But, I can't see that Mr A had any genuine need for that flexibility that would be worth giving up guaranteed benefits for. So I don't think it was in his best interests to transfer to achieve that.

Death benefits

Death benefits are an emotive subject and of course when asked, most people would like their loved ones to be taken care of when they die. The lump sum death benefits on offer through a personal pension was likely to have been an attractive feature to Mr A. That's because whatever was left within his personal pension at the date of his death would be passed on to his family. And, if that happened before his retirement or soon after then that would likely be a significant sum.

In contrast the DB scheme would pay Mr A's wife half of his yearly pension after he died. And that pension would die with her, so Mr A couldn't leave it as a legacy for his adult children. But, whilst I appreciate death benefits are important to consumers, and Mr A might have thought it was a good idea to transfer his DB scheme to a personal pension because of this, the priority here for TOPL was to advise Mr A about what was best for his retirement provision. A pension is primarily designed to provide income in retirement – not a lump sum to family after death. But in transferring out of the DB scheme Mr A was essentially giving up a guaranteed, index linked, increasing income in retirement, for the potential for a lump sum for his family that they may not need for many years to come.

I also think the existing death benefits attached to the DB scheme were underplayed. While the pension for Mr A's wife would be set at 50% of his own DB entitlement, that pension would be payable until her death. And I don't think TOPL made the value of these death

benefits clear enough to Mr A when compared to those available from a personal pension. Not only were they guaranteed and escalated but they were not dependent on investment performance or how much was left in the pot, whereas the sum available to Mr A's family on his death in a personal pension was.

Given the size of the CETV I can understand that Mr A might have thought that guaranteed a significant lump sum for his family on his death. But, the available fund was reliant on a number of factors, including investment growth. And, as I've pointed out above, a period of poor performance or losses, could reduce the sum available as a death benefit. Also, the fund would reduce as Mr A drew down money from it. So if he took higher sums from it in the early years of his retirement – for example to repay a mortgage – then that could significantly reduce the amounts available to live off, let alone to leave as a legacy for his family on his death.

If Mr A genuinely wanted to leave a legacy for his family, which didn't depend on investment returns, I think TOPL could have explored life insurance with him. I understand that such cover can be expensive. But if he didn't want to pay a significant premium then TOPL's starting point ought to have been to ask Mr A how much he would ideally like to leave to his family. It could then have looked into cover for that sum to find something affordable that met his needs. But there's no evidence it did that.

Overall, I don't think different death benefits available through a transfer to a personal pension justified the likely decrease of retirement benefits for Mr A. And I think TOPL should have made this clear to him.

Control

TOPL said that by transferring from the DB scheme Mr A would gain control over how it was invested. But, he wasn't an experienced investor. So I doubt that he had any genuine desire to start taking control over the investment decisions concerning his pension fund. And it's notable that the fund TOPL recommended Mr A invest in, within the personal pension, was controlled and managed by the fund itself. Also, Mr A would be paying TOPL an ongoing service fee, of 0.5% of his fund value, to give him investment advice. So, in practice, he would be delegating control of the investment decisions to financial professionals. It follows that I don't think investment control was a genuine objective for Mr A – it was simply a consequence of transferring away from his DB scheme.

Summary

I don't doubt that the flexibility, control and potential for higher death benefits on offer through a personal pension would have sounded like attractive features to Mr A. But TOPL wasn't there to just transact what Mr A might have thought he wanted. The adviser's role was to really understand what Mr A needed and recommend what was in his best interests.

TOPL was in a good position to have analysed, tested, challenged and advised Mr A about what was in his best interests for retirement planning. It knows valuable pension pots like Mr A's DB scheme were paid into with the intention of providing for retirement. And ultimately, I don't think the advice TOPL gave to Mr A was suitable. He was giving up a guaranteed, risk-free and increasing income from his DB scheme. By transferring to a personal pension Mr A was, in my view, likely to obtain lower retirement benefits. And I don't think there were any other particular reasons which would justify the transfer and outweigh this. So, I don't think it was in Mr A's best interests for him to transfer his DB scheme to a personal pension.

Of course, I have to consider whether Mr A would have gone ahead with the transfer anyway if it wasn't for TOPL's advice. And, after thinking about this carefully, I'm not persuaded he would have done so. That's because he was an inexperienced investor and his DB pension accounted for a significant portion of his retirement provision at the time. So, if TOPL had given him clear advice against transferring his safeguarded benefits, explaining why it wasn't in his best interests and that he would likely be worse off as a result of doing so, I think he would have accepted that advice.

It follows that I don't think TOPL's advice to Mr A to transfer out of his DB scheme was suitable for him. And I think it should have advised him to stay in his DB scheme. So, I think TOPL should compensate Mr A for the unsuitable advice, using the regulator's defined benefits pension transfer redress methodology.

Putting things right

A fair and reasonable outcome would be for TOPL to put Mr A, as far as possible, into the position he would now be in but for its unsuitable advice. I consider Mr A would have most likely remained in his DB scheme if TOPL had given suitable advice.

On 2 August 2022, the FCA launched a consultation on new DB transfer redress guidance and set out its proposals in a consultation document - <https://www.fca.org.uk/publication/consultation/cp22-15.pdf>

In this consultation, the FCA said it considers that the current redress methodology in Finalised Guidance (FG) 17/9 (Guidance for firms on how to calculate redress for unsuitable defined benefit pension transfers) remains appropriate and fundamental changes are not necessary. However, its review has identified some areas where the FCA considers it could improve or clarify the methodology to ensure it continues to provide appropriate redress.

A policy statement was published on 28 November 2022 which set out the new rules and guidance- <https://www.fca.org.uk/publication/policy/ps22-13.pdf>. The new rules will come into effect on 1 April 2023.

The FCA has said that it expects firms to continue to calculate and offer compensation to their customers using the existing guidance in FG 17/9 for the time being. But until changes take effect firms should give customers the option of waiting for their compensation to be calculated in line with the new rules and guidance.

We've previously asked Mr A whether he preferred any redress to be calculated now in line with current guidance or wait for the new guidance/rules to come into effect. He has chosen not to wait for the new guidance to come into effect to settle his complaint.

I'm satisfied that a calculation in line with FG17/9 remains appropriate and, if a loss is identified, will provide fair redress for Mr A.

For clarity, I understand that Mr A retired prior to his 55th birthday. So, this should be the basis for TOPL's compensation calculation.

This calculation should be carried out as at the date of my final decision and using the most recent financial assumptions at the date of that decision. In accordance with the regulator's expectations, this should be undertaken or submitted to an appropriate provider promptly following receipt of notification of Mr A's acceptance of the decision.

If it feels it is required TOPL may wish to contact the Department for Work and Pensions (DWP) to obtain Mr A's contribution history to the State Earnings Related Pension Scheme

(SERPS or S2P). These details should then be used to include a 'SERPS adjustment' in the calculation, which will take into account the impact of leaving the occupational scheme on Mr A's SERPS/S2P entitlement.

If the complaint hasn't been settled in full and final settlement by the time any new guidance or rules come into effect, I'd expect TOPL to carry out a calculation in line with the updated rules and/or guidance in any event.

If the redress calculation demonstrates a loss, TOPL should pay the compensation if possible into Mr A's pension plan. I'm aware that Mr A would prefer TOPL to make a lump sum payment directly to him. But in order to put him as near as possible into the position he otherwise would have been in, unless it's not able to do so, I think it's fair that TOPL should pay the compensation into Mr A's pension fund. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

If a payment into the pension isn't possible or has protection or allowance implications, TOPL should pay it directly to Mr A as a lump sum after making a notional deduction to allow for income tax that would otherwise have been paid. Typically, 25% of the loss could have been taken as tax-free cash and 75% would have been taxed according to his likely income tax rate in retirement - presumed to be 20%. So making a notional deduction of 15% overall from the loss adequately reflects this.

The payment resulting from all the steps above is the 'compensation amount'. This amount must where possible be paid to Mr A within 90 days of the date TOPL receives notification of his acceptance of my final decision. Further TOPL must add interest to the compensation amount at the rate of 8% per year simple from the date of my final decision to the date of settlement for any time, in excess of 90 days, that it takes TOPL to pay Mr A.

It's possible that data gathering for a SERPS adjustment may mean that the actual time taken to settle goes beyond the 90 day period allowed for settlement above. In those circumstances, any period of time where the only outstanding item required to undertake the calculation is data from DWP may be added to the 90 day period in which interest won't apply.

TOPL should provide details of its calculations to Mr A in a clear, simple format.

Where I uphold a complaint, I can award fair compensation of up to £160,000, plus any interest and/or costs that I consider are appropriate. Where I consider that fair compensation requires payment of an amount that might exceed £160,000, I may recommend that the business pays the balance.

My final decision

Determination and money award: I uphold this complaint and require The On-Line Partnership Limited to pay Mr A the compensation amount as set out in the steps above, up to a maximum of £160,000.

Where the compensation amount does not exceed £160,000, I would additionally require The On-Line Partnership Limited to pay Mr A any interest on that amount in full, as set out above.

Where the compensation amount already exceeds £160,000, I would only require The On-Line Partnership Limited to pay Mr A any interest as set out above on the sum of £160,000.

Recommendation: If the compensation amount exceeds £160,000, I also recommend that The On-Line Partnership Limited pays Mr A the balance. I would additionally recommend any interest calculated as set out above on this balance to be paid to Mr A.

If Mr A accepts this decision, the money award becomes binding on The On-Line Partnership Limited.

My recommendation would not be binding. Further, it's unlikely that Mr A can accept my decision and go to court to ask for the balance. Mr A may want to consider getting independent legal advice before deciding whether to accept any final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 April 2023.

Joe Scott
Ombudsman