

The complaint

Mr W has complained about Thompson Riddle Associates Ltd ('TRA') and their role in the transfer of his occupational defined benefit ('DB') pension.

Mr W has stated he should not have been advised to transfer and has lost out financially as a result of TRA's actions.

Mr W is being represented in this complaint however for ease of reference I have only referred to Mr W throughout the decision below.

What happened

From January 2005 to June 2006 Mr W worked for TRA as an adviser.

Mr W signed the application form for his new Skandia personal pension on 11 November 2005. This application form was stamped by TRA and noted a 7% fee was to be deducted from the transfer value.

Declarations were signed by Mr W on 15 November 2005 which recorded Mr W as both the client (policyholder) and the "IFA".

A TRA commission statement from June 2006 showed gross commission of £6,935.76 being taken from the pension upon transfer, with £6,519.61 of this being paid to Mr W. Notes on the statement confirmed TRA had made deductions to cover their processing and insurance costs.

Having concluded that the process of transferring his pension was unsuitable, Mr W registered his complaint with TRA on 17 January 2023.

TRA issued a complaint response on 26 April 2023. This stated that whilst Mr W was registered as a trainee financial adviser (CF22) at the time of transfer, he had been in the financial services industry for a long time, was an experienced adviser, and deemed competent. TRA stated that Mr W had self-advised on the transfer of the pension, and no advice or recommendations had been provided by anyone else at TRA.

TRA also confirmed that Mr W had been paid the commission generated through the transfer.

Notwithstanding the above, TRA also stated that given the transfers had occurred in 2006 they believed the complaint had been brought too late.

Mr W did not agree with this response and as such referred his complaint to this service.

Our investigator looked into things and concluded that the complaint had been brought in time and was one which this service could consider.

With regard to the advice received by Mr W, the investigator concluded that TRA had not provided any advice, with Mr W transferring his own pension. As such they could not be held

accountable for any losses which may have occurred.

TRA provided no response to the investigator's findings.

Mr W confirmed he did not agree stating that he was only a trainee adviser at the time and as such TRA should not have "signed-off" the transfer of his pension without making the consequences clear to him. Had TRA done so, Mr W stated he would never have transferred the pension.

Our investigator was not minded to change their opinion and as such the case has been passed to me for 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.

This service cannot consider every complaint forwarded to us. There are strict rules laid out by the Financial Conduct Authority which dictate what does (and does not) fall under our jurisdiction.

As part of their evidence provided to this service TRA stated that they considered the complaint too late. Our investigator explained why they did not agree with this and concluded that the complaint was one which this service can consider.

TRA have not responded to this outcome with any objections and as such I do not propose to cover this issue in great detail again here.

What I will say is that having considered the content of the findings issued, the evidence on file, and the FCA rules which govern our jurisdiction, I have reached the same conclusion as our investigator and have decided that this is a complaint which this service can consider further.

Having reached this conclusion, I have gone on to consider the merits of the complaint.

Mr W was a representative of TRA at the time of the transfer and the application form bore their company stamp. This, however, is materially different from advising on the transfer and does not automatically make them responsible for Mr W's actions.

Typical documentation produced when giving any financial advice would include at least a fact-find and a suitability letter. TRA have confirmed that none of the typical documents were produced at the time of transfer, as it was Mr W himself who completed the transfer, acting as both adviser and client. This is consistent with the transfer and application documentation on file, which Mr W signed as both the IFA and policyholder.

This is additionally confirmed by the commission statement on file, showing that other than TRA's deductions for their administrative costs, it was Mr W who was paid the commission generated by the transfer.

The evidence fully supports the conclusion that it was Mr W who transferred his pension, with no advice being provided by TRA.

As part of his submissions to this service Mr W has stated that he was a trainee adviser at the time of advice and therefore TRA should not have "signed-off" on the transfer of his pension.

However, there is no indication that any other TRA employee checked or “signed-off” on Mr W’s chosen course of action. Whilst the current regulations require financial advice to be given by an appropriately qualified person before DB benefits with a transfer value of over £30,000 can be transferred, this was not a requirement in 2005/6. Additionally, the commission statement on file shows that (aside from deductions to cover business costs) it was Mr W who was paid the commission generated from the transfer, with no amount paid to any other adviser.

Having concluded that there was no “sign-off” of Mr W’s transfer, I have considered whether TRA should have completed such a check. Whilst Mr W had only been employed by TRA for around a year at the time of the transfer, records from the FCA register show Mr W had been employed as an investment adviser at other companies for several years before joining TRA. As such I do not consider TRA’s decision to allow Mr W to conduct the transfer of his own DB pension without further checks or “sign-off” to be unreasonable or unfair to Mr W.

Overall, I can see no evidence that TRA recommended, checked, or “signed-off” on Mr W’s decision to transfer his DB pension, nor was there a requirement for them to do so at that time.

As such, I do not consider it reasonable for me to hold TRA accountable for any losses which Mr W may have incurred as a result of the transfer. I am therefore not upholding this complaint.

My final decision

In line with the rationale above I am not upholding this complaint against Thompson Riddle Associates Ltd and as such require no further action from them.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr W to accept or reject my decision before 20 June 2024.

John Rogowski
Ombudsman