DRN-4304977

The complaint

Mr T complained that Standard Life Assurance Limited contributed to the delay he experienced when trying to move his pension arrangement to a new provider.

What happened

In August 2020 Mr T decided to move his self-invested personal pension (SIPP) from Standard Life to a new platform, and ultimately, he chose to transfer to Provider A.

Mr T says he chose to move all of his SIPP investments into cash before making a transfer instead of making an in-specie transfer for each of the funds as wanted to be out of the market for the shortest possible time, and he wanted to change some of his holdings at the same time. He says he'd been told by various providers that a cash transfer should normally be completed within two to three weeks, whereas an in-specie transfer could take between eight to twelve weeks.

Once Mr T's funds were transferred, they were reinvested immediately. It is the delay in completing the transfer that is the main thrust of Mr T's complaint.

Having converted his investments to cash, Mr T made the transfer request to Provider A on Wednesday 26 August 2020. The funds arrived with Provider A on 14 October 2020. This was more than seven weeks after the transfer request. Mr T re-invested over 15 and 16 October 2020.

Chronology

Mr T made the transfer request to Provider A on Wednesday 26 August 2020. When Provider A first responded to Mr T's complaint, they accepted Mr T had confirmed on 26 August 2020 that his full transfer sum was not crystallised.

Provider A's transfer form asked the question "*Is the pension in drawdown?"* and provided the choice of three options as an answer. Mr T selected the option that his pension was not in drawdown. It's not clear if Mr T or a representative on his behalf and following his instruction completed this form. This does not change my thinking. The other options asked Mr T to select if the pension to be transferred was entirely in drawdown (fully crystallised) or partially in drawdown (partially crystallised). Mr T suggests the form was somewhat ambiguous.

On 27 August 2020 Mr T contacted Provider A having looked at the copy of his application summary. He queried some information and added that his only withdrawals thus far had been from the tax-free cash element, but he was likely to start drawing down further in 2021 and thought this may involve taxable sums. He asked Provider A if any of the information caused an issue with the transfer application summary.

Provider A suggest this communication was completely separate to Mr T's transfer application and did not need to be referred to their transfer department.

Standard Life received an electronic transfer request via the Origo system on 27 August 2020 from Provider A.

Provider A had previously told us they submitted Mr T's request to their administrators and the transfer request had then been forwarded to Standard Life on Wednesday 2 September 2020. It does not appear to me this date can be right given the other information available.

Standard Life picked up the transfer request on 31 August 2020, when it was noticed the transfer had not been correctly requested. The transfer was requested as a pre-pension but Mr T's SIPP involved both pre and post pension pots (uncrystallised and crystallised) and so they needed Provider A to submit a request with the correct details.

Standard Life added a comment onto the Origo system that Mr T's fund contained uncrystallised and crystallised funds and that the transfer needed to be resubmitted.

Standard Life said an alert had also been added to Origo to let Provider A know they had left a comment. This is not agreed by Provider A, who say that what was added ought not to have been understood as likely to have alerted them or their administrators. But it appears to be agreed that the status was not changed on the system, and it was left at being 'In progress'. It is also agreed that Standard Life did not contact Provider A or their administrators directly.

Provider A say no alert was added. They say Standard Life failed to follow Origo's guidance and they ought to have added a note to say Mr T's account could not be found as the details didn't match and this would have allowed their administrators to see the request had been rejected and why.

It is agreed by Standard Life that they ought to have updated Provider A's request on the Origo system to being out of scope, to ensure Provider A knew the request was declined and that the information was needed as quickly as possible. It was on this basis Standard Life upheld Mr T's complaint when they looked into it earlier in 2023.

I previously commented that it was not clear to me why the transfer request submitted by Provider A referred to Mr T's SIPP being pre-pension, since it appeared Provider A knew in advance of the request being submitted that this was not an accurate reflection of Mr T's SIPP position. Provider A say the knowledge was held in a different department to that dealing with the transfer.

Provider A initially upheld Mr T's complaint because they said Standard Life had contacted their administrators on 31 August 2020, and this information was not provided to Provider A by their administrators for four weeks. So it might be thought Provider A accept their administrators saw the note on 31 August 2020. I previously suggested it might said that when the administrators saw Standard Life's note, the administrators ought to have done something sooner even if they didn't know they needed to submit a new request. Provider A do not accept this.

On 2 September 2020 Provider A's administrators accessed (and one assumes looked) at the Origo system and changed the status on the transfer request to 'waiting on ceding scheme'.

Mr T contacted Provider A on Monday 28 September 2020 asking for an update. He indicated he was concerned about loss from being out of the market.

Provider A suggest it was not Mr T's contact that caused them to act. They say that their administrators had conducted an automatic review of the transfer request on 29 September 2020 as nothing had happened on the request for 20 working days.

However previously Provider A told us that on 28 September 2020 Standard Life told Provider A Mr T's pension sum contained crystallised and uncrystallised pots and Standard Life wanted some information. And Provider A said it was this that caused them to contact Mr T the next day to ask for the splits. Mr T provided this information the next day 29 September 2020 and this was sent to Provider A's administrators by Provider A on 30 September 2020. It was forwarded to Standard Life on 7 October 2020. It is not clear if an alert was added to the Origo system by Provider A's administrators on 7 October 2020.

I previously queried why it took so long for the information to be provided to Standard Life. Provider A say five days is their standard service time.

I also queried why it would be that Standard Life asked for the split of the funds since they were the providers at the time. Having looked at the data provided, it does not appear to me this is what Standard Life asked for. They had asked for a resubmission. It was Provider A who decided to ask Mr T for the split.

Standard Life confirmed to Mr T that Provider A had contacted them on 12 October 2020 requesting an update on the transfer. At this point Standard Life checked the Origo system and saw Provider A had sent information on the pre and post pension split on 7 October 2020. Standard Life let Provider A know they had made an error on the Origo system and told Provider A they needed a new transfer request from Provider A.

Mr T received a message from Provider A on around 13 October 2020. They said:

"Your case handler has spoken with Standard Life … who advised that there had been an issue with the Origo request. They are hoping to backdate the request as it was their mistake and they mentioned an estimate of 5 working days. It has also been escalated on our side and we are keeping a very close eye of the progress".

On 13 October 2020 Standard Life checked the system but a new request had not been received from Provider A.

Standard Life have told us that because Provider A had confirmed on 7 October 2020 their willingness to accept the pre and post pension pots on transfer, Standard Life made a business decision to proceed with the transfer in the absence of a new request.

This meant the plan was transferred on 13 October 2020 with a value of £600,543.03. This completed into Provider A's account on 14 October 2020.

Provider A told us they submitted a new request on 14 October 2020 and the transfer was completed and credited to Mr T's account on the 15 October 2020. [Based on further information provided these dates were inaccurate]. Until Mr T recently provided a print-out from his SIPP it also remained unclear when funds were invested. This print-out confirmed what Mr T had previously told us, that his funds were re-invested over the 15 and 16 October 2020.

Complaint history

Mr T complained to Provider A. Based on what he knew at the time he did not think Standard Life had done anything wrong and he did not complain to them. Provider A upheld Mr T's

complaint. They thought things could have been completed more quickly and the service they had provided could have been better overall.

Provider A initially upheld Mr T's complaint because Standard Life had contacted Provider A's administrators on 31 August 2020 to ask for the value of Mr T's crystallised and uncrystallised pots, but this information was not provided to Provider A for four weeks.

Initially Provider A said they could not compensate Mr T for the loss of any potential trading opportunity but they accepted they did not return calls when they ought to have done. Provider A offered Mr T £100 which they arranged to be paid into his trading account.

Mr T didn't accept this offer and complained to this service. He shared information from a third party about his complaint. This information records that Provider A's offer of £100 had been increased to just over £4,000 when the third party intervened.

Mr T more recently thought Provider Ahad never made this increased offer to him, but I'm satisfied having now seen communications from the time that it was.

Mr T said the process and delay had been very stressful. Mr T didn't think Provider A's offer was sufficient and said he thought his loss ought to be calculated on the basis of the transfer taking four weeks.

History of this case at this service

This service went on to consider Mr T's complaint against Provider A. In August 2022 I issued a provisional decision explaining I intended to uphold Mr T's complaint and setting out what I intended to say Provider A must do to put Mr T as close to the position he ought to have been in and redress any loss.

Mr T accepted my provisional decision, albeit he noted further information. He also told us that he didn't think Provider A paid him the £100. More recently Mr T has identified he was paid the £100, but he has highlighted Provider A said this was for their failures around returning calls.

In early September 2022 Provider A told us their administrators had discovered new information which they thought was likely to change the outcome as it demonstrated Origo practices had not been followed. Having considered what was provided, a complaint was made to Standard Life by Mr T.

On 22 February 2023 Standard Life issued their response to Mr T's complaint. They upheld his complaint. Standard Life apologised because they had not made the addition to the Origo system correctly. Standard Life thought they were responsible for the transfer being delayed as they failed to update the Origo system in the way they ought to have done.

They indicated they intended to contact Provider A to complete a price comparison on the basis of assuming the transfer had completed on 31 August 2020 instead of 14 October 2020. This would enable Standard Life to rectify any loss.

Standard Life confirmed the value of Mr T's plan on 31 August 2020 (when still held by them) had been £600,543.04. They repeated their apology and also indicated they intended to pay Mr T £250 to reflect the failures in their service.

Standard Life say the information provided by Provider A didn't make sense, in particular they highlighted the use of a valuation that didn't match the transfer value Standard Life had transferred to Provider A and prices on 13 October 2020 (which was before the transfer

completed). They say they went back with queries. Provider A say they have provided material to Standard Life.

Preliminary provisional decision

I went on to issue a preliminary provisional document. This document was sent to all parties. In it I set out a summary and indicated that I intended to uphold Mr T's complaints to some extent. I summarised my previous approach to redress (when there was a single complaint against Provider A) and invited further information to enable me to decide matters in respect of liability. I shared responses with all parties to enable them to provide any further evidence including submissions.

For ease of reference I have summarised the main thrust of all responses below.

Standard Life

Standard Life let us know the preliminary provisional decision had been helpful as it had provided information they did not know. As a result their view had changed, and they now thought there was shared responsibility for potential loss being caused to Mr T, shared between themselves and Provider A.

Standard Life sent us further information and confirmed they had not used the Origo system as they ought to have done having received the transfer request on 28 August 2020. Standard Life accept that when they added a comment and an alert to Origo on 31 August 2020 they ought instead to have marked the request as out of scope.

However having now seen that Provider A were aware on 26 August 2020 that the funds to be transferred included uncrystallised funds, they say there was a failure by Provider A to submit the transfer request with the right information. Standard Life say it was Provider A's responsibility (or their administrator for whom they are responsible) to make sure they had the necessary information before submitting a transfer request, and their responsibility to ensure it was accurate.

Standard Life tend to think that since Provider A and/ or their administrator saw or would have seen the note added to Origo on 31 August 2020, they ought to have acted sooner as they would have known more information was required. When Standard Life added their comment on 31 August 2020, they say they also added an alert and so a report would have been generated highlighting this.

They note that on 29 September 2020 Provider A were aware of the need to provide information. Provider A added a comment on 7 October 2020 to confirm the split and then chased the transfer on 12 October 2020.

Standard Life made a business decision on 13 October 2020 to accept the transfer request based on Provider A's comment of 7 October 2020 given the delay. The payment was received by Provider A the next day (14 October 2020).

Standard Life say they asked Provider A to give them a calculation assuming the payment had been received on 31 August 2020 so that there could be a loss assessment for Mr T. They submit that the date of 31 August 2020 is a realistic date for the transfer to have been processed and to have then been received and completed on 1 September 2020, had the right information been provided to Origo on 28 August 2020.

Standard Life want Provider A to show what units were bought with the original transfer sum, and the relevant prices (which will need to also include the confirmation of the actual date of purchase).

Standard Life accept they could have mitigated Provider A's error on 28 August 2020 by correctly marking the request as out of scope on the Origo system on 31 August 2020. But accept they can't say what would have happened thereafter, only what might be considered most likely. As such they think liability for any loss can and ought to be shared between themselves and Provider A.

Provider A

Provider A say that separately to Mr T's transfer request being submitted to Origo, Mr T was updated via secure message that his SIPP was set up. Mr T replied to this message with what they characterise as three general questions. They accept the third one set out that he had only drawn tax-free cash from his Standard Life SIPP to date with a remaining tax-free sum still held there. He said he intended to start to draw taxable sums from 2021 and possibly before he had exhausted the tax-free element and he wanted to know if this (or anything he was asking) caused an issue in terms of the transfer application summary.

Provider A accept this information was not consistent with the transfer form where they say Mr T advised his SIPP was 100% un-crystallised. But they also say this ought not to be understood to be an instruction to update his transfer request nor that this was a realisation that he had submitted the incorrect information. Provider A say this was a simple conversation with one of their customer service representatives and they would not expect their representative to forward the interaction to their Transfer Team in case there had been an error on their transfer form.

Provider A say their administrators only came across the note of 31 August 2020 when they reviewed the transfer in-line with their usual process. It has also been said this was due to an internal review of the dormant transfer They don't accept it was Mr T chasing Provider A on 28 September 2020 that caused the delay to be identified.

Provider A note they are an execution-only service and don't consider it their role to compare information recently provided by a customer unless asked by the customer to do so.

Provider A consider it was the responsibility of Standard Life to have raised an Origo alert on 31 August 2020, and also say Standard Life ought to have contacted Provider A directly following what they ought to have perceived as a rejected transfer, again as part of the agreed Origo process.

Provider A say that Mr T told them on 29 September 2020 about the splits in his pension funds, and it was provided to Standard Life on 7 October 2020. They say their service agreement is for such actions to be completed in five working days. Here they say it was shared on the sixth working day.

Provider A agree they contacted Standard Life on 12 October 2020 to ask for an update and continue to say it was at this stage Standard Life identified the information had been provided to them on 7 October 2020. They say a new transfer request was then submitted on 14 October 2020 and they say it completed on 25 October 2020. [This date cannot be right given what has been said and agreed previously].

Provider A feel they are being unfairly punished for Standard Life's error and for not doing something they don't think they had any responsibility to do. They say that initially they did not realise that Standard Life hadn't used Origo properly.

Provider A think they have provided the transaction history and share prices for the dates requested by Standard Life.

Provider A dispute what is said by Standard Life about whether their note of 31 August 2020 created an alert for their administrators on the system. They say it didn't. In any event they say the point of Origo is that when used correctly it simplifies the administration of such activities.

Mr T

Mr T let us know that in general terms he agreed with my preliminary provisional decision. Mr T considers that the options on Provider A's transfer form were somewhat ambiguous. He thinks any error ought to have been picked up by Provider A's transfer team, he says they ought to have checked the form properly and referred to him if there was any uncertainty or queries. Given Provider A's undertaking that a cash transfer ought to take two to three weeks, he thinks this puts an onus on Provider A to properly oversee the process.

Further Provisional decision

On 11 July 2023 I issued a further provisional decision that confirmed why I intended to uphold Mr T's complaint in part. I concluded Mr T's transfer did take longer than it needed to have done, and that Mr T would have invested at any earlier date, had the transfer been completed, as it ought to have done, at an earlier date. I indicated that whilst I felt the transfer completion date proposed by Standard Life seemed somewhat optimistic, I would adopt this for the loss calculation subject to further submissions.

I thought that all parties had contributed to or played a part in the delay. However, and having taken everything into account, I thought that if any loss was identified as having been suffered by Mr T, on completion of the loss calculation exercise, this ought to be split and shared between Provider A and Standard Life. The split being 50% each of any loss. I also set out what needed to be paid by each entity to reflect the distress and inconvenience.

I thought the loss calculation ought to be completed using the actual SIPP information and that a benchmark was not required.

Responses

Mr T queried if the proposed date of 1 September 2020 for the loss calculation was realistic, since the request had only been made on 26 August 2020 and he had believed the transfer would take two to three weeks. He noted I had previously proposed to use the date of 17 September 2020.

Mr T also sent us information from his SIPP to confirm the investments made on 15 and 16 October 2020, and noted this information would be freely available to Provider A.

Standard Life accepted my provisional decision, albeit they noted that technically my decision in respect of the complaint made against them ought not to be considered an uphold, given they had accepted error on their part and made an offer which I did not disagree with. They could not see why a loss calculation could not be completed using the actual dates of transfer and investment, and the performance of Mr T's SIPP and confirmed acceptance of the approach proposed.

Standard Life asked that Provider A provide the original contract notes generated from the initial investments or a system generated transactions statement so they can verify figures.

Provider A think the facts and evidence they provided have been disregarded. They think they are being held liable for not identifying errors on the part of others, so they don't agree with my provisional decision. They continue to say Mr T was at fault, and his error was followed by the Standard Life not following the guidelines for use of the Origo system. But in the circumstances, they will agree to settle this matter as I set out.

Provider A also sent us a copy of emails between themselves and Standard Life. The exchanges from both parties refer to prices, investments, and figures from 13 October 2020 amongst other information. There is also some discussion about differences in value.

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.

Mr T's transfer took longer than it needed to have done. Had the transfer been completed, as it ought to have done, at an earlier date it is agreed that Mr T would have invested at any earlier date.

Standard Life agree and they accepted this and apologised once the complaint was referred to them from this service and they had looked into it.

The overall delay was caused to some extent by all parties, however having taken everything into account if any loss is identified, having completed the loss calculation exercise, this ought to be split between Provider A and Standard Life. The split will be 50% each of any total loss sum to be paid to Mr T by Provider A and the other 50% to be paid to Mr T by Standard Life.

I consider this is a fair approach to liability and to address any loss occasioned to Mr T. It cannot be a precise calculation when both Standard Life and Provider A made errors or are responsible for oversights, which taken altogether led to delay. But I consider this approach is reasonable having carefully balanced everything that happened and ought to have happened.

I accept the delay was not egregious. However Mr T valued an efficient and quick transfer and had chosen to liquidate his funds to speed up the process and minimise delay. To some extent he was accepting a risk when it came to waiting for the transfer to complete before he was able to re-enter the market. Mr T hoped his transfer would complete in two or three weeks, instead it took over seven weeks.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have carefully considered all the submissions made thus far. Where the evidence is unclear, or there are conflicts, I make my decision based on the balance of probabilities. In other words I look at what evidence I have, and the surrounding circumstances, to help me decide what I think is more likely to, or ought to have happened.

I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct. This service looks to resolve individual complaints between a consumer and a business informally. Should we decide that something has gone wrong we ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem or error hadn't occurred.

Standard Life say they ought to have followed good practice on 31 August 2020 and instead of adding a note about the request that had been submitted was wrong they ought to have

declined the request Provider A submitted. Standard Life accept their failure to decline the request caused delay. I agree.

I've seen the Origo guidance is that before a party creates an alert, they ought to contact the organisation by phone to discuss or raise awareness of any urgent issues with a transfer request. And I've been told that Provider A say most firms would not check notes unless there is an alert, or it comes up by chasing.

However Provider A knew that Mr T's SIPP included pre and post pension funds in August 2020. I've seen what Provider A say about Mr T's enquiry being made to a separate representative and not needing to be referred to their transfers department. I find that somewhat surprising given that I think it's fair to understand the thrust of his queries includes a concern about whether the information he is sharing will impact on the transfer request. So it's reasonable to consider Provider A contributed to the delay by failing to review the request and I think had they done it's likely a resubmission could have followed within a short time.

In addition Provider A's administrators ought to have known on 31 August 2020, and certainly by the time they updated the system and the status of the transfer on 2 September 2020, that Standard Life needed the application to be resubmitted and this ought to have been passed to Provider A. I don't accept Standard Life's failure to follow Origo guidance removes any responsibility for Provider A or their administrators to act here. Even in late September Provider A and their administrators misunderstood the request for resubmission it appears.

I have thought carefully about whether I ought to allow for some degree of responsibility to lie with Mr T. It was his error on the form (he indicated that all his funds were uncrystallised) that was at the root of the delay here.

Mr T's transfer was not advised, he chose to do it and caused it to proceed and was the person responsible for giving the instructions. I think he has sufficient knowledge and understanding to have understood that he had crystallised some of his pension funds. And when he indicated that all his funds were uncrystallised on the form originally submitted, this set out of the chain of the events and errors that led to the delay. I am in no doubt his indication on the form was the result of human error. It's clear Mr T wanted the transfer to complete and wanted this to happen as soon as possible. But I have needed to consider whether I ought to adjust my findings on liability to take account of Mr T's error.

It appears to me firstly that the subsequent errors and oversights that I have identified lie with the two other parties, are sufficiently distinct and demonstrate service failings or things that ought to have been done differently.

In addition I've concluded that Mr T's actions after he first spoke with Provider A, mitigated (or ought to have mitigated) the impact of the errors and oversights. He called Provider A having reviewed the form completed for his transfer and had his queries about his fund status been properly addressed, that form might never have been submitted. I think it was when Mr T chased Provider A on 28 September 2020 that the Origo over-sights were identified. I don't accept that Provider A's administrators picked up the Origo system note of 31 August 2020 on 29 September 2020 due to their own processes.

As such I have concluded I don't need to adjust the calculation to take account of Mr T's error.

In the circumstances I don't think it was reasonable that it took until 7 October 2020 for Provider A to provide (via their administrators) Mr T's information. In any event the

information they provided was not needed by Standard Life. Standard Life knew what the splits between crystalised and uncrystallised funds were, they were the providers. They had asked on 31 August 2020 for a resubmission of the application because the funds contained a mix (which was not what the transfer form had said). So it ought to have been reasonably understood by Provider A and/ or their administrators this was what Standard Life wanted.

It isn't clear to me why Standard Life didn't realise until 12 October 2020 (when chased by Provider A), that the Origo system had been updated on 7 October 2020. In other words the nature of any alert added by Provider A or their administrators on 7 October 2020. This does not change my thinking. But on 12 October 2020 Standard Life realised their original August error with the Origo system and that this meant the original transfer request still needed to be declined and cancelled and a new one submitted.

On 13 October 2020 Standard Life checked the system, but a new request had not been received from Provider A. I accept that Standard Life then acted to mitigate the impact of the errors by taking a business decision to proceed with the transfer in the absence of a new request, and they relied on Provider A's confirmation of 7 October 2020 of their willingness to accept the pre and post pension pots on transfer to do this.

I've seen Provider A say they submitted a new transfer request to Standard Life on 14 October 2020. I haven't seen anything that makes me think Standard Life accept this happened. In any event by this stage Standard Life had already progressed the transfer.

I haven't understood why there has been inconsistency in the information provided about when the funds were received by Provider A. This is information that ought to be easily evidenced. Based on everything I have seen it was on 14 October 2020 (Standard Life having progressed the transfer the day before).

I also do not understand why there were problems and inconsistencies about when Mr T went on to reinvest and how. This is again information that ought to have been easily evidenced with contemporaneous information. Provider A must be wrong to have provided unit prices and investments for 13 October 2020 to Standard Life and having seen the emails it looks to me as if Standard Life also referred to 13 October 2020.

Mr T told us he invested over 15 and 16 October 2020 and he provided confirmation of this.

I previously commented that Standard Life seem to have told Provider A at the time that they hoped to backdate Mr T's request due to their mistake with the Origo system. It continues to remain unclear to me why Provider A and Standard Life did not pick up what had happened after Mr T first complained and when both businesses appear to have been asked about what happened by a third party. This complaint has gone on for an extended time. I don't consider this is due to Mr T.

It is agreed that Mr T would have invested at any earlier date, had the transfer been completed earlier, as it ought to have done.

Standard Life suggested a date of 31 August 2020 for the transfer was to be used for the loss calculation, which would mean the funds would have notionally been available to invest on 1 September 2020. Provider A previously accepted the transfer could have been completed one month earlier than it did, and I previously concluded that the transfer ought to have completed by 17 September 2020.

I invited submissions on this. It appeared to me that Standard Life's proposal to use a date several days after the transfer request was submitted was generous when it came to assessing how long it ought to have taken for the transfer to complete had there not been

any errors or oversights. However it has not been suggested to me that Standard Life's proposed approach ought not to be followed and so I don't think it is unreasonable for me to accept this date is to be used for the loss calculation.

The loss calculation exercise uses the 1 September 2020 as the date to be used to calculate the units and prices had Mr T invested on this date rather than the date(s) he did invest. I am told Mr T has provided this information to Standard Life's satisfaction.

Provider A previously suggested Mr T had selected a very different type of fund to those he had held when invested with Standard Life, and they seemed to suggest this was because they were ones that performed well in the date range for the loss calculation. I don't find this submission persuasive. Mr T invested a significant portion of his fund almost as soon as he was able to. There is nothing that makes me think he chose investments on the basis of their performance in the preceding few weeks so as to maximise the outcome of any potential loss redress calculation in the future. Such a suggestion is too remote and speculative to be reasonable or likely.

Putting things right

The redress approach and what needs to be done

Mr T's transfer was delayed, and this caused him to be delayed when it came to reinvesting his funds. Mr T needs to be put as close to the position he would now be in if the errors and oversights had not occurred.

I accept Mr T sold his previous investments prior to requesting transfer as he wanted to make some amendments and he wanted the transfer to complete more speedily than it might do if he requested in-specie transfers. Mr T would have invested at any earlier date, had the transfer been completed, as it ought to have done, at an earlier date.

Based on everything that has now been said, this loss calculation is based on the premise Mr T ought to have been in a position to re-enter the market and invest by 1 September 2020. Mr T did not delay reinvesting as soon as he was able to reinvest. The investments made by Mr T following transfer ought fairly to form part of the redress exercise.

Provider A and Standard Life need to agree the units Mr T's SIPP invested in following the transfer in October 2020 and the relevant price. The actual investments were made on 15 and 16 October 2020 ('A'). I indicated that Provider A would need to provide reliable confirmation of what investments were made (the units and prices) and on what date. This is something I would expect them to do. Standard Life proposed this information ought to be provided by way of the original contract notes generated from the initial investments or a system generated transactions statement. This did not seem to be an unreasonable request. I understand Standard Life have more recently been provided with the information needed from Mr T.

I previously asked for submissions as to whether a benchmark ought to be used instead of the actual SIPP for the calculation. I didn't think this ought to be necessary, nor was it my preference and none of the further submissions have made me think otherwise.

Provider A and Standard Life must then complete a comparison to calculate and agree the total number of units, in the same funds and based on the same proportions and allocations of capital, that Mr T's SIPP could have purchased on 1 September 2020 ('B'), at the prices on that date.

If A is the same or greater than B, there is no loss, and no compensation is due.

If B is greater than A, Mr T has suffered a loss and compensation is due to Mr T.

The difference is the total monetary value of the difference based on the relevant funds' units' prices. This total monetary value is 'C'. This needs to be calculated and agreed by Provider A and Standard Life.

C is the loss/ compensation amount. This figure is to be split in half, with Provider A responsible for paying 50% to Mr T and Standard Life responsible for paying the other 50% to Mr T.

Loss of growth on any loss figure

If there has been a loss, then Mr T has suffered a loss in respect of investment performance from the date he could have bought additional units.

I previously noted that once figure C had been calculated, Provider A would need to go on to calculate the performance of C from the start date to the end date, using the SIPP as the benchmark.

Provider A will need to share the necessary information with Standard Life to enable this to be completed by both businesses.

No party has disagreed with this.

The start date

1 September 2020 is to be the 'start date' to use in calculating growth/ performance redress for Mr T.

The End date

The 'end date' to use for the calculation will be the date of my final decision because the subject of redress relates to an invested SIPP that has remained invested from the start date to the present date and based on available evidence, will probably continue to be invested on the date of my final decision.

By using this end date, the redress calculation will reflect the performance that any compensation amount arising on the start date (C) would have had up to date (that is, the date of my final decision).

The calculation is to make sure that C reflects the performance consistently with the overall performance of the SIPP over the relevant period (including a reflection of any changes within the SIPP, this includes for example, withdrawals or any proportional application of charges) as though the sum known as C was part of the SIPP throughout that period.

A payment is to be made within 28 days of receiving notice of Mr T's acceptance of my final decision. Any delay in payment to him beyond this period would mean interest on the full compensation amount, would be due at the rate of 8% simple per year from the date of the final decision up to the date the payment is made to him (settlement).

Payments of any compensation due are to be made if possible into Mr T's SIPP, to increase its value by the amount of the compensation and any interest. The payment should allow for

the effect of charges and any available tax relief. The compensation (and any interest) should not be paid into his SIPP if it would conflict with any existing protection or allowance.

If the compensation (and any interest) cannot be paid into his SIPP, it is to be paid directly to Mr T, taking account of that fact that had it been possible to pay it into the SIPP, it would have provided a taxable income. So the compensation should be reduced to notionally allow for any income tax that would otherwise have been paid.

All calculations of the compensation are to be provided in a clear and simple format.

Where I uphold a complaint, I can make a money award requiring a financial business to pay compensation of up to £150,000, £160,000, £350,000, £355,000 or £375,000 (depending on when the complaint event occurred and when the complaint was referred to us) plus any interest that I consider appropriate. If fair compensation exceeds the compensation limit the respondent firm may be asked to pay the balance. Payment of such balance is not part of my determination or award. It is not binding on the respondent firm, and it is unlikely that a complainant can accept my decision and go to court to ask for such balance. A complainant may therefore want to consider getting independent legal advice in this respect before deciding whether to accept a final decision. I am not aware of this being a live or relevant issue in this case.

Standard Life must also pay Mr T the sum of £250 to reflect his distress and inconvenience. This is to be paid within 28 days of my final decision.

My final decision

For the reasons given I am upholding Mr T's complaint about Standard Life Assurance Limited. This is in-line with their own findings. I have changed what they are required to do from the offer made in their response letter to Mr T. But this is because I have concluded that the redress exercise ought to reflect a shared responsibility between Standard Life and Provider A.

Standard Life are required to complete the loss redress exercise set out above and pay any sum they need to pay Mr T within 28 days of receiving notice of Mr T's acceptance of my final decision. In addition Standard Life must also pay Mr T the sum of £250 to reflect his distress and inconvenience. This is to be paid within 28 days of my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 13 September 2023.

Louise Wilson
Ombudsman