

The complaint

Mrs S complains that Sterling ISA Managers Limited trading as Advance by Embark (Advance) delayed the transfer of her personal pension to another provider, which I'll refer to as provider F. She said Advance requested unnecessary information. And that it didn't provide information to the parties involved in a timely manner.

Mrs S is represented in her complaint by her adviser, but I'll only refer to her in my decision.

What happened

Mrs S had a personal pension with Advance that she wanted to transfer to provider F. I understand that provider F first requested the transfer via Origo on 16 May 2022. Provider F said that following Advance's rejection of the Origo transfer it wasn't possible to process the transfer electronically.

Mrs S said she was told that the transfer was ongoing, although it wasn't able to be processed through Origo. She said it wasn't until September 2022 that after chasing Advance it said it hadn't received the signed transfer paperwork she'd provided.

I understand that the transfer completed on 14 March 2023.

Provider F said it sent a letter to Mrs S's adviser on 31 May 2022 which explained that before it could ask Advance for the discharge forms, it needed Mrs S to sign the transfer authority. It asked for this to be done within 14 days. It said it received the completed forms on 11 July 2022. And that it sent an enquiry letter to Advance on 13 July 2022.

Mrs S emailed her adviser on 16 July 2022 to ask him about her pension transfer. He replied to tell her that he'd requested the transfer. But that Advance had said it needed the original form, rather than a scanned copy. So the original form had been posted.

Provider F said Advance told it on 29 July 2022 that it hadn't received the forms to start the transfer process. So provider F emailed them to Advance on 2 August 2022.

Provider F said that the forms, which had been sent as attachments, were password protected with Mrs S's National Insurance (NI) number. Advance replied to say it couldn't open the attachments. Provider F asked it to re-try the password it'd provided, which it said was still Mrs S's NI number. Advance said the NI number it held didn't open the attachments, and asked for a different password. I've no record of any response from provider F to this request.

On 6 September 2022, provider F emailed Advance for an update on the transfer. It said it hoped Advance had received the requisite paperwork to proceed with the transfer. Advance told provider F on 21 September 2022 that it hadn't received the signed transfer request paperwork. It asked provider F to submit it.

On 12 September 2022 Mrs S's adviser emailed her to tell her he'd chased provider F that day on her transfer. He said it'd sent all the necessary documents. And that it'd chased the

other provider to send updates. He said he'd keep checking with provider F on the transfer progress as it'd taken a lot longer than anticipated. He suggested that a complaint should be made to Advance about this.

On 23 September 2022, provider F wrote to Advance about the transfer. It asked for information about the transfer. And included Mrs S's signed letter of authority from 16 May 2022.

Mrs S called Advance about her transfer on 23 September 2022. She said it'd told her that the only correspondence it had on its system was a 7 September 2022 email from provider F asking why the transfer hadn't been done. And that it didn't have a transfer form. She said she'd been told that it was possible that the paperwork had been sent to a completely separate business from Advance that wouldn't have recognised her policy number. She said Advance had also told her that it and provider F were both signed up to Origo and that if this was used the transfer would be acted upon within 24 hours.

Mrs S's adviser replied to Mrs S. He said provider F had just told him that it'd sent forms and chasers to the email address and postal address Advance had just told Mrs S to use. He said he would call it to find out why the money hadn't been sent, as he felt provider F had sent the forms to the correct team.

Advance said it received a letter from provider F on 26 September 2022 asking for transfer information. It noted that the NI number wasn't correct, so it asked Mrs S's adviser to check that both parties had the correct details. It said it also asked for the transfer to be submitted electronically, given both it and provider F had signed up to use Origo.

On 30 September 2022, Mrs S's adviser told her that provider F had requested the transfer via Origo on 16 May 2022. And that Advance had rejected this on the 19 May 2022, stating that it needed transfer and discharge forms. He said provider F had been sending these and chasing Advance. And that the latest correspondence had been sent on 23 September 2022.

Mrs S replied to her adviser on 9 October 2022. She said that she'd spoken to provider F and it'd told her that if the request had been made via Origo, it couldn't be questioned or refused. She said she'd like to ask provider F if it had approached the right company.

Mrs S's adviser replied to tell her that provider F had contacted the right company as it'd sent its correspondence and requests to the addresses and email that Advance had provided to her. He also said that Advance was now asking Mrs S to confirm her NI number.

After Mrs S had provided confirmation of her NI number to her adviser, he wrote to her on 14 October 2022. He said he'd called Advance because the NI number she'd provided matched what he'd already given to provider F. But that Advance held the wrong NI number. Mrs S's adviser said he'd updated this with Advance. And it'd confirmed that it'd received the transfer request from provider F on Origo. He said that Advance had told him that provider F had sent the Origo request to the wrong place. But he wanted to find out why it'd taken five months for this to be sent to the correct place.

On 18 November 2022, Advance told provider F that it'd written to Mrs S on 13 November 2022 to ask her to verify some extra information. And that it would be in touch after it'd received this to proceed with the transfer.

On 21 November 2022, Mrs S wrote to her adviser to tell him she'd received a letter from Advance asking her to confirm that she wanted her pension transferred to provider F. Her adviser confirmed this was correct.

On 24 November 2022, provider F said it emailed Mrs S's adviser to tell him that Advance was still waiting for some information from Mrs S and that it couldn't proceed with the transfer without it.

Advance said it received the completed form from Mrs S on 2 December 2022. And that it sent a valuation statement to provider F on 5 December 2022. It said it received an email from provider F on 15 December 2022 asking for an update. And that on 10 January 2023, it'd informed provider F that a valuation statement had been sent by post on 5 December 2022.

On 8 December 2022, Mrs S's adviser wrote to her to ask her if she'd sent the confirmation to Advance. He said he'd received a letter from provider F saying Advance was still asking for additional information/forms. Mrs S's adviser said Mrs S confirmed she'd sent the confirmation to Advance.

Mrs S complained to Advance, through her adviser, on 13 January 2023. She felt her transfer to provider F had been unnecessarily delayed. And that she'd been asked to sign some documents that hadn't previously been provided. She also wanted her adviser to be compensated for the time he'd spent pursuing her transfer.

Advance said that provider F asked it to provide a transfer quote and discharge form on 16 January 2023. And that it had done so on 27 January 2023.

Provider F wrote to Mrs S's adviser on 2 February 2023 to ask it to get Mrs S to complete the transfer paperwork it'd enclosed.

Advance issued its final response to the complaint on 3 February 2023. It didn't think it'd done anything wrong. It said it first became aware that Mrs S wanted to transfer her pension to provider F on 6 September 2022. And that when it'd received the transfer paperwork a few weeks later the NI number quoted was incorrect. This meant that it wasn't until December 2022 that it received all its requirements and was then able to provide provider F with a valuation statement. It said it was still waiting to receive further instructions from provider F.

Advance said that the only documents it'd asked Mrs S to sign were sent on 14 November 2022. It said these forms ensured Mrs S was aware that by transferring her pension she might lose her protected pension age of 55. It said it hadn't been in a position to provide this form to Mrs S until it'd received the correct authority from provider F.

Advance said Mrs S's adviser could be entitled to claim compensation. And asked him to provide it with a breakdown of the time he'd spent on the transfer, bearing in mind its explanation of "legally recoverable" costs.

Mrs S's adviser was unhappy with Advance's response and rejected it the same day. He said that even if Advance had only received the transfer request in September 2022, there'd still been a five-month delay to the transfer.

Mrs S's adviser said that neither he, Mrs S or provider F were responsible for the incorrect NI number. He said the correct NI number had been provided, but that Advance had stored it incorrectly. And questioned why the error hadn't been identified on 21 September when it'd initially contacted provider F. He also noted that he'd confirmed the correct NI number on 13 October 2022, so felt there shouldn't have been any reason for the transfer to have been cancelled. He also noted that the correct NI number had been provided to Advance in March 2022, so felt it'd had the opportunity to highlight that there were inconsistencies much earlier than it did.

Mrs S's adviser also asked Advance why, after it had received Mrs S's confirmation in December 2022, it hadn't sent the transfer quote and discharge papers alongside the valuation statement. He felt it had been clear that provider F would need them. And that a further six to seven weeks of delay had been caused by this.

On 8 February 2023, Mrs S's adviser wrote to her to tell her that Advance had sent another form for her to sign before it would proceed. Mrs S completed and returned these.

Advance issued a further final response to the complaint on 10 February 2023. It still didn't think it'd done anything wrong. It said the NI number it had on record for Mrs S was the same as the one that her then adviser had provided, and which had been reconfirmed in February 2019. It said its vetting process could only begin after it received a valid transfer request. And that until it'd established the correct NI number it couldn't start the transfer process. As the NI number it held was incorrect, it said it wasn't until the correct NI number was confirmed on 13 October 2022 that it had been able to start the transfer process.

Advance acknowledged that it had received letters of authority in March 2022 with the correct NI number. But said that the process it followed for letters of authority didn't require it to check the NI number, just the name, address and date of birth of the customer.

Provider F said that on 24 February 2023 it sent Advance its Portfolio Transfer Instruction. And that the transfer completed on 14 March 2023, with the monies being received and credited into Mrs S's account on 17 March 2023.

Mrs S was unhappy with Advance's response to her complaint. So on 5 April 2023 she brought her complaint to this service through her adviser. She made the following complaint points:

- Advance should've informed provider F that it didn't have the signed transfer paperwork before it was chased about the transfer.
- Advance didn't need to write to Mrs S about her protected pension age. This had already been covered through a call with her. And was therefore an unnecessary hold-up that could've been done on original receipt of the transfer documentation, or when Advance received this again in September 2022. But instead it had waited until November 2022.
- She was unsure why Advance was waiting to receive a further transfer request from provider F in December 2022 when at this point the transfer should've been processing.
- She questioned why Advance hadn't started the transfer after receiving her confirmation. She said that provider F had received the transfer form and discharge papers from Advance on 27 January 2023. And asked why these hadn't been provided earlier. And why there were so many forms and documents and confirmations required for a simple transfer.
- Mrs S felt that Advance had unnecessarily prolonged the transfer. And that it had made it overly complicated. She wanted compensation for the stress and inconvenience.
- Mrs S's adviser also said he'd spent multiple hours on the transfer. So was seeking compensation for the time he'd spent.

Our investigator asked both Mrs S and Advance for further information about the complaint.

Mrs S provided some of the additional information requested. He also asked provider F to provide any records of a transfer request being submitted using Origo. Advance didn't respond to the request. Provider F didn't provide any records of using Origo.

Our investigator felt that the complaint should be upheld. He considered that Advance had contributed to a delay of 28 working days in the transfer of Mrs S's pension. But he didn't think that Advance had asked for any unnecessary information.

Our investigator thought that the first transfer request Advance had received that it could review was on 26 September 2022. This was because it hadn't been able to open the initial request sent in early August 2022, which it had clearly explained to provider F. He also felt that provider F hadn't sent a request to Advance via Origo.

Our investigator felt that Advance should put Mrs S back into the position she would likely have been in, but for its delays. He felt Mrs S would've invested in the same funds with provider F. But that the investment would've been made 28 working days earlier. He also felt that Advance should pay Mrs S £100 compensation for the inconvenience caused by the delay.

As agreement couldn't be reached, the complaint came to be for review.

I issued my provisional decision on the complaint on 5 October 2023. It said:

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

Having done so, I intend to uphold it. I agree with our investigator that Advance caused unnecessary delays to the transfer. But I don't quite agree on the length of those delays. I'll explain the reasons for my decision.

I first considered if Advance received a valid transfer request via Origo in May 2022.

Did Advance receive a valid transfer request via Origo in May 2022?

I can see that on 30 September 2022, Mrs S's adviser told her that provider F requested the transfer via Origo on 16 May 2022. But that Advance had rejected this on 19 May 2022 because it needed transfer and discharge forms. But Advance said that provider F sent the Origo request to the wrong place.

The evidence shows that a transfer request was sent by post, but addressed to a business different from Advance, using the registered address for a group Advance was connected to. I've no evidence that provider F received a response to this.

I agree with our investigator that as the registered address for the whole group was used, rather than the individual administration address for Advance, it wouldn't be fair or reasonable to expect it to have been forwarded to Advance. I say this because there was no reference to Advance in the correspondence. So someone would've had to have reviewed the client information to forward it to the right place. And this is not what the registered address is intended for. Given this, I also agree with our investigator that it wouldn't be reasonable to conclude that Advance received Mrs S's transfer request at this stage.

I've not seen any evidence that the Origo request was sent to Advance in May 2022. And I've seen no evidence that provider F ever made a later request for the transfer to be carried out via Origo. In fact, from the evidence I've seen, it appears that Advance suggested the use of Origo at the end of September 2022. But that provider F told this service that after

Advance's initial rejection of Origo, it wasn't possible to process the transfer electronically. Therefore I can't fairly hold Advance responsible for not using Origo for the transfer.

I next considered when Advance had first received a valid transfer request.

When did Advance first receive a valid transfer request?

I can also see that Mrs S's adviser thought provider F had sent all of the required documents to Advance by 12 September 2022, but that wasn't the case. Advance had made it clear to provider F that it hadn't been able to open the password-protected documents - which had been sent by email in early August 2022 - using Mrs S's correct NI number as the password.

I acknowledge that this inability to open the documents was probably because Advance held an incorrect NI number for Mrs S. But I don't consider it should've realised this at that time. I can also see that Advance asked provider F for a different password, but got no response. Therefore I'm satisfied that it wouldn't be fair or reasonable to hold Advance responsible for any delay leading up to the re-submission of the transfer documents. Advance said it received these on 26 September 2022. So I'm of the view that this is the start point for the transfer request.

I next considered whether Advance progressed the transfer in a timely manner.

Did Advance cause any delays to the transfer process?

Based on the testimony and evidence provided by Advance, Mrs S and her adviser, and provider F, I detailed in the background section of this decision what happened when.

I've gone on to consider if there were any points when Advance could've acted more quickly to progress the transfer.

On 6 September 2022, provider F emailed Advance for an update on the transfer. But Advance didn't reply until 21 September 2022, when it said it hadn't received the signed transfer request paperwork.

I agree with our investigator that Advance should've responded more quickly than it did here. And that it would've been reasonable to have replied within five working days. Advance actually took 11 working days to reply. So I consider it caused an avoidable delay of six working days here.

Once Advance had received the transfer authority from provider F on 26 September 2022, it realised that the NI number it held for Mrs S didn't match the transfer paperwork. It told provider F about this on 30 September 2022. And asked it to correspond with Mrs S's adviser to make sure all parties had the correct information. I consider that it was reasonable for Advance to take the steps it did to ensure the NI number was correct. And I'm satisfied that it couldn't proceed with the transfer until this was resolved. So I don't consider that this caused any delay.

I also considered whether Advance should've noticed that it held an incorrect NI number for Mrs S earlier than it did. Mrs S considers that it should've been flagged when information was first requested, or when the transfer was first received.

I can see that a letter of authority was initially sent to Advance in March 2022. And that this included Mrs S's details, including her NI number. So I understand why Mrs S feels this way.

Advance said that the NI number isn't required information for the acceptance of a letter of

authority. So it didn't check this detail against its records when it received the letter of authority.

From what I've seen, Advance's usual process for accepting a letter of authority in these circumstances doesn't require an NI number. So its process doesn't include a review of that number if it is provided. Therefore I can't fairly say that Advance should've noticed the discrepancy when it received the letter of authority. I've also seen no evidence that Advance should've recognised the error earlier than it did.

The evidence shows that Mrs S's adviser then contacted Advance on 13 October 2022 to correct the NI number it held for Mrs S. And that Advance then received a new transfer request on 31 October 2022. At this point, Advance wanted to ensure that Mrs S was aware that she might lose her protected pension age of 55 on transfer. So it wrote to her on 14 November 2022 to ask her to confirm this was the case.

Mrs S doesn't consider that Advance needed to take this step. She felt this was an unnecessary hold-up that could've been carried out earlier. While I don't agree that this step was unnecessary, I do consider that Advance could've written to Mrs S a few days earlier. I say this because I think five working days is a reasonable time frame for this. As Advance took ten working days before it wrote to Mrs S, I consider that there was another avoidable delay of five working days to the transfer here.

Advance received Mrs S's completed form on 2 December 2022 and issued a valuation by post to provider F on 5 December 2022. Provider F chased Advance for an update on the transfer on 15 December 2022. It wanted to know if Advance had got what it needed from Mrs S. Advance didn't reply to this email. So provider F chased for a response on 5 January 2023. It eventually replied by email on 9 January 2023. It said it'd received a response from Mrs S. And also attached a copy of the valuation it'd sent on 5 December 2022.

Provider F replied to Advance the same day. It asked it to provide a transfer quote and discharge forms. Advance then provided everything requested by email on 27 January 2023.

I agree with our investigator that there are several potential avoidable delays here. The transfer quote and the discharge forms weren't sent as promptly as they could've been. And there was a delay in replying to provider F's requests for an update. It also appears that although the 5 December 2022 letter to provider F was correctly addressed, it didn't receive it.

Overall, I agree with our investigator that Advance should've sent the transfer value and the discharge forms on 5 December 2022, when it issued the valuation to provider F. But if it had, it's possible that provider F wouldn't have received this information as the post might've gone missing like the actual letter Advance sent to provider F that day.

I also consider that Advance should've replied to provider F's request for an update on the transfer earlier than it did. The request was received on 15 December 2022, so, allowing five working days, it should've been replied to by 22 December 2022, not 19 December 2022 as our investigator noted. As Advance actually only replied to this request on 27 January 2023, rather than 16 January 2023, as our investigator noted, I consider this caused a further delay of 23 working days.

I acknowledge that Mrs S said she didn't know why Advance was waiting to receive a further transfer request from provider F in December 2022. But I've seen no evidence that it did so.

After Advance had provided the transfer quote and discharge forms to provider F on 27 January 2023, Mrs S signed and returned the discharge forms to provider F. They were then

forwarded to Advance. The transfer completed on 14 March 2023.

I agree with our investigator that there's no evidence that Advance caused any delays to the transfer process after 27 January 2023. So I consider that the total delay Advance is responsible for is 34 working days.

Based on what I've seen, I agree that Advance should compensate Mrs S for unnecessarily prolonging the transfer. I consider that under the circumstances of the complaint, and the impact it has had on Mrs S, Advance should pay her £100 compensation for the distress and inconvenience the delays have caused her.

I'm unable to require Advance to compensate Mrs S's adviser for the time he's spent on the transfer as he's not an eligible complainant in this case.

Response to my provisional decision

Neither Advance nor Mrs S responded to my provisional 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.

As no new information has come to light, I remain of the view I set out in my provisional decision.

Putting things right

My aim in awarding fair compensation is to put Mrs S back into the position she would likely have been in, had it not been for Advance's error. I think this would've meant Mrs S would've invested in the same funds with provider F. But that the investment would've been made 34 working days earlier.

Any loss Mrs S has suffered should be determined by obtaining the notional value of the pension from provider F at the date of my final decision on the basis that it'd been invested 34 working days earlier and subtracting the current value at the date of my final decision of the pension from this notional value. If the answer is negative, there's a gain and no redress is payable.

The compensation amount should if possible be paid into Mrs S's pension plan. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mrs S as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

If Mrs S has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to their likely income tax rate in retirement – presumed to be 20%. So, making a notional reduction of 15% overall from the loss adequately reflects this.

Details of this calculation should be provided to Mrs S and her representative in a clear and simple format. I also intend to require Advance to pay Mrs S £100 in recognition of the

inconvenience caused by the delay.

My final decision

For the reasons set out above, I uphold Mrs S's complaint. Sterling ISA Managers Limited trading as Advance by Embark 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 Mrs S to accept or reject my decision before 16 November 2023.

Jo Occleshaw
Ombudsman