

The complaint

Mr W is unhappy with the service provided to him by Pension Works Limited (PWL) while providing him with advice about transferring safeguarded benefits.

Mr W is represented by his adviser in bringing this complaint, but for ease of reading, I will generally refer only to Mr W.

What happened

The history leading up to this complaint is well known to the parties and therefore I have only summarised events below.

Mr W held four different pension arrangements, and on 3 February 2022 he received a transfer pack for a deferred annuity pension held with a provider I will refer to from now on as B.

Mr W's adviser wasn't regulated to provide defined benefit transfer advice, so Mr W contacted PWL for advice on this transfer. He received their terms of business on 8 February 2022. He signed a letter of authority (LOA), completed PWL's online fact find, attitude to risk and defined benefit transfer questionnaires the following day.

The terms of business, explained in relevant part, that PWL provided advice on transferring safeguarded benefits (such as those held in a defined benefit (DB) scheme). Before proceeding to 'full advice', which was chargeable, PWL required consumers engage in a free abridged advice service ('initial advice') and states:

Our free Abridged Advice Service is a shortened form of regulated advice on the transfer of a scheme with safeguarded benefits. ... We may determine, after this free initial assessment, that it is in your best interests to remain in the scheme and where we do, we will confirm this to you as our personal recommendation. If however it remains unclear whether or not you should remain in the scheme, you may be able to proceed to the Defined Benefit Review Service (Full Advice).

This document further set out that where the recommendation was to not transfer, and a consumer wished to do so anyway, PWL was not prepared to proceed on this basis. And it said PWL "are unable to commit to meeting a Cash Equivalent Transfer Value expiry date and will not be liable for any losses as a result of a future down valued Cash Equivalent Transfer Value. "

There was some confusion about the LOA as initially PWL didn't believe it had been received and sent Mr W another to complete on 15 February. Ultimately, PWL discovered the original LOA on 21 February 2022 and sent requests for information to B, and Mr W's three other pension arrangements.

Mr W let PWL know he would be travelling for two months from the beginning of March 2022.

Throughout March 2022, PWL sought information from the four providers, with varying success. Nevertheless, PWL concluded it had enough information to proceed to the next step and a telephone fact find was completed with Mr W on 25 March 2022.

On 28 March 2022, PWL determined it had all the information necessary to issues its 'initial advice'. An Initial Advice Report was provided to Mr W by email on 30 March 2022. This concluded that it was unclear at that stage whether it would be in Mr W's best interest to transfer.

Excluding the covering page, the first page of the report was titled Abridged Advice Summary. Under the section 'My adviser's recommendation' it said:

My adviser has concluded that there is insufficient information to make a recommendation.

The reasons for this recommendation are set out in this report.

I understand that I cannot transfer my pension unless I take full advice. Full advice will cost me £3,954.41 – this is equivalent to around 6 months' income from my current scheme.

And it included a place for Mr W to sign and date confirming the above statement.

The last page of this report, page 10, included a 'Next Steps' section which specified:

The outcome of taking Full Advice, which will include a full comparison of the benefits and risks of the defined benefit scheme with a defined contribution arrangement, may or may not result in a recommendation to transfer. Please confirm whether you wish to proceed to full advice.

On 4 April 2022 Mr W and PWL had a phone call to discuss the Initial Advice Report. During this call Mr W asked how he'd authorise PWL to continue to provide him full advice. He was told he'd receive a fee agreement for him to agree to and they'd then be able to proceed. PWL followed up that same day with an email which stated in relevant part:

As stated to you during the call, that piece of work is not our formal recommendation. In order to receive a personalised recommendation from us, you need to go through our Full Advice process.

If you would like to receive Full Advice from us, please read through the below links and electronically sign the fee agreement.

Once this has been completed, you'll be presented with two options – to proceed to our full advice, or to cancel the service and drop out of our process.

Only a link to a secure online fee agreement was also enclosed.

On 12 April 2022 Mr W emailed PWL for confirmation that they had received the signed documents allowing them to progress. He explained he was travelling and only had access to a mobile phone and although he thought it was successfully sent, he would appreciate an update.

Separately, on 14 April 2022 PWL called Mr W to chase the abridged advice summary. They say they left a voicemail when the call wasn't answered. PWL sent a text message requesting the missing signed summary form on 20 April 2022. Mr W responded by text

message the same day and PWL proceeded to email him the Abridged Advice summary in response also that day. Mr W then responded with the following:

Although I agree with documents sent, I am unable to electronically sign this one page sent? [sic] Are you able to accept this email until If [sic] I can sign a hard copy on my return to UK early May? I am concerned delays will become an issue if unable to get this documentation back to you in an acceptable format.

Receiving no response to this, Mr W followed up by email on 24 April 2022 asking for an update. He did so again on 27 April 2022 and this time he was able to include a scanned signed copy of the abridged advice summary document.

In the meantime, on 22 April 2022 PWL chased one of Mr W's pension providers for information they said was still outstanding and requested missing information from another on 27 April 2022.

The original cash equivalent transfer value (CETV) expired on 2 May 2022.

The information PWL said was outstanding was received from one provider on 16 May 2022 and the final provider sent the needed information to PWL on 6 June 2022. PWL said it was at this point that they were in a position to complete the full advice process.

PWL issued Mr W their full advice suitability report on 26 May 2022 and following the provision of additional information another report was produced on 22 June 2022 which was subsequently updated on 28 June 2022. Mr W then obtained a new CETV from B on 1 July 2022, guaranteed until 30 September 2022. PWL received this on 4 July 2022, updated their analysis and issued an Addendum Report in support of the transfer on 18 July 2022. The transfer was completed on 4 August 2022.

Mr W subsequently complained to PWL. He believed that as a result of the delays caused by PWL the 2 May 2022 CETV deadline was missed and as a result he had to obtain a new transfer value which was nearly £40,000 lower.

PWL replied to Mr W on 7 September 2022 saying they hadn't caused delays and by the point they received the necessary authority to proceed to full advice, it wouldn't have been possible to complete it in that time. PWL also said that their terms and conditions meant that they couldn't be held responsible for any losses or a decrease in a transfer value.

Dissatisfied with this response, Mr W referred his complaint to this Service for an independent review. One of our investigators looked into things. He ultimately issued two views, but in each he remained of the opinion that even though he agreed that PWL had caused some delays, he didn't consider in the circumstances that the full advice could have been completed in time to meet the original CETV guarantee deadline. So he didn't recommend PWL pay Mr W compensation regarding the lower CETV he received. But the investigator did think the service PWL provided could have been better and caused Mr W frustration and stress, so he recommended PWL pay him £150 to compensate for this.

PWL initially agreed with the investigator's assessment, but upon review felt that they didn't make any mistakes and so weren't willing to offer any compensation.

Mr W didn't agree with the investigator's assessment either. He maintained that but for PWL failings he could have received the required full advice discharge forms in time to get the original, higher CETV.

As agreement couldn't be reached, the complaint has been passed to me for 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.

At the outset I would like to apologise to the parties for the length of time it has taken for me to conclude my review of this complaint.

But having now done so, I have reached the same conclusions as the investigator and for broadly the same reasons.

When considering what is fair and reasonable, I have taken into account relevant law and regulations; regulator's rules, guidance and codes of practice; and what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

It is my role to fairly and reasonably decide if the business has done anything wrong in respect of the individual circumstances of the complaint made and – if I find that the business has done something wrong – award compensation for any material loss or distress and inconvenience suffered by the complainant as a result of this.

The parties to this complaint have provided detailed submissions to support their position and I am grateful to them for doing so. I have considered these submissions in their entirety. However, I trust that they will not take the fact that my decision focuses on what I consider to be the central issues as a discourtesy. The purpose of this decision is not to address every point raised in detail, but to set out my findings and reasons for reaching them.

I consider the crux of the complaint to be whether PWL caused delays that meant that Mr W missed out on the March 2022 CETV and therefore is responsible for the difference in the CETV Mr W ultimately received.

I've reviewed all of the information that PWL says it needed and was outstanding at various times throughout their advice process and whether it was responsible for any delays in getting this information. Like the investigator, I do consider that PWL made some mistakes and caused some delays but in the circumstances, I'm not persuaded that even without these delays full advice could have been provided to Mr W in time for him to accept the CETV issued in March 2022. Therefore, I'm unable to say PWL caused Mr W a financial loss here.

It is not disputed that PWL incorrectly recorded the wrong CETV expiration date. But I've seen insufficient evidence to suggest that this mistake led to a delay in PWL's advice process.

But from the evidence provided, I am persuaded that PWL delayed making initial requests for information regarding Mr W's four pension arrangements because they didn't realise an LOA had already been provided. And they also could have followed up with the providers sooner than they did when responses weren't forthcoming.

PWL say that they did not receive everything they needed to complete the full advice process until 6 June 2022. But like our investigator, I consider that but for delays caused by

PWL, the relevant information on balance, more likely than not could have been obtained by 2 May 2022.

However, the role of this Service is not to punish businesses for mistakes. Rather we aim to put a consumer in the position they should have been in but for the mistake. In this case, even though I consider that PWL could have completed the full advice process sooner than they did, I'm not persuaded in the circumstances present here that this could have reasonably been done before 2 May 2022, when the CETV expired. This being the case, I can't fairly say that PWL's mistakes caused a financial loss here.

I understand that Mr W's adviser considers that not all of the information PWL sought from the various pension arrangements was needed in order for a recommendation to be made. But I've reviewed the information requested and the arguments presented by both sides on this point. Having done so, I'm not persuaded that the information PWL said was needed for the transfer advice was unreasonable or irrelevant. I note that Mr W was referred to PWL because they are pension transfer specialists. Given the regulations in place pertaining to this type of advice and the high level of scrutiny by the regulator regarding advice to transfer DB pensions along with the fact that the starting position for this advice is that such a transfer would be unsuitable, I consider PWL were best placed to know what was required to provide compliant and ultimately, suitable advice.

As set out in the terms of business provided to Mr W from the outset, in order for Mr W to transfer his benefits from B, he was always going to need full advice, assuming he intended to use PWL. And it was never guaranteed to him that full advice could be provided before a transfer value guarantee expired. Considering Mr W's objectives and circumstances at the time, including the number and types of pension arrangements he had in place, I think the time taken for Mr W to receive the full advice wasn't unreasonable.

Nevertheless, I do consider the PWL caused Mr W frustration and stress when it failed to respond to him in April 2022 regarding providing the signed abridged advice summary form. From what I've seen, during the 4 April 2022 call to discuss the initial advice report Mr W asked how he'd authorise PWL to continue and provide him full advice. He was told he'd receive a fee agreement for him to agree to sign and they'd then be able to proceed. No mention of the abridged advice summary was made.

And while I appreciate that this was part of PWL's process, it is not clear what impact the lack of this form, when the fee agreement had been provided, actually had on the advice process. But given that PWL were still proceeding with the advice process and requesting information for the various providers during this time, I don't think this caused a delay to the advice process. But I consider the lack of clarity here did cause Mr W unnecessary stress and frustration. This particular issue was resolved within a relatively short period of time, so I consider £150 compensation fair and reasonable in the circumstances.

So, for all these reasons, whilst I know Mr W will be disappointed with this outcome, I am unable to award compensation for the difference in the CETV Mr W received. But I consider that PWL should pay Mr W £150 compensation for the stress and frustration they caused him.

My final decision

I uphold the complaint and direct Pension Works Limited to pay Mr W £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 25 April 2024.

Jennifer Wood
Ombudsman