

The complaint

Mr P complains that Evelyn Partners Financial Services Limited (Evelyn Partners) didn't provide the advice he'd requested on transferring his final salary pension scheme to a personal pension. And that the delays Evelyn Partners caused to the progress of his transfer caused his Cash Equivalent Transfer Value (CETV) to fall substantially.

Mr P considers that he paid for advice that he didn't receive. And that he still doesn't know if he should transfer his final salary pension.

What happened

Mr P said his former colleagues advised him to apply for a CETV for a former final salary pension. He did so. And on 8 December 2021 the pension administrator wrote to him to tell him the CETV was £353,078. It said this amount was guaranteed if Mr P returned all of the relevant paperwork before 8 March 2022.

Mr P said he was shocked by the high value. And that he felt transferring his final salary pension to his personal pension would significantly increase his efforts to meet his retirement goals.

Mr P first contacted Evelyn Partners by email on 17 December 2021. He emailed a specific financial adviser who he'd used before, as he'd been pleased with his advice and response times.

Mr P said he'd been looking at his finances recently and needed some professional advice to meet his retirement goals. He asked the Evelyn Partners adviser if he could perform a full review for himself and his wife. He also asked him to provide an estimate of the cost of the review.

The adviser replied to Mr P the same day. He suggested a meeting so that he could have an initial discussion with Mr P to allow him to understand the work involved and let him know what the costs would be. I understand this initial meeting was held online on 11 January 2022.

Evelyn Partners said it provided its Scope of Work letter to Mr P via an online meeting on 17 January 2022.

This letter explained what the adviser felt the scope of work was. And summarised it as follows:

- *Undertake a full review of your current finances and financial planning goals to produce a Lifetime Financial Plan.*
- *Review your individual approaches to risk to ascertain 'Your need for risk'. Your tolerance to risk' and 'capacity for loss'*
- *Present your Lifetime Financial plan face to face and in written form.*

It also stated that the charge for this work would be £1,500 plus VAT, or £1,800. And that if Mr P wanted to proceed, a further meeting would be arranged to discuss the creation of his Lifetime Financial Plan and complete the appropriate letters of authority for Mr P's existing pensions.

Mr P emailed Evelyn Partners on 24 January 2022 to confirm that he was happy to go ahead on the basis outlined in the Scope of Work. And asked when it would be available to meet to start the process.

The original adviser replied to Mr P on 25 January 2022 to say he'd asked for a face-to-face meeting to be scheduled. He confirmed the following day that the meeting would be on 10 February 2022.

The original adviser then met Mr P face-to-face on 10 February 2022. I understand that it was at this meeting that another adviser took over responsibility for providing advice to Mr P.

Evelyn Partners provided that adviser's notes from this meeting. They stated:

"...It is important to both [Mr P and his wife] that they understand and have clarity on their financial future should either stop working due to retirement in the next few years. They would like confirmation on a reasonable figure of expenditure in retirement given their current assets and income and what needs to be done to meet their aspirations should it be required..."

"...Additionally, [Mr P] has decided he would like to transfer his deferred final salary scheme to a defined contribution/SIPP in order to benefit from the funds earlier and to be able to pass on the pension to his beneficiaries..."

Mr P said he felt the meetings and correspondence with the new adviser were very slow and repetitive. And that he didn't take into account the fact that his CETV would expire on 8 March 2022.

The new adviser contacted Mr P again on 15 March 2022. He apologised for taking a while to get back to him and his wife about the follow up to the last meeting. And asked if he had any availability to discuss the inputs for the cash flow model, particularly the life goals.

Mr P contacted the new adviser on 25 March 2022 to arrange a meeting, which I understand took place on 6 April 2022, after the CETV had expired.

After the meeting, Mr P sent the new adviser details of his pension. He replied the following day to say he would finalise the cash flow and ask for the report to be written up. And that he'd follow up again with Mr P after the Easter holidays. And on 27 April 2022, he emailed Mr P to ask him to scan over pension statements from the final salary pension Mr P wanted to consider transferring. He also said that the cash flow report should be ready in "a week or two".

On 19 May 2022, Mr P said he'd got the documents Evelyn Partners needed and would drop them at the office the following day. I've not seen any response to this email.

On 29 June 2022, Mr P emailed Evelyn Partners to find out how much progress had been made with the proposed plan. The new adviser replied the following day. He said he would arrange for a meeting to be scheduled so he could discuss the cash flow results with Mr P.

Mr P replied the same day to try to schedule the meeting for 1 July 2022, but this wasn't possible. Mr P then contacted the new adviser on 18 July 2022 to ask for a video meeting.

On 16 August 2022, Evelyn Partners wrote to Mr P to tell him that his new adviser had resigned. And that a third adviser had been looking after his financial planning and cashflow report since then. It also wanted to schedule an appointment with Mr P to go through the finalised report.

Mr P emailed Evelyn Partners on 17 August 2022. He said he'd felt it was odd that he hadn't heard from the second adviser in almost a month. But said that as he'd already had to wait this long, he might as well wait until the school holidays were over. I understand a meeting was arranged for 15 September 2022. But that Mr P had to cancel this on 28 August 2022.

The third adviser met with Mr P and his wife on 13 September 2022 to discuss the cashflow projections. After the meeting, he sent them a copy of the cashflow report, which was dated 28 June 2022, and registered Mr P for "The Money Alive" portal, which had video links he would need if he wanted to consider transferring his workplace pension.

Mr P emailed the third adviser on 14 September 2022 to tell him he'd completed the required steps.

Mr P emailed the third adviser again on 3 October 2022. He wanted to arrange to pay Evelyn Partner's invoice for the work it'd carried out. But he said he felt a little disappointed in the service he'd received, as the report didn't really give him any indication as to whether he should look at taking the funds out of his final salary pension, given the CETV he'd received. He said this was the original reason he'd asked for advice. And asked the third adviser if he'd had the chance to look at this.

The third adviser replied the following day. He said that the cashflow planning had been carried out to look at the sustainability of retirement income. And that final salary pension advice was a completely separate stand-alone topic. He said this should've been made clear to Mr P at the January 2022 meeting. He told Mr P that after the videos he'd looked at, the next stage was the Triage stage, which would allow Evelyn Partners to consider the likelihood of the final salary transfer being able to go ahead. He said this was important given the advice cost would be around £10,000 plus VAT, but could still lead to the adviser not agreeing that a final salary transfer would be in Mr P's best interests.

Mr P asked for an update on 19 October 2022.

On 21 October 2022, the third adviser said he'd be in touch the following week with an update. And on 31 October 2022, he emailed Mr P to tell him that his potential final salary transfer was still being looked over. He also said: *"They seem a bit inundated at the minute but at least it is being looked at"*.

Mr P asked for a further update on 6 December 2022. The adviser replied the following day to say that the original CETV had only been valid for three months, so a new one would need to be obtained. But he said that he expected that the new CETV would be much lower. If it was, he felt it may steer Mr P towards waiting until things improved.

Mr P replied to the third adviser on 9 December 2022. He said the process had been extremely frustrating. And that it'd been almost a year since he'd first spoken to Evelyn Partners, driven by the CETV he'd received. He said he'd initially asked Evelyn Partners for advice on how transferring his final salary pension could improve his position and what else he could do to help achieve his goals.

Mr P said he'd ask for a new CETV. And that he felt that if his case had been dealt with efficiently he could've obtained the original high CETV and been in a much stronger position to realise his goals.

The third adviser emailed Mr P on 12 December 2022 to apologise and to say a call would be useful to clarify a few things with him about the process.

Mr P received an updated CETV dated 11 January 2023. He shared this with the third adviser the following day. He said he was hugely disappointed that it had fallen by £120,000. And asked the adviser for his views.

Mr P's adviser replied on 13 January 2023. He acknowledged the sharp fall in the CETV. And said that as Mr P had until 12 months before his scheme's normal retirement age to transfer out, he could wait until the CETV had picked up again.

Unhappy, Mr P complained to Evelyn Partners on 29 January 2023. He said he'd been astonished to see the CETV was for £353,078. He said when he'd approached Evelyn Partners he wanted advice on whether to transfer his final salary pension.

Mr P said that meetings with and correspondence from the second adviser were very slow and repetitive. And that he'd ignored the expiry date of the CETV. He also said that he'd only found out that the second adviser had left the business on 16 August 2022. And that the third adviser had only provided a report dated June 2022 in September 2022.

Mr P felt the report was a complete waste of time as it didn't even mention the potential final salary transfer. He also felt that the third adviser hadn't been given any background on his situation, or why he'd initially contacted Evelyn Partners for advice.

Mr P said that the pace of the advice had led to him having to obtain a revised transfer value which was £120,000 lower than the initial one. He felt that if Evelyn Partners had given him the correct attention and advice in February 2022, he would've been able to transfer the higher CETV. He also felt that even though final salary transfers were often not recommended, his transfer had clearly been a positive thing to do. And that the third adviser agreed with him. To put things right, Mr P asked Evelyn Partners to make good on the loss he felt he'd suffered.

Evelyn Partners issued its final response to the complaint on 28 February 2023. It didn't think it'd done anything wrong. It said that in the 17 January 2022 Scope of Work letter, the initial adviser had confirmed that the first task would be:

"...a forecast of your finances using a Lifetime Financial Plan. In essence this is a cash flow forecast that will plot your income and expenditure for the rest of your lives, whilst considering the effects of external forces such as inflation, investment growth, care costs and any one-off expenditure items that might present themselves, such as university fees for example.

Once the Lifetime Financial Plan has been established, this will form the 'Blueprint' for our discussions going forward and will enable me to ensure that your current assets are structured correctly in order to achieve your goals. This will include a full review of your current pensions, whilst considering alternatives should this be a necessary course of action and future provision for these and the lump sum you have available in cash.

As mentioned, the starting point for any Defined Benefit schemes is to leave them untouched, however the analysis we undertake will help you understand the suitability of [Mr P's] pensions and whether a transfer is a suitable consideration. If this is the case, the DB transfer assessment work will be scoped separately."

So it felt Mr P had agreed that the Lifetime Financial Plan would be needed before he then considered whether it might be suitable to transfer his final salary pension. It also confirmed

this would be a separate piece of work. And said that no second Scope of Work was issued or agreed to. Therefore Mr P hadn't engaged it to carry out that work.

Evelyn Partners also said that final salary pension transfer advice was highly regulated and could only be carried out by a properly authorised pension transfer specialist. It also said that it used a two-stage process for such advice:

1. Assess whether, in general, a transfer of benefits is likely to be suitable. If in the Adviser's view the transfer is likely to be suitable, they proceed to stage two.
2. Produce a transfer value analysis report which provides the detail required for the Adviser to determine whether the transfer is suitable.

It also said that as the process was so complex, it was unlikely that it would've been completed in time to meet the 8 March 2022 CETV deadline, even if the work had begun in January 2022. And that even if there had been time to complete the required work, there was no guarantee that it would've recommended the transfer.

Unhappy with this response, Mr P brought his complaint to this service in March 2023. He said that when he'd approached Evelyn Partners for advice, his primary aim was to find out if transferring his final salary pension to his personal pension would significantly increase his efforts to meet his retirement goals. But that from his initial contact in December 2021 up to September 2022, when he received the second adviser's report, he'd not received any advice or recommendation about whether or not pursuing a transfer would be a sensible option.

Mr P said that the third adviser had apologised for the complete lack of advice and contact in relation to the transfer and that he'd offered for Evelyn Partners to cover the cost of the new transfer value. And recalled a conversation with the third adviser in which he'd agreed with Mr P that taking the initial CETV was a "*no brainer*".

To put things right, Mr P would like to be put in the position he would've been in if the advice he needed had been provided in January 2022.

Our investigator asked Evelyn Partners if it was prepared to consider a distress and inconvenience payment for Mr P under the circumstances. And if it would be prepared to refund the fee he'd paid.

Evelyn Partners said that the adviser who dealt with the initial query had told it that he'd made it clear to Mr P that a final salary transfer wasn't likely to be in his best interests. And that the cashflow report wasn't the precursor to final salary transfer advice. But was designed to show that Mr P could achieve his target retirement income without the need to transfer. And was different to the sort of report used in final salary transfer advice as it didn't factor in the results of any transfer value analysis.

But the adviser had accepted that no one had sat down with Mr P and run through the report with him to explain these things. And therefore Evelyn Partners said it was happy to refund the fee Mr P had paid and make a distress and inconvenience payment of £200.

Our investigator asked Mr P if he was prepared to accept Evelyn Partners' offer. Mr P said that the most frustrating part about the reduction to the CETV was that the third adviser had agreed it was an exceptional offer and that the recommendation would've been to transfer.

Our investigator asked Evelyn Partners if it could provide her with notes and call recordings between Mr P and the third adviser. It said that all the calls had been on mobile phones and

so hadn't been recorded.

Evelyn Partners asked the third adviser what had happened. He told it that he hadn't told Mr P he would definitely recommend the transfer. He said Mr P had already felt it was a very compelling offer, based on an annual final salary scheme pension projection of around £11K having a CETV of around £350K.

The third adviser said his role had been to present a cashflow report. And that any final salary transfer could then be considered after that. He also said that he'd explained to Mr P that the task involved was extremely comprehensive and that there were defined stages to navigate. Given that, he felt it wouldn't have been possible to complete the full analysis of Mr P's circumstances and execute a transfer - if applicable - in the time that was available, even if Mr P's transfer had passed the initial triage stage.

Our investigator felt that the complaint should be upheld. She felt that Evelyn Partners should refund the £1,500 plus VAT fee Mr P had paid it. And that it should also pay Mr P £600 compensation for the distress and inconvenience it had caused him. But she didn't consider that Evelyn Partners had caused Mr P a financial loss. She felt that it was unlikely that the full transfer process could've completed by 8 March 2022. And she wasn't sure that the advice would've been to transfer in any event.

Evelyn Partners accepted our investigator's view. Mr P still felt that he was financially worse off due to the reduced CETV.

As agreement couldn't be reached, the complaint has come to me for a review.

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.

Having done so, I'm going to uphold it. I will however make a slight change to the redress our investigator recommended, as I consider that interest should be added to the fee Mr P paid to compensate him for the loss of use of that money, as this is the usual process our service follows. But I agree with our investigator that it was unlikely that the full transfer process could've completed by 8 March 2022, even if Evelyn Partners had focussed on the potential final salary transfer from the initial meeting. And that even if it had, it may not have recommended the transfer. I know this will be disappointing to Mr P. I'll explain the reasons for my decision.

I first considered what I think went wrong with the process.

What went wrong?

Mr P clearly contacted an adviser he'd used before because he was interested in investigating whether a final salary transfer would help him to meet his retirement goals.

The adviser then suggested a meeting so that he could have an initial discussion with Mr P to allow him to understand the work involved. And sent Mr P a Scope of Work letter a few days later.

This said that Evelyn Partners would first carry out the work required to produce a Lifetime Financial Plan for Mr P, based on his attitude to risk and capacity for loss, which it would present to him. This Plan would form the basis for any other work Evelyn Partners did for Mr P.

The Scope of Work letter also stated that the starting point would be to leave the final salary pension untouched. But that Evelyn Partners would undertake analysis to help Mr P understand whether a transfer might be suitable for him if he wanted this. It said if this was the case, it would scope the final salary transfer assessment work separately.

Mr P told Evelyn Partners on 24 January 2022 that he was happy to go ahead on the basis outlined in the Scope of Work. And the next meeting was then held on 10 February 2022. I understand that at this meeting, the appropriate letters of authority for Mr P's existing pensions would've been completed. At this point, there were less than four weeks left until the CETV expired.

I've not seen any evidence that Evelyn Partners ever told Mr P that it was extremely unlikely that it would be able to complete the Lifetime Financial Plan, present that to him so that he could decide whether or not he wanted to proceed with expensive final salary transfer work, and then produce a transfer value analysis report so that the adviser could determine whether the transfer was suitable in time to meet the CETV guarantee.

In my view, Mr P felt that the actions Evelyn Partners had outlined in the Scope of Work were part of the process for him to get the final salary transfer advice he needed, so that he could benefit from what he felt was a generous CETV.

I am satisfied that the Scope of Work was clear in describing the work that would be carried out initially. But I'm not satisfied that Evelyn Partners did enough to ensure that Mr P was aware that it was extremely unlikely that the work required for a final salary recommendation could be completed before the CETV guarantee expired. I've also seen no evidence that it explained to Mr P that the CETV could significantly change once that guarantee expired.

Instead, Evelyn Partners passed Mr P from one adviser to another without moving things forward. It also doesn't seem to have explained Mr P's initial needs to the third adviser, as Mr P said that adviser hadn't known what he'd really wanted to achieve when he'd first approached Evelyn Partners. This led to around eight months passing before any preparatory work for a potential final salary transfer was carried out.

I think if Evelyn Partners had explained from the start how long each stage of the potential final salary transfer process would take, Mr P would've realised that he probably wouldn't be in a position to access the CETV he'd been quoted given how much of the guarantee period he had left at that time. And he could then have made a decision about whether he wanted to continue to look into whether a final salary transfer would be likely to help him meet his retirement goals, or postpone that decision until he was closer to retirement. I consider if Evelyn Partners had made the timings clear, Mr P wouldn't have been so frustrated and disappointed with the pace of the advice he did receive.

Based on my findings, I agree with our investigator that Evelyn Partners should fully repay the fee it charged Mr P for the advice it provided. I say this because it wasn't the advice Mr P wanted. And because the advice he did want wasn't provided in a timely manner. As I noted above, I also consider that Evelyn Partners should pay annualised interest at 8% on the total fee it charged Mr P to compensate him for the loss of use of those funds.

I next considered whether the final salary transfer would've definitely been recommended. And if it could've been processed in time to meet the CETV guarantee deadline.

Could the final salary pension have been transferred on or before 8 March 2022?

Earlier in this decision, I said that I'd not seen any evidence that Evelyn Partners ever told Mr P that it was extremely unlikely that it could carry out all of the required work to determine

whether the transfer was suitable before the CETV deadline. So it's not surprising that Mr P was disappointed and frustrated when he found out, almost a year after his original enquiry, that he would need to obtain a new CETV. And that the new value was £120,000 lower than the original one. So I understand why Mr P feels that Evelyn Partners should compensate him for the loss he feels he's suffered.

Evelyn Partners has confirmed that it never charged Mr P for any transfer advice. And Mr P has told us that he didn't question the Scope of Work, which effectively explained that the transfer advice would be secondary to the initial analysis. This was because he said he was relying on Evelyn Partners to advise him on whether or not it would be beneficial for him to carry out the final salary transfer. And then to advise him on how to achieve this, and to progress the transfer if that was its recommendation.

However, I can't fairly say that Evelyn Partners would've definitely recommended the transfer. I acknowledge that Mr P feels that the third adviser told him it was a "*no brainer*", but that adviser said he had a different recollection of events.

The analysis of Mr P's potential final salary transfer would've required a number of complex steps for a full assessment. These haven't all been completed yet. So we can't say for certain whether or not Evelyn Partners would've recommended the transfer.

I also consider that, given Mr P only provided Evelyn Partners with the letters of authority it needed to access his pension information on 10 February 2022, less than four weeks before the CETV guarantee expired, it would've been extremely unlikely for Evelyn Partners to have completed all of the required work to make a recommendation.

As such, I can't reasonably say that Mr P should definitely have transferred his final salary pension. And therefore I can't fairly ask Evelyn Partners to compensate him for the change in the CETV value.

I acknowledge that Mr P said he still doesn't know if he should transfer his final salary pension. But I can also see that he has yet to pay an adviser for the service he would require to get the full assessment of whether a transfer is in his best interests or not. So I can't fairly say that he should know the answer to this question at this point.

I finally considered the distress and inconvenience Evelyn Partners has caused Mr P.

Distress and Inconvenience

I agree with our investigator that the following things went wrong in the advice process:

- Mr P was passed between advisers without his main reason for seeking the advice being properly considered. And without the expiry date of this CETV being fully considered.
- The second adviser didn't progress the initial process of producing the cashflow report in a timely manner. Nor did he contact Mr P to explain what was happening and what this might mean for his main aim. The only report he did produce was dated June 2022, but not presented to Mr P until September 2022, six months after the CETV had expired.
- The third adviser did progress Mr P's advice requirements to a degree. But still not in a particularly timely manner. The triage process of understanding if the final salary transfer was suitable for Mr P began in September 2022. But it was only on 7 December 2022 that the third adviser told Mr P he'd need an up-to-date CETV.

- Evelyn Partners were clearly very busy at the time Mr P needed advice. I say this because the third adviser told Mr P that the team looking into the suitability of his transfer seemed: “*a bit inundated*”. And Evelyn Partners has also shared an email with this service which said it was experiencing: “*disproportionate work levels*” at the time. And agreed with Mr P that he had the right to be annoyed about the service he’d received. I think that Mr P could’ve reasonably expected Evelyn Partners to have explained from the start how long each stage of the potential process was likely to take.

Based on everything I’ve seen, I consider that it has been a frustrating process for Mr P that has taken a lot of time and effort on his part, and hasn’t really moved him forward in terms of his main objectives. I’m not satisfied that Evelyn Partners tried to manage Mr P’s expectations. And in failing to do so it has left him feeling incredibly disappointed. Therefore I consider that Evelyn Partners should pay Mr P £600 for the distress and inconvenience it has caused him.

Putting things right

Evelyn Partners Financial Services Limited must refund the £1,500 fee plus VAT Mr P has paid it and apply 8% interest from when Mr P paid the fee to the date of settlement. It must also pay Mr P £600 compensation for the distress and inconvenience it has caused.

Income tax may be payable on any interest paid. If Evelyn Partners Financial Services Limited deducts income tax from any interest it should tell Mr P how much has been taken off. Evelyn Partners Financial Services Limited should give Mr P a tax deduction certificate in respect of interest if he asks for one, so he can reclaim the tax on interest from HM Revenue & Customs if appropriate.

My final decision

For the reasons I’ve given above, I uphold the complaint. Evelyn Partners Financial Services Limited must take the actions detailed in the “Putting things right” section above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 18 October 2023.

Jo Occleshaw
Ombudsman