

The complaint

Mr H complains that James Hay Administration Company Limited trading as James Hay Partnership (JHAC) provided poor service to him and delayed the transfer of his pension to another provider. He suffered financial loss as a result.

What happened

Mr H was a member of a Group Self-Invested Pension Scheme (Group SIPP) which was administered by JHAC. It was invested in a product known as the IPS Pension Builder SIPP.

Mr H informed JHAC in or about August 2020 that he (along with certain other members of the Group SIPP) wanted to transfer his pension to another provider. The SIPP was invested in a commercial property and arrangements were made to sell the property. The property sale completed on 23 February 2021 and the sale proceeds were transferred to JHAC's bank account that day.

Mr H says that an application was made to transfer the pension using the ORIGO Options Pension Transfer Service (ORIGO). However, despite having previously been told that JHAC would accept an application to transfer using ORIGO, the application was denied and paper forms had to be submitted. He says that the paper forms were received by JHAC on 12 March 2021 but JHAC delayed the transfer. It wasn't completed until 18 June 2021 with the monies being reinvested by the receiving scheme on 22 June 2021.

Mr H complained to JHAC about what had happened. He said that throughout the period since August 2020 there'd been a series of administrative errors. By way of summary, he complained about:

- no effective management or control of the overall process. Despite asking for a single point of contact, he'd had to deal with multiple members of staff none of whom had an overview of the process;
- delays responding to queries about the bank account and failure to provide copies of bank statements in a timely manner;
- failure to allocate moneys from rental income to the correct ledger;
- issuing incorrect rental statements and wrongly saying that there was (a) an underpayment of rent and then (b) an overpayment of rent;
- requesting a letter of authority when it wasn't required;
- incorrectly saying that ORIGO could be used to submit the transfer application;
- delays and errors effecting the transfer; and
- not handling the complaints correctly.

JHAC investigated Mr H's complaint. It accepted there'd been delays dealing with Mr H's request for duplicate bank statements. It said that in light of that it had previously offered to waive the scheme's fee on the property sale but he hadn't accepted that offer. It further

acknowledged that it had inaccurately informed him his request for copy bank statements was being progressed – when that was not the case. It apologised for this.

JHAC did not agree its delay in providing the copy bank statements had delayed the sale of the property. It said the rent reconciliation was carried out after the sale had already completed. It acknowledged that the errors with the rent reconciliation and the information he'd been given about an underpayment of rent and then an overpayment of rent should not have happened.

JHAC said it had received the transfer application on 12 March 2021. It did not accept that any maladministration which may have occurred prior to that date had led to any delays in the transfer. But it accepted that the transfer application had taken much longer than it should reasonably have taken. It said it was prepared to consider financial loss calculations based on the following assumptions:

- The instructions were received on 12 March 2021;
- The transfer was completed within 10 working days - 26 March 2021; and
- The funds were reinvested by the new provider within 2 working days - 30 March 2021.

JHAC asked Mr H to provide evidence of the investments the new provider had made so that it could complete the calculations. In addition JHAC said it would refund his share of the administration fee raised on 15 March 2021. That fee related to administration charges for the period from March 2021 to February 2022. It would also refund his share of the fee for the property sale.

JHAC apologised that the transfer had taken longer than anticipated. It also acknowledged that the standard of service Mr H had received was extremely disappointing and he'd experienced distress and inconvenience as a result. It offered to pay him £1,000 by way of compensation for distress and inconvenience.

Mr H did not agree. He referred his complaint to our service. He also said he hadn't received any invoices from JHAC during the period after August 2020. He said it shouldn't be able to apply charges when it hadn't sent him the invoices.

Our investigator looked into the complaint.

She said that we could only consider the points raised in the final response letter from JHAC dated 25 March 2022. Mr H hadn't referred any previous final response letters JHAC had sent to him within the six month timeframe set out in our Rules.

She firstly commented on what Mr H had told our service about not having received any invoices from JHAC in the period after August 2020. JHAC provided copies of its records which showed that the invoices had been posted to Mr H at the address it held for him on its records. Our investigator was satisfied having reviewed the information she'd been sent that JHAC had posted the invoices to him at the correct address. She didn't think JHAC should be held responsible for any postal issues which she said were outside of its control.

She then considered the delay when Mr H had asked for his pension to be transferred to another provider. She thought JHAC had not made it clear to Mr H's advisers that ORIGO was not available for this particular SIPP. If it had done that she thought the paper

application forms would have been received by 1 March 2021, which was the date that she said the sale proceeds could reasonably have been allocated to the SIPP. She said it was reasonable to say that the transfer process could take ten working days and allowing for a further two days to reinvest the funds, she thought the process could have concluded by 17 March 2021. She thought JHAC should rework its calculations using these dates.

Our investigator also considered the offer to pay Mr H £1,000 compensation. She thought this was fair and in line with our approach.

JHAC accepted what our investigator said and agreed to settle the complaint in the way that she'd set out. It said it didn't have anything further to add.

Mr H also responded to what our investigator said. By way of summary he said:

- The date when the funds could have been reinvested, in his view was 3 March 2021. The proposed date of 15 March appeared to be a compromise – but it was not of any assistance to Mr H because a significant part of the overall loss was prior to 15 March.
- JHAC now accepted the funds were received by them on 23 February 2021. That being the case JHAC was obliged under regulatory rules to allocate the funds to the correct client ledger on the same day.
- the transfer should have commenced on 23 February 2021. The transfer should've been straightforward. The fund was all held in cash. The only steps JHAC was required to take were to check the transfer forms, deduct fees, divide the balance by the number of members in the Group SIPP and make the transfer. The funds could have been reinvested no later than 3 March 2021.

Mr H also thought that £1,000 was not enough compensation for what happened. He said the distress and inconvenience had been prolonged and extraordinary, over an 18 month period. Hours and days were spent trying to get JHAC "to do their job".

Because Mr H didn't agree, the complaint was passed to me to decide. I issued a provisional decision in which I said:

What I've provisionally 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 just comment at the outset that I asked JHAC whether it consented to our service investigating all of the issues raised by Mr H in his complaint to our service. JHAC confirmed that it did not object to our service considering the issues addressed in its final response letter of 11 March 2021 which it said were closely related to those addressed in its more recent final response letter dated 25 March 2022.

So, in this decision I will consider all of the complaints Mr H has raised in the period since August 2020 and which were responded to in the final response letters of 11 March 2021 and 25 March 2022.

On 21 August 2020 Mr H wrote to JHAC. In that email he made several requests – each of which I'll consider below:

Request for a single point of contact

Mr H explained that because of “past problems” he would prefer a single, senior point of contact.

I can see that the next day he was given the names of two individuals as points of contact for the property sale. One of those points of contact did write to him on 2 September but Mr H wasn't satisfied with how matters were being progressed and he tried to escalate things as a result.

It's not always possible for a firm to provide a single point of contact. Where, as here there were multiple issues to be dealt with, it is the case that different parts of a firm may need to deal with specific aspects of the overall transaction. I think that's fair and reasonable. The fact that there is not a single point of contact does not necessarily result in poor customer service or inefficiency.

So, although I understand why not having a single point of contact was frustrating I think JHAC did try to provide named contacts. However, despite having done so, JHAC accepts there were service failures because of “internal confusion.”

Request for a former bank account in the name of the Group SIPP to be closed

The Group SIPP held a bank account with a bank (I'll refer to as 'L'). It appears that JHAC had required that the bank account for the Group SIPP should instead be held with a different bank (I'll refer to as 'S'). It's not clear when that occurred but the account with L was not closed at that time.

Mr H asked JHAC to arrange for the account with L to be closed and the balance transferred to the new account with S. I think that was a reasonable request.

On 25 September 2020 JHAC sent Mr H the forms it said it required all the trustees of the Group SIPP to sign so that the balance in the account with L could be transferred to the account with S. JHAC acknowledged in its letter dated 11 March 2021 that there had been a delay issuing the forms and it apologised for that delay.

Mr H returned the forms, duly signed, at the start of November 2020 and JHAC forwarded the closure request to L on 9 November 2020. The account was closed later that month. In December 2020 he queried why he hadn't been informed that the account with L had been closed in November.

Having looked at what happened here, although there was an initial delay sending the closure forms to Mr H, for which JHAC apologised, I don't think it did anything wrong when it asked the trustees of the Group SIPP to authorise the closure of the account with L. Once it received the duly completed forms there's no evidence that it caused any further delay as regards the closure of the account. It sent the completed forms to L within three business days and L closed the account and transferred the balance to the account with S shortly after that. So, I'm not persuaded, on balance, that Mr H experienced any financial loss as a result of the time taken to close the account.

I've then thought about whether JHAC should have informed Mr H when the account was closed. In its final response letter dated 25 March 2022, JHAC explained that it would not ordinarily provide notification to a SIPP member of the

receipt of cash into their pension scheme or the closure of an account but it acknowledged that in view of the circumstances in this case “it might have done so here.”

Mr H told JHAC in his email of 21 August 2020 that he used to get bank statements, for the account with L, sent to him, but since the involvement of JHAC he no longer got the bank statements and he asked it to provide copy statements for the previous 12 months. In light of that, and the fact that Mr H had explained that several members wanted to transfer out of the Group SIPP and the property would have to be sold, I think JHAC was right to acknowledge that it should have told Mr H that the request to close the account with L had been completed. It was clear from the correspondence that Mr H wished to be kept informed about how things were progressing.

I'll comment further below about what JHAC has offered to do to put things right.

Request for copy bank statements for the previous 12 months

It is the case that copies of the bank account statements (for the account with L) were not sent to Mr H until March 2021 – almost seven months after the initial request was received. This was despite numerous follow up requests Mr H made and several assurances – which proved to be inaccurate – given by JHAC that the statements had been requested.

JHAC accepted in its letter dated 11 March 2021 that it had checked its records and could not find anything which “categorically confirmed” that the statements had been requested prior to 12 January 2021. JHAC received the statements on 22 February 2021 but did not forward them to Mr H until 2 March 2021.

I'd just comment that it is not acceptable that JHAC gave inaccurate and repeated assurances to Mr H that it had requested the bank statements without checking that the statements had in fact been requested. It is important that a firm should take time to investigate why a consumer's reasonable request has not been complied with and then take whatever action is reasonably required to fully resolve the matter as expeditiously as possible. That does not appear to have happened here until January 2021 – some five months after the initial request. And even after the statements were received JHAC did not act as quickly as it might have been expected to, given all the circumstances of the case. Mr H had explained he needed the statements to reconcile the rental payments.

JHAC apologised for what had happened with the bank statements. It acknowledged that how it had handled the request was unacceptable. In response to Mr H's initial complaint about this and other matters, it had offered to waive the property charge that had been applied to the Group SIPP account. In its subsequent letter dated 25 March 2022 it offered to increase that offer – as part of a new overall offer to resolve all of the complaints Mr H had raised. I'll comment further below about what JHAC has offered to do.

The sale of the Property

Mr H and other members of the Group SIPP wanted to transfer their pensions to another provider. As mentioned above it was agreed that the commercial property,

which was the main asset in the fund, would be sold before the transfer could take place.

I've looked at the sequence of events that followed and I'm not persuaded that this shows JHAC caused any unreasonable delays as regards the sale of the property. It is the case that the purchaser raised queries about the rental logs – which couldn't be dealt with because the bank statements from L were not available. But I've not been provided with any evidence which shows that this delayed the sale from progressing within a reasonable timeframe. Mr H submitted details of the purchaser to JHAC on 28 October 2020 and the sale completed on 23 February 2021. The rent reconciliation was carried out after that date.

I'll now comment on the problems that arose with the rent reconciliation.

One of the reasons why Mr H had been anxious to get copy bank statements was because he says he wanted to reconcile the rental payments. As mentioned above the commercial property was being sold and as part of the sales process it was likely that the purchaser would raise enquiries about the rental account.

JHAC commenced the rent reconciliation on 2 March 2021. Mr H was then told (a) there were rental arrears and after he challenged this and explained why that was not the case, he was told (b) there was a rental overpayment – which was also incorrect.

After JHAC investigated the problems with the rent reconciliation it acknowledged on 29 April 2021 that it wouldn't "try to disguise the fact that the confusion and incorrect reporting of the rental should not have happened." The email provided a detailed account of what had gone wrong with the rent reconciliation and included a further apology.

Having looked at the correspondence I agree that the errors with the rent reconciliation were avoidable. But for the fact that Mr H was actively involved in trying to resolve the matter it would have taken a lot longer to get the rent reconciliation completed and may have resulted in other accounting errors for both the purchaser and the Group SIPP.

I can see that Mr H wrote numerous emails to JHAC concerning the issues that were raised and also had to carry out his own research to get matters resolved. I've also noted that the erroneous information JHAC provided about rental arrears caused considerable concern and distress to Mr H. Mr H first expressed those concerns on 29 September 2020 – and it wasn't until 29 April 2021 (some seven months later) that the issues with the rent reconciliation were finally resolved. I've taken that into account when considering what JHAC has offered to do to put things right.

Request to transfer Mr H's (and others) pension to a new provider

In his original email Mr H had indicated that at least three of the members (including Mr H) wished to transfer their fund from the Group SIPP and the property needed to be sold. The sale proceeds were received on 23 February 2021 but the transfer of

Mr H's share of the Group SIPP wasn't transferred to the new provider until 18 June 2021.

In its letter dated 25 March 2022 JHAC accepted that the transfer took much longer than it would consider to be reasonable and identified two primary reasons for the delay:

- It took longer than it should reasonably have taken to complete the fund split; and*
- It misunderstood that a deed of removal was required – in fact it was not required.*

There is no dispute that the transfer took longer than was reasonable. The issue that I have to decide is whether the compensation which JHAC has offered to Mr H to compensate him for any financial loss he experienced as a result of the delay is fair and reasonable. So, I've looked at what happened and when I think the transfer should reasonably have concluded.

When considering whether a business has acted fairly and reasonably we take into account the law, codes and good practice. The Association of British Insurers (ABI) published a statement of good practice relating to pension transfers in 2006. It said that requests relating to transfers of pensions should be completed within ten working days. That doesn't mean it will always take ten days to complete a transfer – some transfers will be completed quicker than that and some will take longer. It will depend on the particular circumstances of each case.

- When should the transfer request be treated as having been received?*

Mr H first informed JHAC in August 2020 that he intended to transfer his pension to a new provider. He thinks that in light of this stated intention, JHAC should have been ready to make the transfer as soon as the property sale was completed.

However, even though there was a stated intention to make the transfer, I don't think that precluded the requirement for Mr H to make his intention clear by completing a transfer application. The application would have included details such as the name of the scheme he was transferring to and his authority for the transfer to proceed. So, I don't think it's fair or reasonable to say that the application can be treated as having started prior to the date when JHAC received a formal application.

Mr H says JHAC told his advisers that ORIGO could be used to make the application and a transfer out application was submitted through ORIGO. ORIGO is described as "an electronic pipework that lets connected businesses swiftly and easily transfer customer funds from one platform to another." The application was denied however because the IPS Pension Builder product required a paper application.

Having looked at the exchange of correspondence, I'm satisfied, on balance, JHAC did not do enough to inform Mr H's advisers that a paper application would be required. When reaching that view, I've taken into account a response which JHAC provided to a request for information it received from a firm which was acting on

behalf of Mr H and another member of the Group SIPP. That response was dated December 2020. It stated:

“Is the plan supported under ORIGO Options Pension Transfer Service – if not please provide Warranty/Discharge forms?”

Yes we use ORIGO, paper forms are on the Literature page of our website.”

I think it's fair and reasonable to say that the recipients of this information reasonably believed they could rely on the information provided. When reaching that view, I've taken into account what JHAC says about its response to the information request. It says that the Literature page on its website made clear that paper forms were required for the IPS Builder product. However, having looked at the response to the request for information, I don't see any reference to the product name on that document. So, I'm persuaded, on balance, Mr H's advisers reasonably believed that the transfer request application could be submitted using ORIGO.

Mr H's advisers say the ORIGO application was submitted on 26 February 2021. JHAC has now confirmed that an application was submitted through ORIGO on 26 February 2021 and received by it on 1 March 2021.

The application was denied on 2 March 2021 with the response “ceding product not supported.” The records indicate that a further attempt was made to submit the application via ORIGO and that attempt was also denied with the same response.

Mr H's advisers asked him to complete a paper application which JHAC acknowledges it received on 12 March 2021. I'm persuaded, on balance, that had JHAC made it clear to Mr H's advisers that it wouldn't accept a transfer application via ORIGO, the paper application would've been submitted instead. I've no reason to believe that a paper application would've been submitted on a date which differed from the date of the original ORIGO application.

Having considered everything here, I've decided it's fair and reasonable to conclude that the date when the application should be treated as having been received is the date when the original ORIGO application was received by JHAC – which is 1 March 2021. So, that's the date I think the transfer out process should be treated as having commenced.

- How long should it have taken to complete the transfer?*

JHAC says that its normal timescales and processes in respect of a group pension scheme cash transfer are that it takes ten working days to carry out the necessary reconciliations and final checks before sending the cash.

Mr H disagrees. He says that once the sale proceeds were received into the bank account (which would have been the same day as the sale completed) all JHAC had to do was deduct its fees, divide the balance by the number of members of the scheme and transfer that amount to the new provider for each member.

I've thought about what both parties have said here. Having done so, I've decided that ten working days to complete the transfer is a fair and reasonable timescale in

this case. When reaching that view, I've taken into account the information that JHAC sent Mr H at the start of the process (in August 2020). In its Property Disposal Guide (referred to in that email) it said:

"[after outlining the various accounting entries that would be required ...] Once all these aspects have been resolved, we will check that the property account has been fully reconciled and once confirmed we will proceed to close the property account and transfer the balance to your trustee cash account. If applicable, funds will then be transferred to your new pension provider."

So, even though the completion monies had been received on 23 February 2021, JHAC had made Mr H aware, from the outset, that there was a requirement for post-sale reconciliations to be completed, the property account to be closed and the balance transferred to the trustee bank account before the transfer out could take place.

It is the case that JHAC made a number of errors when carrying out the post-sale reconciliations – which caused further delays. JHAC has accepted that these further delays were "wholly avoidable." But even though there were avoidable delays, that doesn't mean the post-sale reconciliation, associated processes and the subsequent checks we would expect JHAC to carry out before transferring a member's pension to another provider didn't need to be carried out.

So, I've decided that in line with the ABI guidance, ten working days to complete the transfer out process, taking all the circumstances that applied here into account, is fair and reasonable. That means I think it's fair and reasonable to say that the transfer should have been concluded by 15 March 2021 and the new provider could then have reinvested the funds two working days later (17 March 2021). I'll comment further below about what I think JHAC needs to do to put things right.

- *the request for a consent form to be completed.*

One of the reasons which JHAC has put forward for the delay here was that it erroneously requested that a deed of removal should be signed by all of the Group SIPP members before it could proceed with the transfer. Although JHAC has accepted that this document was not required and shouldn't have been asked for, I have commented on it here because of the additional time, effort and inconvenience it caused.

Mr H had continued to press JHAC to deal with his concerns about how long the transfer was taking. At the end of May 2021 – some three months after the sale had completed – JHAC said it needed the members of the Group SIPP to complete a deed of consent form. Mr H arranged for the form to be signed but he explained to JHAC that he didn't think it had any lawful basis for refusing to transfer his pension without the consent of the other members of the Group SIPP. JHAC subsequently accepted that it had "misunderstood" the need for this document to be completed.

I have taken this into account when considering what needs to be done to put things right.

Non receipt of invoices for the period after August 2020

Mr H says he was not sent invoices for the period after August 2020. He says JHAC was required to send these to him in accordance with regulations and he thinks any charges applied after that date are not properly chargeable.

In response to what Mr H has said, JHAC has provided evidence to show that the invoices for the period in question were issued to Mr H at the address which it held on its records. Mr H has previously confirmed that the address used was an address that he visited to collect documentation. So, although he says he hasn't received the invoices, I don't think it's fair or reasonable to say that JHAC should be liable for that, given that its records show it posted the invoices to the correct address.

Complaint handling

Mr H has also complained about the way that JHAC handled his complaint. He says that second only to the issue of delays this is the most serious point to be addressed.

Whilst I have commented on the sequence of events here and the actions taken by JHAC in response to the issues Mr H was raising, under the Rules which apply to our service, we cannot look into complaints (or any part of a complaint) which are solely about how a business handled a complaint. That's because complaint handling is not itself a regulated activity. It means I can't comment further on this aspect of his complaint.

What I've provisionally decided needs to be done to put things right

JHAC accepted in its final response letters that there had been several difficulties and delays on a significant number of occasions over a prolonged period of time. It also accepted that the transfer had taken much longer than it should reasonably have taken.

When a business makes errors it's not our role to fine or punish it. We look to see what the business has done to put things right and whether its proposals are fair and reasonable in all the circumstances of the case.

When thinking about what needs to be done to put things right our Rules provide that we can make a money award for such amount as we consider to be fair compensation for one or more of the following:

- financial loss (including consequential or prospective loss);
- pain or suffering;
- damage to reputation;
- distress or inconvenience

whether or not a court would award compensation.

There is further information available on our website setting out what our service takes into account when deciding what amount of compensation would be fair overall to put right the impact a mistake has on a complainant.

Mr H has complained about the financial loss he says he's suffered as a result of the delay in completing the transfer of his pension to the new provider and he's also

complained about the distress and inconvenience he's experienced. So, I've considered each of these in turn.

Financial Loss

For the reasons set out above I've provisionally decided that the transfer out should've been completed by 15 March 2021 and the fund reinvested two working days later (17 March 2021). In order to put things right I've provisionally decided JHAC should be required to take the following actions:

- JHAC should be directed to re-work its calculation to assess whether Mr H has suffered any financial loss as a result of the delay that occurred in respect of his transfer request. JHAC should compare the number of units in each of the funds Mr H purchased with the new provider on 22 June 2021 against the number of units in each of those funds he could have purchased on 17 March 2021 had the transfer monies been reinvested on that date. If the number of units he could have purchased on 17 March 2021 was greater, JHAC should arrange to purchase those additional units and add them to his pension with the new provider. If the number of units he could have purchased on 17 March 2021 was lesser, he will not have suffered a financial loss as a result of the delay and no compensation for financial loss would be payable.*
- JHAC also offered to refund Mr H's share of the property sale fee. It did that in its initial final response letter dated 11 March 2021. Mr H didn't think that was enough. It has subsequently repeated that offer.*

Although I've provisionally decided that JHAC didn't cause the property sale to be delayed, I think its offer to refund this fee is fair and reasonable in all of the circumstances. So, if it has not done so already I intend to require it to refund Mr H's share of the property sale fee (being £108) together with 8% simple interest on this amount from 26 February 2021 until the date of settlement.

- Mr H also thought that JHAC should refund all administration fees for the period since August 2020. There is no doubt, as JHAC has accepted itself, that there were difficulties and delays over a protracted period of time. But, although it agreed to refund the administration fees for the period after March 2021, JHAC wasn't willing to refund administration fees for the period prior to that date.*

I've looked at the terms and conditions regarding the payment of administration fees. These provide that administration fees are payable in advance. The terms further state that where there is a transfer out there is no entitlement to any pro rata refund of fees.

So, even if the transfer out had progressed much earlier than it did, no part of the administration fees chargeable for the period up to the end of February 2021 would have been refunded under the terms and conditions. And despite the issues that arose with administration here, I don't think it would be fair and reasonable to require JHAC to refund the administration fees for the period prior to the end of February 2021. I do think it's fair and

reasonable for the administration fees after that date to be refunded – since I don't think those fees would have been chargeable had the transfer request commenced on 1 March 2021. Those fees appear to have been charged on 15 March 2021 and Mr H's share was £858.

I also note that an annual income drawdown charge (for the period after March 2021) was also applied to the Group SIPP account on 15 March 2021. For the same reasons as set out above, I've also provisionally decided that Mr H's share of that charge (£38.88) should be refunded.

So, if JHAC hasn't done so already, I intend to require it to refund to Mr H his share of the administration fees (being £858) which were applied to the Group SIPP account for the period after 1 March 2021 and his share of the annual drawdown charge which was applied for the period after 1 March 2021 (being £38.88) together with 8% simple interest on both of these amounts from 15 March 2021 to the date of settlement.

Distress and Inconvenience

I've thought about the distress and inconvenience Mr H experienced over, what JHAC accepts, was a prolonged period of time – almost a year. As set out in this provisional decision there were numerous administrative errors and delays –despite the fact that at different times Mr H received assurances that the matter would receive attention from more senior personnel.

When thinking about what is a fair and reasonable award for distress and inconvenience, I've taken into account the time and effort Mr H had to put into these matters throughout the period since August 2020.

He sent numerous emails. He was given inaccurate information on several occasions – for example about his requests for the bank statements from L; about the errors with the rent reconciliation; and about the need for a deed of consent. He had to escalate each of these matters and often had to spend additional time researching the issues himself to try to get things sorted out. I would also point out that the other members of the Group SIPP were able to benefit because of the actions he took. The responses from JHAC on occasions, added to the time and effort he had to spend.

There was a delay with the transfer to the new provider which also incurred additional time and effort.

I've taken into account the distress Mr H experienced because of genuine concerns about whether there were rental arrears on the commercial property – worries he first raised in September 2020 after receiving erroneous information from JHAC, and which were not laid to rest until the end of April 2021 and only then because of the significant time and effort spent by Mr H trying to resolve the matter.

Although I have considered the many hours Mr H has told us he had to spend trying to get the issues sorted out, I would just point out that this service does not make awards based on hourly rates. So, I've not used an hourly rate when thinking about how much compensation Mr H should be awarded.

JHAC has offered to pay Mr H £1,000 by way of compensation for the distress and inconvenience he experienced. I agree that the impact of what happened here was substantial. I've noted that Mr H doesn't think £1,000 is adequate compensation. But, taking into account all of the evidence available and our general guidelines about compensation for distress and inconvenience, I've provisionally decided that the offer to pay Mr H £1,000 for distress and inconvenience is fair and reasonable in all the circumstances. So, if it hasn't done so already, I intend to require JHAC to pay Mr H £1,000 for distress and inconvenience.

My provisional decision

For the reasons given above, my provisional decision is that I intend to uphold this complaint about James Hay Administration Company Limited trading as James Hay Partnership.

I intend to require James Hay Administration Company Limited trading as James Hay Partnership to take the following actions:

- re-work its calculation to assess whether Mr H has suffered any financial loss as a result of the delay that occurred in respect of his transfer request. It should compare the number of units in each of the funds Mr H purchased with the new provider on 22 June 2021 against the number of units in each of those funds he could have purchased on 17 March 2021 had the transfer monies been reinvested on that date. If the number of units he could have purchased on 17 March 2021 was greater, it should arrange to purchase those additional units and add them to his pension with the new provider. If the number of units he could have purchased on 17 March 2021 was lesser, he will not have suffered a financial loss as a result of the delay and no compensation for financial loss would be payable.*
- if it has not done so already, refund Mr H's share of the property sale fee (being £108) together with 8% simple interest* on this amount from 26 February 2021 until the date of settlement.*
- if it has not done so already, refund Mr H's share of the administration fees (being £858) which were applied to the Group SIPP account for the period after 1 March 2021 and his share of the annual drawdown charge which was applied for the period after 1 March 2021 (being £38.88) together with 8% simple interest* on both of these amounts from 15 March 2021 to the date of settlement.*
- if it has not done so already, pay Mr H £1,000 for the distress and inconvenience he experienced as a result of what happened.*

JHAC responded to my provisional decision. It said it had nothing further to add and it could agree to settle the complaint in accordance with what I'd said.

Mr H also responded to my provisional decision. By way of summary he said:

- It was never part of his case that the property sale had been unreasonably delayed – but he reiterated that the only reason for that was because of the extensive efforts he'd made to deal with the delays and problems JHAC had caused. He'd also had to deal with misleading information provided by JHAC.
- JHAC hadn't just made one failure. There were numerous failures which should give rise to multiple instances of distress and inconvenience. As a minimum, Mr H felt he

should receive an award for distress and inconvenience caused prior to completion of the sale of the property and a further award for the errors and delays caused after completion.

- The ABI guidance referred to in the provisional decision was from 17 years ago. There'd been further work carried out since then including a consultation paper published in 2016 which proposed a 48 hour turnaround standard for each step in the transfer process. Mr H suggested that this was a more practical test to apply when considering the circumstances of each case. The actions required by JHAC to complete the transfer could only be regarded as one step in the process. Mr H also referred to a previous decision where he said our service had confirmed this approach.
- Even if 10 days was a fair and reasonable period to complete the transfer, Mr H felt the process should be treated as starting on 23 February 2021. He said that if he'd been aware a paper form was required he could categorically state he would have made sure that the completed form was in possession of JHAC on that date.

So, I now have to make a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Without prejudice to the generality of the foregoing, I'd just confirm I've read all of the correspondence that's been provided to our service – including the two letters Mr H specifically asked me to confirm that I'd read.

I've considered the responses to my provisional decision.

I'll comment firstly about what Mr H says concerning the time taken to complete the transfer of his pension to the new provider.

Mr H says if he'd known a paper application was required he would have made sure the application was with JHAC no later than 23 February 2021.

However, when thinking about what happened, I noted that the ORIGO application wasn't made until after that date. Mr H has provided a copy of the client declaration he completed on 26 February 2021 (the same date as the ORIGO application was made). That declaration was on the headed paper of the party he was transferring his pension to. It included his authorisation and instruction to JHAC to make the transfer and also certain agreements with the acquiring provider.

Whilst Mr H is adamant a paper application would've been received by JHAC no later than 23 February 2021, I've not seen any evidence to show that JHAC were in receipt of Mr H's authorisation and instruction to complete the transfer before 1 March 2021. In those circumstances, I don't think it's fair or reasonable to have expected it to initiate the transfer prior to that date. So, I remain of the view that it's fair and reasonable to treat 1 March 2021 as the date when the transfer process should reasonably be treated as having started.

Mr H has also commented on the ten business day timeline I referred to in my provisional decision. And he's provided details about more recent work which has been carried out by the ABI and others in relation to making the transfer process faster. He's referred to the proposal in a 2016 consultation paper to adopt a 48 hour standard for each step in the

transfer process. And, he's referred to a previous decision made by our service which he says supports this approach.

I won't comment on the earlier decision Mr H has referred to since it is the case that we consider each complaint that's referred to our service based on its own particular circumstances. However, I have considered what he's said about the time he thinks each "step" in the transfer process should take.

I have also looked at how industry guidance has developed since the date of the ABI guidance I referred to in my provisional decision. I've considered the information in the 2016 consultation paper published by the Transfers and Re-registration Industry Group (TRIG) and the subsequent "Industry wide framework for improving transfers and re-registrations" (published by TRIG in June 2018).

I've noted that the timescales set out in the 2018 document (including the proposal for a 48 hour standard for each "step" in the process) mostly relate to automated transfers - with additional time required where a manual process is used. The 2018 document also indicates that the 48 hour or "step-by-step standard" should apply to transfer processes "with the exception of pension cash transfers." In relation to pension cash transfers it proposes that "end to end" timescales would instead apply. For automated pension transfers involving cash assets, the 2018 document states that an end to end standard of ten business days is a "good practice timescale" (from when the acquiring party receives a completed instruction from the client to receipt of the transferred funds). The 2018 document also explains that manual processes – such as those which applied in this case – usually require extra time.

In this case Mr H's pension was invested in the IPS Builder product. JHAC has explained that although it does use the ORIGO system for pension transfers generally, that option was not available for the IPS Builder SIPP. So, a manual process applied. That means Mr H's pension transfer involved a transfer of cash assets using a manual process. I've considered the industry guidance in that context and I remain of the view that ten business days, from the date that JHAC received the ORIGO application, to complete the transfer process in this case is a reasonable timescale.

The 2018 document also refers to the importance of setting expectations for clients in terms of the likely timeframes to complete a transfer. In my provisional decision I referred to the information in the Property Disposal Guide which JHAC sent Mr H at the start of the process (in August 2020). That document had explained to Mr H, at the outset, that there was a requirement for post-sale reconciliations to be completed, the property account to be closed and the balance transferred to the trustee bank account before a transfer out could take place. In my provisional decision, I also pointed out that there are processes and checks which we would expect JHAC to carry out before transferring a pension to another provider.

Having thought about everything again, including taking into account recent developments in industry guidance about pension transfers, I haven't changed my view that, in this case, ten business days to complete the transfer process is a fair and reasonable timeline. That means I think it's fair and reasonable to say that the transfer could reasonably have been concluded by 15 March 2021 and the new provider could have reinvested the funds two working days later (17 March 2021)

I've then considered what Mr H has said about the amount of compensation he thinks he should receive for distress and inconvenience. He thinks there should be at least two separate awards for distress and inconvenience given everything that happened. As I said in my provisional decision, I thought about the amount of time and effort Mr H had to spend as a result of the errors and delays made by JHAC. I also outlined why, taking account of our

general guidelines about compensation for distress and inconvenience, I thought the offer to pay Mr H £1,000 was fair and reasonable. Whilst I understand that Mr H feels very strongly that this is not enough, I've not been provided with any new or further information which persuades me to change my view.

For the reasons set out above, and in my provisional decision, I haven't changed my view about the actions I require JHAC to take to resolve this complaint.

My final decision

For the reasons given above I uphold this complaint about James Hay Administration Company Limited trading as James Hay Partnership.

I now require James Hay Administration Company Limited trading as James Hay Partnership to take the following actions:

- re-work its calculation to assess whether Mr H has suffered any financial loss as a result of the delay that occurred in respect of his transfer request. It should compare the number of units in each of the funds Mr H purchased with the new provider on 22 June 2021 against the number of units in each of those funds he could have purchased on 17 March 2021 had the transfer monies been reinvested on that date. If the number of units he could have purchased on 17 March 2021 was greater, it should arrange to purchase those additional units and add them to his pension with the new provider. If the number of units he could have purchased on 17 March 2021 was lesser, he will not have suffered a financial loss as a result of the delay and no compensation for financial loss would be payable.
- if it has not done so already, refund Mr H's share of the property sale fee (being £108) together with 8% simple interest* on this amount from 26 February 2021 until the date of settlement.
- if it has not done so already, refund Mr H's share of the administration fees (being £858) which were applied to the Group SIPP account for the period after 1 March 2021 and his share of the annual drawdown charge which was applied for the period after 1 March 2021 (being £38.88) together with 8% simple interest* on both of these amounts from 15 March 2021 to the date of settlement.
- if it has not done so already, pay Mr H £1,000 for the distress and inconvenience he experienced as a result of what happened.

** If HM Revenue & Customs requires James Hay Administration Company Limited trading as James Hay Partnership to take off tax from this interest, James Hay Administration Company Limited trading as James Hay Partnership must give Mr H a certificate showing how much tax it's taken off if he asks for one.*

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

Irene Martin
Ombudsman