

The complaint

Mr H complains, in his capacity as a beneficiary of his SIPP, that IPS Pensions Ltd is responsible for some or all of the delays he experienced in transferring cash in his SIPP to an investment platform.

Mr H has made a related complaint about a bank (which I will call Bank B). He considers the bank may also have some responsibility for the delays. He makes that other complaint in his capacity as a trustee of the SIPP rather than as a beneficiary.

This final decision sets out my findings in respect of IPS only. However, I hope all parties will understand why I have referred to Bank B in this decision about IPS.

What happened

At the beginning of April 2020, Mr H had a SIPP with IPS. That SIPP only contained cash, with most of the funds held in the SIPP's account with a different bank and the remainder in its Bank B bank account. The SIPP had previously held property, and up until 2018 rental income from the SIPP's property had been paid into its Bank B account.

Mr H told us that in April 2020, he gave instructions to his IFA to close the IPS SIPP and move the money it contained elsewhere. His instructions were not carried out for over a year, and he believes that IPS and Bank B may both hold some responsibility for the delay.

I have issued two provisional decisions on this complaint, the first in June 2023 and the second in August 2023. In my first provisional decision, I said:

- I didn't know whether Mr H had suffered any financial losses as a result of the delay – but even if he had, I didn't think IPS had caused those losses. So I didn't think it would be fair for me to order IPS to make any contribution towards financial loss.
- IPS did make some errors, and it should have been more proactive. But I thought the £500 it had already offered represented fair compensation for the errors it had made.

Both parties provided me with further evidence. Having considered that further evidence, which covered both alleged financial losses and fees, I issued a second provisional decision. In that second provisional decision, I said:

- I was satisfied with IPS's explanation as to why it charged the fees Mr H mentioned. I thought it was unfortunate that a 2017 invoice wasn't paid until 2020 – and I thought it was understandable that the delay had caused confusion to Mr H – but I was satisfied that all fees charged were due and correctly paid.
- However, IPS had decided that it would like to refund £64.80 that it charged for an external account fee, on the basis that it believes there was a misunderstanding about that fee. In light of IPS's offer, I thought it was fair for IPS to pay a total of £564.80 in settlement of this complaint - £500 for distress and inconvenience, and the remainder as a fee refund.

IPS accepted my provisional findings, but Mr H did not. He said he didn't believe the large financial institutions involved were going to learn any lessons from this case, and as the victim he did not consider £500 represented fair compensation. He explained that when I'd asked him for information about his financial loss, he thought I also believed that a more substantial compensation package would be fair – and so he is very disappointed with my revised findings. He asked me to reconsider, bearing in mind that the timescale to complete the transaction was totally unacceptable.

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.

For the reasons I explained in my first provisional decision, I don't think IPS was the primary cause of the delays Mr H experienced. However, as IPS accepts, it could and should have been more proactive in resolving matters. I remain satisfied that it should pay compensation to Mr H to apologise for that lack of proactivity.

Even if I am wrong about IPS's responsibility for the delay, I don't think the delay caused Mr H to suffer a financial loss. The evidence shows that most of the money in his SIPP had been transferred by September 2020, but he chose not to make any investments at that time. By the end of April 2021 Mr H had access to the money that had been held with Bank B, but he didn't choose to fully invest the cash in his SIPP until March 2022, almost a year later. In the circumstances, I don't think the delay in transferring Mr H's SIPP was the reason he lost out on investment growth.

Putting things right

IPS should have been more proactive, and so I consider it should make a payment to apologise. But that payment is not based on IPS' financial strength, on the number of employees it has, or on a desire to punish it. Instead, the award should reflect the impact of IPS' mistakes on the complainant.

Here, I think the impact of IPS's mistakes were that Mr H suffered some distress and inconvenience. IPS has already offered to pay Mr H £500 to apologise for its behaviour, and I remain satisfied that amount is fair and reasonable in the circumstances.

In light of the confusion over the external account fee, IPS is also willing to refund a fee of £64.80. I think that is fair.

My final decision

My final decision is that IPS Pensions Ltd should pay Mr H £500 for distress and inconvenience. In addition, it should refund the £64.80 external account fee. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 22 September 2023.

Laura Colman
Ombudsman