

## The complaint

Ms C complains that Wren Sterling Financial Planning Limited ("Wren") failed to provide her with advice about a possible pension transfer in a timely manner.

## What happened

I issued a provisional decision on this complaint in July 2023. In that decision I explained why I thought part of the complaint should be upheld and what Wren needed to do in order to put things right. Both parties have received a copy of the provisional decision but, for completeness, I include some extracts from it below. In my decision I said;

*Ms C held deferred pension benefits with a former occupational pension scheme ("OPS"). Those benefits would provide her with a defined benefit when she reached the scheme retirement age.*

*In late 2021 Ms C asked the OPS to provide her with a guaranteed cash equivalent transfer value ("CETV") in relation to her pension benefits. The CETV was issued to her on 6 December 2021 although Ms C says that she didn't receive it until a few days later. Its value was guaranteed for a period of three months. Ms C first made contact with Wren on 17 December, and asked for its advice on the suitability of the transfer.*

*Wren sent Ms C some documentation setting out the way in which it structured its advice process. As part of that information Wren says it explained to Ms C that "the advice process is lengthy and complex, and it is not uncommon for transfer values to expire during the advice process, particularly where they are obtained prior to your first telephone meeting with your Wren Sterling adviser. You would then need to obtain a new transfer value, which you are likely to have to pay for, and which may be lower (or higher) than the previous value."*

*The first appointment that Wren was able to offer Ms C was around a month later, on 14 January 2022. Wren says that Ms C was happy to accept the appointment. The appointment was cancelled due to the illness of the Wren advisor, but eventually took place three days later. Wren says that there were no specific discussions in that meeting about timescales, other than its advisor telling Ms C that "it isn't a quick process".*

*Ms C says that she needed to chase Wren for any progress information over the following weeks. She says that Wren had arranged a telephone meeting to discuss her investment preferences that it failed to attend. And she says that as the CETV guaranteed period approached its expiry she became increasingly concerned that she had not received any updates from the firm.*

*Wren says that its advisor completed his analysis around 6 March, but the advice then needed to be checked and some financial analysis performed by its paraplanning team. It said that by that time the CETV guarantee had expired, but it issued a draft report to Ms C based on the previous value. The report was issued to*

*Ms C on 7 April. But when Ms C then requested a new CETV, so that the report could be finalised, she was disappointed to learn that the value had fallen considerably. The OPS trustees explained that the pension scheme was underfunded so a decision had been made to apply a 10% reduction to all new CETVs. And the value of CETVs had fallen generally across the market due to changes in interest and gilt rates. Ms C says that the CETV had fallen in value by around £112,000.*

*Even after taking account of the fall in the CETV, Wren's advice to Ms C remained that it would be in her best interests to make the transfer. Ms C accepted that advice, but she says she continued to face problems in her dealings with Wren. Ultimately she says she needed to liaise directly with the OPS to extend the deadline on her new CETV so that her transfer could proceed.*

*When Wren looked at Ms C's complaint it accepted that its communication with her had fallen short of what might be expected. So it offered her £400 for the inconvenience she had been caused. But it didn't think it was responsible for the expiry of the CETV guarantee. It said that it had explained from the start that the advice process could be lengthy, and that CETVs could expire. It said that it hadn't identified any errors, that it had made, that extended what could be considered to be a reasonable timeframe for its advice to be provided. And it said that even if the CETV had been transferred earlier, and invested in line with its recommendations, the value of Ms C's pension savings would have fallen by around £60,000 due to changes in market conditions. Unhappy with Wren's response, Ms C brought her complaint to us.*

*The complaint that Ms C has made does not relate to the content of the advice she received. It appears that she agrees with Wren's recommendation that it would be in her best interests to transfer her pension benefits from the OPS to a private pension plan. So I will not be considering whether that advice was reasonable in this decision. Ms C's complaint is about the time it took Wren to provide that advice to her. So that is the issue that I will consider in this decision, looking at the information that was given to Ms C at the outset, whether Wren met the timescales it set out, and whether that time was reasonable.*

*Ms C did not pay Wren for the advice it provided to her. The OPS with which Ms C held deferred benefits offered all its members free advice on potential transfers away from the scheme. So it was the OPS that paid Wren for the services it provided to Ms C. But I don't think that arrangement diminishes the responsibilities Wren had to Ms C, and in particular its responsibility to treat her fairly and act in accordance with her best interests – as required by its regulator.*

*Wren has accepted that its communication with Ms C fell short of what she might reasonably expect. I have looked carefully at what both parties have said happened, and it is clear that there were repeated failures by Wren to answer Ms C's reasonable questions, to meet with her when arranged (or at least tell her beforehand that the meeting would need to be cancelled), and to keep her updated on the progress of the work it was performing for her. I have no doubts how frustrating that would have been for Ms C, and I think it is right that Wren has recognised the inconvenience she was caused by those failings and offered her £400 in compensation. I think that is a reasonable offer, so in any final decision along these lines, I intend to direct Wren to make that payment to Ms C unless it already has done so.*

*However, Wren doesn't agree that the communication failings I have detailed above, resulted in it failing to provide its advice report to Ms C before the CETV guarantee*

*expired in March 2022. It says that the time it took to produce the report should be expected. And it also goes on to say that the time was further extended by sickness within its teams, and due to increased levels of demand for its services.*

*I've looked carefully at the information that was given to Ms C about the time it would take for the advice report to be provided. I accept that she was given some general literature that warned her (as I've set out earlier) that it wasn't uncommon for some CETVs to expire during the advice process. But I'm not persuaded that was sufficient. I think it would have been reasonable for Ms C to have expected the general information to have been supplemented by information specific to her circumstances if there was a strong risk of her CETV guarantee expiring. Without any specific information I think it would have been reasonable for Ms C to think the CETV guarantee deadline was achievable.*

*And had Ms C not reasonably considered that it was achievable through Wren, she could have sought assistance elsewhere.*

*Ms C first made contact with Wren just a matter of days after she had received her CETV. That meant that the majority of the three-month guarantee period remained available for the advice process to take place. It seems that Wren was unable to offer Ms C an initial appointment until one month later although I would note that period of time included the Christmas and New Year holidays. And Ms C appears to have been clearly told that was the earliest appointment that Wren had available. I don't think there was any obligation on Wren to provide Ms C with an earlier appointment at that stage and I accept that it may have been busy with similar advisory processes with other members. But I do think, if the delay was likely to have a material effect on whether the guarantee period would be met, Wren should have made that very clear to Ms C at that time. That would have allowed her to seek advice from an alternative firm (albeit at her own cost) if she had chosen to proceed in that way.*

*But I'm not persuaded that is something that Ms C would have found attractive at that time. Ms C has told us that over the previous years she had noted the CETV for her pension benefits to be generally rising. It doesn't seem that she had any reasonable expectation that its value would fall if the guarantee expired and a new CETV was required. And using an alternative firm to provide advice would have come at a significant cost to Ms C's pension benefits. It isn't uncommon to see charges in the range of 3% of the pension benefits being applied – meaning that Ms C would have needed to pay a sum in the order of £20,000 for advice from an alternative firm.*

*So I'm not currently persuaded that any failings by Wren to make Ms C aware that the time its advice process would take would most likely result in her CETV guarantee expiring would have caused Ms C to act any differently. I don't think she would have been greatly concerned, at that time, that the CETV value might fall. And I think paying for advice from an alternative firm would have been unattractive given the advice from Wren was effectively free to her.*

*The initial meeting with Ms C, scheduled for mid-January, was cancelled, albeit I accept the reasons were unavoidable. And it was rescheduled very shortly afterwards. I think, from what I have seen, the overwhelming majority of the information Wren needed from Ms C in order to create its advice report, was provided. It doesn't seem to me that Ms C supplied anything further to the firm before receiving the draft report in April 2022.*

*It is then unclear what happened for a period of almost six weeks. Wren has told us that whilst it doesn't think it reasonable to account for that period day by day, during*

*that time its advisor was working on the case and formulating his recommendation before passing the case to paraplanning for the detailed financial analysis.*

*But, and most importantly, I don't think the time that Wren took to produce its advice report was in excess of what might be reasonably expected from descriptions in the initial document that it gave to Ms C in December 2021, and what should have been explained in some detail either at that time or in the January 2022 meeting. Wren appears to have anticipated that the length of its advice process would exceed the guarantee period, and the time it took between the CETV being issued, and the original meeting taking place, seems to me to have made that almost inevitable.*

*Unlike the conclusion reached by our investigator, I'm not persuaded that there was any scope to request a formal extension of the CETV guarantee period. But, as was shown when Ms C ultimately accepted the revised CETV, the OPS trustees appear to have been willing to take an indicative acceptance of the CETV, holding the guaranteed value, with the formal acceptance paperwork being sent later. I'm not however persuaded that would have been reasonable in the timescales here.*

*The CETV that Ms C held expired in early March. But that was only around the time that Wren first started its financial analysis. So since I have concluded that Wren didn't act outside the timescales that it provided to Ms C for its work, I don't think I can reasonably conclude that Ms C would have been in a position to even give an indication to the OPS trustees that she would be accepting the guaranteed CETV before the guarantee expired.*

*I appreciate how disappointing my decision will be for Ms C. The OPS trustees took a decision shortly before the new CETV was issued to artificially depress transfer values in response to a funding shortfall in the scheme. And around the same time, changes in gilt and interest rates further reduced CETV quotations. So when a new CETV was required Ms C saw a significant fall in the transfer value of her pension benefits. But I am satisfied that Wren provided its advice to her in line with the warnings about the timescale that it set out at the start. And I'm not persuaded that if Wren had provided even clearer warnings Ms C would have chosen to seek advice from an alternative firm.*

I invited both parties to provide us with any further comments or evidence in response to my provisional decision. Wren has said that it accepts my provisional findings. Ms C doesn't agree with my provisional decision and has provided some additional comments. Although I am only summarising here what Ms C has said I want to reassure her that I have read, and carefully considered, her entire response.

Ms C says that the delays caused by Wren were excessive. Without those delays she says that the CETV guarantee period could have been met. But regardless Ms C says that Wren failed to secure the CETV and request the available six-month extension. Ms C says that I am wrong to conclude that she wouldn't have sought advice from an alternative firm had Wren explained that the CETV guarantee would be unlikely to be met. She has provided evidence that she had some initial discussions with another firm around a week before she first contacted Wren.

Ms C considers that our investigator's assessment provided a more balanced view of what happened. She says that she has researched other similar complaints that have been considered by the Service, and provided an example that she suggests means my decision is incorrect. She thinks that Wren failed to adequately communicate with her throughout the advice process, and so denied her the opportunity to seek advice elsewhere.

## **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.

As I explained in my provisional decision, in deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Ms C and by Wren. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

And I repeat my reflections on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would 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 hadn't occurred.

Having thought carefully about everything that Ms C has said, I'm sorry to tell her that I am not persuaded that I should change my provisional findings on her complaint. But I would like to take this opportunity to provide some further thoughts on the matters she has raised.

I think I should first explain that this service considers every complaint on its own merits. That means that whilst we will look to provide a degree of consistency in the answers that are given on similar complaints, I am not bound by decisions that have previously been reached. And generally it is unhelpful to compare decisions that have been issued as the underlying issues, and evidence provided, might make two apparently similar complaints fundamentally different. I am satisfied that the underlying circumstances of the complaint that Ms C has referenced in her reply are different to those that I see here.

There is no extension offered by the OPS trustees to a guaranteed CETV. I think Ms C has been confused by what happened when her CETV was accepted in June 2022. At that time, on her behalf, Wren provided the OPS administrator with a completed transfer information form, and confirmation that Ms C had been provided with regulated independent advice. That then protected the guarantee on the CETV as long as the transfer was completed within the next six months.

At the time Ms C's original CETV guarantee expired Wren had not completed its advice process. So it would have been unable to confirm at that time that the regulated advice process had been undertaken. Without that confirmation the OPS trustees could not have accepted Ms C's transfer request. So her existing CETV guarantee naturally expired.

I entirely accept that Ms C had started to consider whether to take advice from an alternative firm before she first made contact with Wren. But it doesn't seem those discussions had progressed any further before she was advised by the Government Pension Advice Line that using Wren, who were recommended by the OPS Trustees, would be a very safe option.

I have no way of knowing whether the other provider Ms C had contacted would have agreed to take her as a client. It is possible that provider wouldn't have been able to meet the deadline of the CETV guarantee either. And it might not have advised her to transfer her pension benefits. Ultimately though I am not persuaded that, given the advice Ms C had been given about Wren being a safe advice option, and that she wouldn't need to pay for its services, she would have chosen to take advice from the other firm.

Ms C has previously said that her expectation, based on what had happened in the past, was that her CETV would generally rise over time. So, as I explained in my provisional decision, I'm not persuaded that, even if Wren had given her better information, she would have been unduly concerned about needing to request a revised transfer value. It was only a series of unexpected events, including a decision by the OPS trustees to artificially depress transfer values, that led to the fall in her revised quotation.

I think the failing here was that Wren failed to provide sufficient warning to Ms C that it might not, or perhaps even most likely wouldn't, meet the CETV guarantee deadline. So I don't think it reasonable that I should consider Wren to have done something wrong by not meeting a deadline that it should have told Ms C it might not meet. And I think this is what sets this case apart from others that Ms C might have seen. I haven't seen any assurances from Wren to her that it would meet the CETV deadline – in fact the little that Wren did say suggested that meeting the deadline might be problematic.

So whilst Ms C might feel that Wren failed to act as quickly as it could have, I don't think that Wren failed to meet any promises or guarantees that it gave about any timeframes. Wren must manage the workload it holds and the demands of multiple clients. And whilst that means that in some, or perhaps many, cases the advice won't be provided as quickly as it *could* have been, that doesn't mean the advice wasn't provided as quickly as it *should* have been.

So I remain satisfied that Wren provided its advice to Ms C in line with the limited warnings about the timescale that it set out at the start. And I'm not persuaded that, if Wren had provided even clearer warnings, Ms C would have chosen to seek advice from the alternative firm. So I don't think that Wren is responsible for the fall in the value of the CETV that Ms C took. But I do think it should pay her some compensation in respect of the depth of the information it provided to her about timescales at the start of their relationship and as its advice process progressed.

### **Putting things right**

I don't think that the communication and information Wren provided to Ms C during its advice process was sufficient. And I am satisfied that those failings will have caused her a degree of distress and inconvenience. I think the offer of £400 that Wren made to Ms C is fair. So, unless it has already done so, Wren should now pay that compensation to Ms C.

### **My final decision**

My final decision is that I uphold a part of Ms C's complaint and direct Wren Sterling Financial Planning Limited to put things right as detailed above.

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

Paul Reilly  
**Ombudsman**