

The complaint

Mr E has complained that Tavistock Partners (UK) Limited (TPL), trading as Abacus Associates Financial Services, didn't complete the transfer of defined benefits from an occupational pension scheme (OPS) in a reasonable timeframe, which resulted in him receiving a significantly reduced transfer sum.

What happened

The investigator who considered this matter set out the background to the complaint in his assessment of the case. I'm broadly setting out the same background below, with some amendments for the purposes of this decision.

Mr E was introduced to TPL in January 2022 as he was considering transferring his OPS benefits. Owing to their cash equivalent transfer value (CETV), regulated advice was required.

This transfer was ultimately to be to Mr E's existing Standard Life ("SL") personal pension plan (PPP).

It seems that a video meeting between TPL and Mr E took place on 27 January 2022. Mr E then signed various documents on 8 February 2022 – these included:

- An agreement to be provided with TPL's "DB Pension Transfer Advice Service" with a fee of £8,000 and a quoted CETV of "£458,583 approx".
- A client agreement which said: *"I authorise you to record, store and transfer relevant personal information pertinent to my/our financial planning requirements, on a confidential basis, between such third parties..."*.
- A letter of authority (LoA) for the ceding scheme.
- An assessment of his attitude to risk.

On 9 February 2022, TPL sent a request to the ceding scheme for information relating to Mr E's benefits entitlement. This would later help TPL formulate its advice report.

The ceding scheme issued a CETV on 22 February 2022 to TPL. It quoted a non-guaranteed transfer value of £7,306.74 (money purchase benefits) and a CETV for the defined benefits of £437,157.11.

The quote said: *"The transfer value is valid until 22 May 2022. Please send all fully completed forms back to us by 1 May 2022, otherwise we cannot guarantee that we will be able to process the request before the transfer quotation expires"*.

TPL has referenced an email on 3 March 2022, in which it said the following to Mr E: *"Can you contact them, saying you are in the process of a transfer out and will they allow you to transfer out after the normal retirement age?"*

TPL has said that it received the CETV and scheme information on 4 March 2022.

On 9 March 2022, TPL asked Mr E to obtain information about the pension plan he held with Standard Life.

TPL received an email on 14 March 2022 in which Mr E said SL informed him that it had *"sorted out the cash account they will put the transfer into. It will be linked to my on-going account plan D3*****. But they asked if you would ring their Advisor team line to confirm what was going to occur"*.

On 15 March 2022, an "information only" LoA was completed by Mr E for SL. This was then sent to SL on 16 March 2022.

On 17 March 2022, TPL emailed Mr E to ask if he had the information on the cash he wanted to use, the charges, and funds. Mr E replied that day to say there was half a page showing total charges only.

In an email dated 21 March 2022 sent by Mr E to TPL, he said the following:

"I am v worried that [adviser name] and yourself believe that it will take more than 3 months and thus unlikely to meet the new revised/late deadline. This is not normal, as the whole point of the 3 month quote is that you can get it done in that time. So who is getting it wrong here? The CETV is already a month old, and I have tried to help as much as possible, but am hardly allowed to do anything. Everybody else gains from sloth, except me.

Do you know I am now not getting £1000 per month income with these delays. As a result, to incentivise you, I could charge you £1000 per month for delays maybe, as otherwise I see no incentive in this exercise dragging on. I fear that every time I have to delay and get another quote the transfer amount falls presumably due to market movements.

I note you want another questionnaire and "plans for future" info. I've already done this. Also you want to do analysis of other options and then detailed analysis of current scheme.

Finally, a cashflow analysis. This should have been done before, as you knew what I want. Finally, final insult to me, you suggest a new CETV will possibly cost me £300! This is the last straw.

[Adviser name], I'm sorry to be so annoyed, but this process is so very wrong. I'm prevented by bureaucracy in doing what is best. So I will give up, unless I can fully renegotiate the contract.

As you know by now, this process has become toxic and it is the principle of it. That means I will walk away through frustration. I will not pay anything, whilst it is open ended and I have no controls."

TPL has said that, by 21 March 2022, research information was now available to start the process of transferring Mr E's defined benefits. Then, on 28 March 2022, TPL noted that Mr E had "gone quiet" - but on 30 March 2022, Mr E emailed to say the following:

"I'm finally back in land of living. Tough past week! But getting things together again. Do we need to touch base or are things going forward?"

On 4 April 2022, TPL indicated that a report would be issued within a week, as follows:

"The report will be written within the next week and then go for approval."

On 11 April 2022 TPL questioned, internally, whether abridged advice (cheaper and more informal) could be given before full advice. This related to previous advice (given by LV not to transfer) having been declined.

TPL discussed, internally, that Mr E wasn't concerned by the prospect of relinquishing the defined benefits because if a good annuity rate could be sourced, he saw no reason not to transfer. It was also noted that Mr E had considerable other assets and so the guarantees attached to the defined benefits were of reduced significance to him. TPL noted that "[Full advice] may well cost him another 8k without a transfer".

On 13 April 2022, TPL noted that: "Enquiries responded to and confirmation that SL could not provide us with an illustration."

And that:

"It has been impossible to get a KFI from receiving scheme, [name removed] has said we can proceed without, particularly as it is going into cash, and that e-mail is on FP."

And on the same day, recognising the 1 May 2022 deadline, TPL noted that:

"With regard to this case, are we able to obtain an illustration from Standard Life (as the client is transferring into his current Standard Life pension)?"

Whilst the CETV for this case is 22/05/2022 the scheme paperwork states the following, so I would really like to get the APTA run asap and get the case written up (but we also need the below query clarified by the scheme) from my email of 12/04/2022 in order to run the APTA"

And TPL then said the following:

"With regard to my email sent earlier, please ignore the query re the Standard Life illustration - I have just found an email on file confirming that [adviser name] couldn't get one!"

TPL also noted the following:

"It has been impossible to get a KFI from receiving scheme, [name removed] has said we can proceed without, particularly as it is going into cash, and that e-mail is on FP."

On 3 May 2022 further internal notes recorded the following:

"[name removed] – [name removed] suggested seeing previous report from LV before actually asking why previous advice was declined?"

It was then stated that the report wasn't needed, once it was understood why advice was declined, and in the context of the internal discussions on the prospect of abridged or full advice being offered.

As it was, Mr E ultimately received full advice which endorsed the transfer, but with a reduced fee payable given the previous fee he's paid to LV.

TPL's suitability report was dated 1 May 2022, and it issued it to Mr E on 13 May 2022. TPL's compliance team spoke with Mr E on 18 May 2022. It says this date was brought forward as it was aware of the "impending" deadline date.

On 18 May 2022, Mr E texted TPL to say the following:

“Standard Life has just asked me to get you to send them a letter of authority of Servicing rights on my plan. [SL employee] was my contact, customer operations rep. Is this ok.”

TPL then submitted the documents to the ceding scheme on 20 May 2022, and sent the following email to SL:

“Hi,

Please find letter of authority for above client.

We sent this in months ago but never received a response.

Client is transferring a DB pension scheme with a deadline of tomorrow into his Pension with SL and we need to know if there is a transfer application form he needs to complete?”

From this point, various exchanges of correspondence took place, most of which related to what SL did or didn't need - chiefly the application form, which TPL has said was a key issue here.

Mr E then received a lower CETV from the ceding scheme since the deadline date passed. And Mr E then delayed transferring, at this point, while he tried to resolve matters.

Mr E contacted TPL on 13 September 2022 to say he'd requested the transfer and required TPL to be temporarily appointed to facilitate it. It appears that SL said it couldn't proceed as TPL had removed itself from the account.

On 3 October 2022, TPL wrote to Mr E confirming that the CETV had fallen from £437,157 to £354,008 and while a hold was placed, SL had confirmed on 9 September 2022 that the transfer had been made after instruction from Mr E.

The letter added the following:

“Having considered your circumstances and the updated CETV provided by [ceding scheme], I have concluded that, on balance, a transfer of the [ceding scheme] to your existing Standard Life Flexible Retirement Plan would still suit your requirements and meet with your specified objectives.”

Unhappy with what happened, and a reduction in the CETV of over £80,000, Mr E complained to TPL.

TPL issued its final response, in which it said it felt it hadn't done anything wrong, but as a gesture of goodwill, it offered to refund its £8,000 fee.

Mr E remained unhappy and referred the matter to us for review.

As part of his assessment, the investigator asked both Mr E and TPL for further information.

In response, TPL said that Mr E had:

“...confirmed on several occasions that he wanted to do everything himself and hence he opted for transactional only and wanted to invest into his existing Standard Life (SL) scheme and therefore LOA to SL was not sent. [Mr E] insisted that it was not necessary to contact any other existing schemes apart from [ceding scheme]. [Mr E] wanted to control everything to do with SL.”

And:

“There were no obvious delays other than [Mr E] being ill with Covid. This case could have been completed successfully if Standard Life had provided [Mr E] with an application form which both [TPL employees] requested from the client. As explained above [Mr E] did not wish for us to get involved with Standard Life and that he would make the necessary interactions.”

Having considered the matter, the investigator thought that the complaint should be upheld. In support of this position, he said the following in summary:

- TPL had a duty to be clear from the outset about what information might be needed to complete the transfer, and it ought to have reminded SL with the right authority in place, of its obligations to Mr E. This would have led to a smoother and quicker process.
- He'd taken into account TPL's requirement to pay due regard to Mr E's best interests and to treat him fairly, along with paying due regard to Mr E's information needs and communicating information in a way which was clear, fair and not misleading.
- TPL ought to have known that it would need to liaise with the receiving scheme, and bear in mind the initial deadline for receiving paperwork of 1 May 2022.
- It wasn't the case that Mr E was being treated as an “insistent client”. And so it ought to have been made clear to Mr E that TPL would need a LoA from him at the outset.
- Although TPL had said that Mr E had been insistent that it didn't need to contact anyone other than the ceding scheme, it was up to TPL to correct this misunderstanding. And as Mr E clearly wanted the transfer to proceed, it was likely that he would then have provided the required authority for it to do so.
- The client agreement between Mr E and TPL said the following:
“I authorise you to record, store and transfer relevant personal information pertinent to my/our financial planning requirements, on a confidential basis, between such third parties...”.
- TPL could have made it clear to Mr E that it didn't need “servicing rights” to his PPP with SL – rather it just required information.
- Mr E had made it clear in his email of 21 March 2022 that he was concerned with the time the process was taking and that he wished to speed things up. Further, TPL was aware of the deadline and clearly felt that it had what was needed to proceed. Its compliance team had noted the deadline and was content to proceed – so it should have been aiming to submit the application to transfer by 1 May 2022.
- TPL had queried internally as to whether abridged advice might be the better route, and this wasn't unwarranted, given the previous instance of “negative” advice. But it also noted that Mr E wanted “transactional only” advice, indicating a determination on his part to proceed.
- But abridged advice wouldn't have assisted Mr E in facilitating the transfer, given the amount of the CETV. Given Mr E's clear determination to transfer (he still wished to

proceed even after the previous “negative” advice), TPL should have addressed that particular aspect, and resolved it, sooner than two months into the process.

- TPL somewhat drip fed the information requirements to Mr E. And whilst the lack of a requirement for an application form was only made clear by SL towards the end of the process, this should have been established earlier on, and could have been with the necessary LoA from Mr E. And TPL could have chased any outstanding information requirements at an earlier stage. This didn’t happen, as evidenced by its comment that it had contacted SL “months ago”, but hadn’t received a response.
- Regulated advice could take some time, but the investigator didn’t think that the time taken here to complete the process was reasonable.
- TPL had said it thought Mr E had misinterpreted its response of 4 April 2022 that the report would be written in the next week and be conveyed internally for approval. It said that delays to its report and completion were due to:

*“1. Queries regarding abridged advice due to previous annuity consideration.
2. Difficulty retrieving Standard Life illustration.
3. Queries regarding LTA”*

But it wasn’t reasonable to suggest that the delays occurred because of these three issues. Mr E was entitled to consider that the report would be written and sent for approval within the timeframe stated by TPL – rather than the actual time period of more than four weeks.

- Much of the delay incurred here had been avoidable, and TPL should have done more to ensure that the process completed by the deadline. Had it done so, it was likely, on balance, that this would have happened.
- There were few “non-standard” aspects to the advice, and Mr E hadn’t himself caused any significant delays. When he had Covid, he would still have been contactable for urgent issues (which didn’t in any case arise).
- And although it was unclear as to why SL had said that an application form wouldn’t need to be completed – and the investigator could understand why TPL may think that SL had itself contributed to the delay – the regulated advisory party here was TPL.
- TPL was aware of the deadline of 1 May 2022 by 4 March 2022. And although it has said that this was unreasonable, this is what it had to work with. And the failure to obtain the LoA to liaise with SL meant that there was little time to clarify the application form issue and chase matters.
- The investigator concluded that TPL could have completed its advice and issued the relevant paperwork by 1 May 2022 – which meant that it would have had around two months to do so. As 1 May 2022 fell on a weekend, a fair completion date would have been 29 April 2022.
- It was difficult to know when things might then have completed, but as the ceding scheme had said it needed up to three weeks to process the transfer from its side, a period of two weeks was fair. This would allow for any final chasing which TPL may have needed to do.

- There was a further delay in the transfer completing after the new CETV had been issued, but this was a consequence of the reduction in that CETV and Mr E's efforts to resolve matters. And the reduction would have caused Mr E considerable trouble and upset.

The investigator said that Mr E should be placed, as closely as possible, into the position he would now be in but for the delays. This, he said, could be achieved by the following steps:

1. Calculate the difference between the two CETVs as of 13 May 2022 (subject to validation)
2. As the redress couldn't now be paid directly into a pension, the above value should be paid directly to Mr E as a lump sum after making a notional deduction to allow for income tax that would otherwise have been paid. Typically, 25% of the CETV loss (proportional to the higher TV) could have been taken as tax-free cash and 75% would have been taxed according to Mr E's likely income tax rate in retirement – presumed to be 20%. So, making a notional deduction from the value of part 1 would reflect this.
3. Calculate 8% simple interest on the above after the notional tax deduction had been completed. This is to reflect a loss of use of this income. The interest should be calculated with effect from 13 May 2022 until the settlement date.

The investigator said that, if TPL considered that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr E how much it had taken off. It should also give Mr E a tax deduction certificate if he asked for one, so he could reclaim the tax from HM Revenue & Customs if appropriate.

4. Pay Mr E £250 for the trouble and upset caused by this issue.

The investigator thought that Mr E would have paid the £8,000 fee for timely advice, and so there was no need for this to be refunded.

The investigator acknowledged that Mr E had annuitized with the non-tax free cash element of the transferred sum, and so he considered the above to be the simplest solution, but invited comments on this.

Mr E accepted the investigator's conclusions and recommendations, but queried as to why the compensation couldn't simply be paid into his SL PPP. He also questioned the tax free amount within any redress sum, suggesting that the whole amount might be tax free.

The investigator agreed that if a PPP remained in place, then paying the redress into this would be the simplest method. And in terms of the tax free allowance, the investigator clarified that this applied to the total notional amount of the CETV. So if Mr E received 25% of the actual CETV as tax free cash, then the same proportion of the redress sum would also be tax free.

On the basis that a pension plan was still available to receive any redress, the investigator then clarified to both parties that this should happen if possible. He said that TPL should calculate the current notional value of the plan, had the higher CETV been paid in on 13 May 2022.

8% interest would then only be due on the 25% which could have been taken as tax free cash (subject to evidence that 25% was in fact taken from the actual transferred amount).

Mr E then confirmed that his SL PPP had been closed.

TPL responded to the investigator's assessment, saying that it would like it to be referred to an ombudsman for review, for the following reasons:

- Although it had been suggested that it should have known that it would need to liaise with the receiving scheme at some point, Mr E was very clear about his wishes in this regard. It acknowledged its responsibility to provide suitable advice, but it had done its best to assist Mr E from an administrative perspective. It had a duty to treat Mr E fairly, but it considered that this is what it had done here – respecting his wishes and data privacy.
- The timeline demonstrated that the LoA wasn't provided too late in the process. The problems only occurred when the "information only" LoA was rejected, which wasn't standard industry practice.
- It had been mentioned that TPL was aware of the 1 May 2022 deadline, but this only provided two months to complete the work – and this was an unreasonable timescale. Providers were duty bound to honour a guarantee of three months, but this had been disregarded by the ceding scheme.
- At no point did TPL imply that it would be able to meet the 1 May 2022 deadline and it always caveated that it may not be able to meet a three month deadline due to the complexities of a defined benefit transfer.
- The investigator had said that TPL should have assessed any need for abridged advice sooner, but its adviser did recognise that abridged advice wouldn't be suitable for Mr E and duly informed the compliance team of this when questioned. And the compliance team then agreed with this.
- Although it had been suggested that TPL should have chased SL for the required information, the frequency of such chasing would be a rather subjective matter. But it didn't in any case seem appropriate to hold TPL accountable for SL's failings.

TPL concluded that the matter of delays was high subjective, but that these were in any case caused by external influences. And it reiterated that it made it very clear at the outset of such a process that it couldn't guarantee it would meet the CETV deadline, as it was aware of the complications which could occur.

The investigator acknowledged the response, and confirmed to both parties that the matter would be referred to an ombudsman, and that, as the SIPP had been closed, he would revert to the initial recommendation regarding the redress methodology.

With regard to TPL's comments on his assessment, the investigator reiterated his view that TPL hadn't treated fairly Mr E by taking as long as it did to provide advice and complete the process. There was a tension between what it had said about doing what Mr E had wanted and providing the full advice process. And it clearly did the latter, as evidenced by the time taken to do so.

He added that, if TPL didn't think that the timescale for completion as provided by the ceding scheme was reasonable or realistic, it should have been clearer about this. But there was in any case no evidence that TPL tried to meet the quoted deadline, and it was aware that Mr E's CETV was at risk if it didn't.

He remained of the view that, had the correct LoA been requested sooner than it was, and the reasons given, then Mr E wouldn't have objected to this.

The investigator also said that, although TPL may make it clear that it can't guarantee to meet a CETV deadline, the purpose of such a warning isn't to guard against its own administrative failings.

The investigator then asked SL further questions relating to when it made it clear that an application form would be provided for the transfer into the SIPP and clarity around the requirement for the LoA. It said that this was confirmed to Mr E in February 2022 and TPL was made aware in May 2022. It also said that TPL initially sent it a LoA which entitled it to request information about the plan, but a letter of appointment (relating to servicing rights) was required to provide instructions on the plan, which included facilitating a transfer such as this.

The investigator conveyed this information to TPL, and that he considered it to be quite reasonable that a letter of appointment would be needed rather than simply a LoA. And it remained his view that Mr E had done what he considered he needed to do to effect the transfer. It was then up to TPL to ensure that the right information, LoA or appointment, and whatever other necessary information, had been requested and submitted in a timely manner.

TPL confirmed that it had no further comments to make.

As agreement hasn't been reached on the outcome, it's been referred to me for review.

At my request, the investigator enquired of TPL as to the point at which it became aware that LV had previously provided advice to Mr E to not transfer. He also asked why TPL had proceeded to full advice when, from a technical perspective, having received regulated advice from LV, all he needed was a "section 48" certificate which essentially confirms that advice has been provided.

In response, TPL said that it had first become aware of the previous advice on 11 April 2023 in a conversation between Mr E and its adviser. And as regards the section 48 notice, it considered that this is something which would have been provided by LV.

It also considered that providing further advice, once sought by Mr E as a "second opinion", was the right thing to do.

But it in any case said that, although technically possible, it wasn't aware of any providers which were willing to accept "execution only" transfers where the advice had been to not transfer.

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.

I'd firstly say that I think it was reasonable for TPL to consider whether abridged advice might have been suitable for Mr E, given the previous recommendation to not transfer. If it had become apparent from that advice that there was a strong rationale for not transferring (and indeed the regulatory presumption is that such transfers aren't suitable unless it can be demonstrated otherwise), then this same sentiment could have been reiterated to Mr E by the more informal streamlined and cost effective abridged process.

And so I think this would reasonably have introduced a small delay in the process whilst TPL was considering internally whether this was the right course of action for Mr E. But it ultimately determined that, on the basis of what it knew about Mr E's own thinking around the OPS benefits, his other assets, and what he intended to do with the funds, that the transfer would be suitable.

I therefore need to consider the time it actually took to reach that conclusion, along with all the other aspects of its process, to determine whether it took a reasonable amount of time to submit the required paperwork to the ceding scheme.

And having considered this, I'm inclined to agree with the investigator's conclusions, in that the whole process could have been completed in a shorter timeframe, such that I think it was more likely than not, on balance, that Mr E could have benefited from the higher CETV.

TPL has said that the initial CETV, which was issued on 22 February 2022, wasn't received until 4 March 2022, some nine days later. TPL then asked Mr E to request further scheme information on 9 March 2022 and the "information only" LoA was completed by Mr E for SL on 15 March 2022 and sent to SL the next day.

TPL was again in contact with Mr E on 17 March 2022 about whether he had the information about the cash he wanted to use, the charges and the funds. Although Mr E then expressed concerns on 21 March 2022 about how long the process was taking, and on the basis that I accept that TPL didn't receive the CETV and other scheme information until 4 March 2022, I don't think that there were any particular delay periods up to that point, although I comment further on the quality of the process up to that point, and what might reasonably have been happening with SL at the same time, below.

There was then something of a hiatus between 21 March 2022 and 30 March 2022 in which it was observed that Mr E had "gone quiet", and Mr E himself confirmed that he was "finally back in the land of the living" on 28 March 2022, and so I don't think I can attribute this delay to TPL either – although again, I comment on the type of actions which could also have been happening in the background further below.

TPL then indicated on 4 April 2022 that the report could be completed within a week, but this was then complicated by the confirmation on 11 April 2022 that advice had already been received from LV – and the internal TPL consideration as to whether abridged advice might be better for Mr E began.

But this wasn't then resolved until the beginning of May 2022, with the suitability report being dated 1 May 2022, but not in fact issued to Mr E until 13 May 2022.

So it took over a month for TPL to resolve the abridged advice question and to send the report to Mr E, and I don't think this was a reasonable timescale. It also seems that, by 13 April 2022, it was noted that the case could proceed without the "KFI" which had previously been sought.

After TPL had spoken with Mr E on 18 May 2022, the paperwork was submitted to the ceding scheme on 20 May 2022, but due to the ceding scheme not receiving the "receiving scheme form" from SL until 6 June 2022, the CETV needed to be recalculated.

And so it appears to be the case that, although I consider there to have been unreasonable delays in TPL providing the suitability report and submitting the paperwork to the ceding scheme, it was the absence of the "receiving scheme form" from SL that meant that the CETV was recalculated. This was the reason given by the ceding scheme for the need to recalculate the CETV.

Any my views on this part of the process are similar to those expressed by the investigator, and for broadly the same reasons. Although it seems to be TPL's position that Mr E was dealing with that aspect – the interaction with SL - of the transfer, I think it was incumbent upon TPL to assist Mr E in whatever way would mean that the transfer had the best chance of completing before the CETV deadline. And as with the investigator, I think this would reasonably have meant ascertaining – early in the process - what kind of LoA was required, whether an application form was required, and ensuring that the SL part of the transfer was sufficiently progressed that, once the paperwork was submitted to the ceding scheme, there would be no additional issues which would delay matters further.

Mr E was paying a significant sum of money to TPL for it to advise on and facilitate the transfer, and I don't think it's a reasonable position to claim that Mr E was essentially dealing with that side of the process himself. As set out by the investigator, Mr E was the layman, and TPL was the professional firm charged with ensuring that the transfer completed successfully, and this ought to have included ensuring that every "moving part" was being addressed, and that, if SL hadn't responded to requests in a timely manner, these were chased so that there was the best chance possible of the transfer completing in time.

As also commented upon by the investigator, other than the issue of the previous advice given by LV, I don't think there were elements within the transfer which meant that it would reasonably have taken the time it did to complete, and certainly not from the perspective of what needed to happen with the receiving scheme – SL. This simply required a better, and earlier, understanding of what needed to happen to ensure that that part of the process successfully dovetailed with the other aspects. And given that the "receiving scheme form" was submitted by SL to the ceding scheme on 6 June 2022, I'm satisfied that, had more proactive action been taken regarding SL's requirements earlier on, then this could comfortably have happened before the CETV deadline.

I've noted TPL's comment relating to the caveats it provided about such transfers not completing in time. But I also agree with the investigator that the reasonably understood purpose of such caveats isn't to abdicate responsibility for administrative failings or unnecessary delays on behalf of TPL. Rather it's to manage expectations around complications beyond an advising firm's reasonable control. And for the reasons given, I don't think that's the case here.

Overall, therefore, my view is broadly aligned with that of the investigator. I think that, had more timely and appropriate action been taken by TPL, and in particular with regard to the receiving scheme, the transfer could have completed by the deadline for the original CETV.

Putting things right

I've then thought about the investigator's proposed calculation for redress and I'm minded to agree. It's of course difficult to identify the exact date at which the paperwork would have been submitted to the ceding scheme but for the delays incurred after 11 April 2022 in the provision of the suitability report and the issues with forms needed by SL. But given my conclusion that the required interaction with SL could, and should, have happened alongside the advice process, I think the investigator is right that the transfer request paperwork ought reasonably to have been submitted to the ceding scheme by 29 April 2022. This would have afforded almost four weeks from TPL's initial indication of imminent issue of the suitability report at the beginning of April 2022, and for any abridged advice issues to resolved. And given the ceding scheme's recommendation that the paperwork be submitted by the beginning of May 2022, I think this is in any case the date towards which TPL ought to have been working.

The investigator has said that he thought that, given the ceding scheme's comment that it

could take up to three weeks after the submission of the paperwork to pay the transfer amount, a notional timescale of two weeks as appropriate. And although, as above, it's difficult to know exactly how long it would have taken the scheme to pay the transfer amount but for the subsequent issues encountered here, on balance, I don't think this is an unreasonable estimate of what's more likely than not to have been the case. I think a point two thirds of the way through an "up to" estimate of prospective timescales, being neither the more optimistic, nor most pessimistic projection, but somewhere in the middle, is a reasonable estimate. And so I agree with a notional payment date of 13 May 2022.

As such, Tavistock Partners (UK) Limited, trading as Abacus Associates Financial Services, should pay to Mr E the difference between the CETV he did receive, and that which he would have received had it been paid on 13 May 2022. As the redress can't now be paid directly into his pension plan, the above amount should be paid directly to Mr E as a lump sum after making a notional deduction to allow for income tax that would otherwise have been paid.

Typically, 25% of the CETV loss could have been taken as tax-free cash and 75% would have been taxed according to Mr E's likely income tax rate in retirement – presumed to be 20%. So, making a notional deduction from the compensation of an overall 15% would reflect this.

To the resulting sum should be added 8% pa simple interest from 13 May 2022 to the date of settlement.

I also agree with the investigator that this matter will have caused Mr E no small amount of distress and inconvenience. The reduction in the CETV was significant, and Mr E has clearly been troubled by what has happened. And so I agree that Tavistock Partners (UK) Limited, trading as Abacus Associates Financial Services, should also pay Mr E £250.

My final decision

My final decision is that I uphold the complaint and direct Tavistock Partners (UK) Limited, trading as Abacus Associates Financial Services, to undertake the above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 12 October 2023.

Philip Miller
Ombudsman