

## **The complaint**

Mr A complains about the delays he said Origen Financial Services Ltd (Origen) caused during its transfer advice process which meant he subsequently received a significantly reduced Cash Equivalent Transfer Value (CETV).

## **What happened**

Mr A was a member of an Occupational Pension Scheme (OPS) but wanted to transfer his benefits. He applied for a CETV which was sent to him on 3 July – although the date of the letter was 22 June 2022. This meant that the expiry date of the CETV was 22 September 2022.

He was also given Origen's contact details – who were the designated adviser for the main OPS – and he contacted it on 25 July 2022. But Mr A belonged to a separate OPS - a buyout scheme which wasn't underwritten by the same scheme administrator. Its usual process wasn't to give members Origen's details, but for the scheme administrator to deal with such potential transfers on a case by case basis.

But Origen said it could still act for Mr A and it arranged a telephone meeting for 11 August 2022 to begin the process. This first stage of the transfer process was known as "abridged advice" during which Origen would set out to establish whether a transfer was in Mr A's best interest. During the telephone call however Origen did explain that it might not be able to complete the transfer in the time left before the CETV expired - and would see if an extension could be granted.

Origen requested an extension from the scheme on 22 August 2022 which was granted with no further objections from the administrator. But Origen didn't receive the information it required back from the scheme until 30 September 2022. So it made a further request for an extension on 6 October 2022 which was confirmed by the scheme, but the administrator said it had to check with the OPS' insurer. The insurer said it wouldn't grant the request on 12 October 2022, so Origen couldn't continue the transfer process without requesting a new CETV. When Mr A received an updated CETV the value had fallen significantly so he decided not to proceed any further.

He complained to Origen about the delays which he said prevented the transfer from completing using the original CETV, but Origen said it wasn't responsible for any significant delays. It did accept it should have submitted a consent form to the administrator quicker – which meant it may have received scheme information a couple of weeks sooner than it did - and offered £500 for the distress and inconvenience that had caused.

But Mr A didn't accept the offer and brought his complaint to us where one of our investigators looked into the matter. He didn't think the complaint should be upheld. He thought there were possible delays caused by all the parties involved, but he didn't think Origen could have completed the transfer within the service levels it set out before the insurer rejected the request for a further extension. He thought the problem arose in the first place because the other parties involved incorrectly provided Mr A with Origen's contact details. He also thought Origen's offer of £500 for the delay it did cause was fair and reasonable.

Mr A didn't agree. He made the following points in response:

- He thought that the scheme, the administrator, and Origen were all culpable in the failure of the transfer.
- He only used Origen because the advice fee was paid by his OPS. He asked Origen if it was able to deal with his OPS and was told it could - although a slightly different process was required. But he thought Origen failed to follow that process.
- When he chased Origen about the lack of progress and updates, he was told an extension had been granted. If he had been told it hadn't been granted, he could have made alternative arrangements to enable completion within the original expiry date.
- He wasn't provided with updates about the transfer or about the original financial adviser leaving Origen. It only contacted him when it realised that adviser had followed the wrong process and it needed to request a new CETV.
- He had followed the correct process and felt he wasn't responsible for any of the failures of the other parties involved.

The investigator wasn't persuaded to change his view and the complaint was referred to an ombudsman. So it's been passed to me to review.

### **What I've decided – and why**

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

And having done so I've reached the same conclusion as the investigator. I know Mr A feels strongly about this matter as shown through his submissions – so I'm sure he'll be disappointed with this outcome. But I think Origen's offer of compensation is fair and reasonable in the circumstances, and I don't think it should be held responsible for the issues which meant Mr A would have needed to transfer using a significantly lower CETV if he wished to complete the process. So I'll explain my reasons below.

Mr A is right to say that he isn't at fault for what happened here and that he simply asked for advice on a transfer of his OPS benefits and followed that advice process. He says the other parties involved here have caused the delays which meant he couldn't use his original CETV. Mr A says that Origen didn't follow the correct advice process for his particular OPS and failed to update him regarding the progress of his transfer and the outcome of the requests for extensions to the CETV expiry dates.

### **Should Origen have undertaken the transfer?**

I've looked in detail at the process that should have been followed here and whether Origen acted fairly. I asked the OPS to explain the relationship between it and Origen and what agreements it had in place.

My understanding is that the main OPS has a formal agreement for Origen to provide advice to pension scheme members at retirement, which it pays for. Origen's details are included in the retirement pack that is sent to members when requested. I note that the retirement pack included the following statement.

*"To help you make a decision you can contact Origen for independent financial advice on what is the best option for you. Origen has been appointed by the Trustee to provide Scheme members with impartial advice when they are ready to retire. The cost of the advice will be paid for by the Scheme, whichever option you choose."*

*Please note that the Scheme will only pay once for you to have retirement advice, so you should think carefully about whether you are ready to retire and take the advice. If you have already taken advice from Origen that the Scheme has paid for, you will have to pay for any further advice yourself. You can of course use your own financial adviser but would need to meet the cost of their advice yourself."*

However the OPS has confirmed that Mr A belonged to a different part of the scheme which was part of a buyout arrangement. The process here is different – principally because the number of members is much lower – and Origen's details aren't generally included in the retirement pack.

If a member of that scheme requests advice the OPS explains that Origen is an option for them to receive advice and provides its details so the member can make direct contact. Origen is then required to contact the OPS for consent to give advice, although the OPS has confirmed this is simply to monitor the number of people involved so that it can decide if it needs to set up a more formal agreement with Origen going forward in relation to the "buy out" arrangement. The OPS says that it would always give this consent, so in Mr A's case Origen would always have been allowed to provide him with retirement advice at no direct cost.

But the initial part of this process wasn't followed correctly here as Origen's details were (incorrectly) included within the retirement pack - which allowed Mr A to contact it directly. So I can't say Origen did anything wrong up to this point as it wouldn't have been aware of the error that was made. Indeed when Mr A had a telephone appointment with Origen the adviser continued with the initial information gathering part of the process, only seeming surprised that Mr A had a retirement pack in his possession instead of it being provided to Origen directly. At this point however the CETV was over six weeks old, which was around half of the 12 week guarantee period before it expired.

So Origen was entitled to undertake the process of establishing whether the transfer was suitable for Mr A and the only aspect of the process that was different to that of the main scheme was for Origen to obtain consent from the administrator, which as I've already explained was almost certain to be granted.

I would however have expected Origen to point out to Mr A that, while it was able to help him, it might take longer because of the need to obtain consent and further information. I would also have expected it to explain the risks involved because, with the CETV already six weeks old, it may not have been able to complete the transfer within its usual timescales. So I've gone on to consider whether Origen did make this clear to Mr A.

#### *Did Origen mislead Mr A about its process and whether it could complete the transfer in time?*

When Origen carried out its first telephone appointment on 11 August 2022, I don't think it was aware that Mr A had come to it through a different referral channel. So it went through its information gathering process, with a view to providing "abridged advice" which was the first stage of establishing the viability of the transfer. It was only when it had established that there might be good reasons to transfer that Origen would then provide full advice with a

recommendation about whether the transfer was in Mr A's best (financial) interest. So I've listened carefully to that phone conversation.

The adviser confirmed that he hadn't been provided with a "benefit statement" so Mr A then emailed it to him. The adviser then worked through Origen's terms of business document explaining its two stage process. He established that Mr A wanted to retire in next 2-3 years and draw a flexible income without restriction, as this was his main pension asset. So I think Origen followed its process correctly up to that point and was entitled to think that it could help Mr A to decide whether the transfer was suitable.

But when the adviser looked at the statement that Mr A sent him and understood that the CETV was already six weeks old, he explained that *"we might not have enough time. Normally we need 10 weeks to give you advice. We normally haven't been given a CETV at this point."* He then explained to Mr A that CETVs were currently falling, and he had recently come across values that had dropped by 30% in three months. He said he needed to speak to *"the powers that be"* and *"that they might be able to ask the trustees to extend (the CETV date)."*

I'm not aware that the regulator has set out a specific timescale in which such transfers should be completed, but I don't think – from information I've seen from other advisory firms – that Origen's advice service levels were unreasonable given the complexity of the matter and the work involved. I've also seen that the retirement pack provided by the OPS gave general guidance that *"if you need to obtain financial advice you should typically allow 6-8 weeks."*

So given that there were only five weeks remaining before the CETV expired at this point I don't think it was unreasonable for the adviser to highlight that it would be unlikely that Origen could complete its process in the time left and that, rather than apply for new CETV at that point, it should try to gain an extension to the original CETV. I think Origen was transparent with Mr A that there was the possibility of deadlines not being met, so I think Mr A would have been aware of that fact at that point. The situation regarding applications and deadlines was also clearly set out in the retirement pack which stated, *"If an application to proceed is not received by 22/09/2022 and, where applicable, evidence of appropriate independent advice by 03/10/2022, a revised transfer value will not be available free of charge until 12 months from the date of the original request. For an application to be valid, all forms (including those requiring completion by the receiving scheme) and evidence of your date of birth must be received by the deadline noted above."*

Unfortunately Origen didn't then send its request for consent and for further information to the scheme administrator for another 11 days. I assume that during this time it became aware that Mr A belonged to the "buyout" OPS as opposed to the main scheme, and it would also seem that the adviser left Origen. I think, and Origen has accepted this point, that it didn't provide Mr A with a good level of service for this period and did cause some delay to the process. I'll set out what I think about that matter further on in my decision.

But the reality of the situation was that although Origen was able to get a two week extension to the CETV expiry date, because it took another week to obtain the information from the scheme, it had to ask for a further extension. This extension was initially agreed by the administrator, but because consent was also required by the buyout scheme insurer this was then refused, which meant Origen couldn't progress things without a new CETV.

I have carefully considered whether this delay and uncertainty about the extensions could have cost Mr A the chance to complete his transfer using the original CETV or, as he suggested to us, to make alternative arrangements for his transfer. But from the evidence

I've been provided with it's clear that the insurer wouldn't have agreed the extension in any case. So unless the whole transfer process, including the abridged advice and then full advice and recommendation could have been completed in the two weeks following the first extension request – which I don't think was possible, then I'm not persuaded that a transfer could have been made using the original CETV.

I have some sympathy for the position Mr A found himself in during that time, especially as he simply followed the process he was told by the OPS. But I think because the scheme administrator didn't follow its correct process in the first place it simply wouldn't have been possible for Origen to have gone through its two stage transfer process and given Mr A a fully researched and analysed recommendation in the time permitted. It must be remembered that by the time Origen first spoke to Mr A there were only around six weeks left before the CETV expired, and Origen had clearly told Mr A that its usual standard was to complete a transfer in around 10 weeks. In addition I haven't seen anything to suggest that Origen made any guarantees to Mr A about when it could complete a transfer. So, although Origen could have contacted the scheme administrator for information sooner, I don't think it was likely that it could ever have achieved its aims without further CETV extensions.

And Origen wouldn't have been aware that extensions needed to be ratified by the insurer as its role in that process was simply to approach the scheme administrator – who had already agreed the first extension. So I don't think Origen was responsible for any mix up there.

I understand the frustration and disappointment that the failure to complete the transfer using the original CETV would have caused Mr A – through no fault of his own. But I'm not persuaded that this was Origen's fault, although I accept that it did cause some delay during August 2022. Mr A had referred to Origen "*not following the right process*" for his particular OPS. But from the evidence I've been provided with the only difference with Mr A's scheme was that the administrator needed to give its consent, which seemed to be purely for some internal monitoring reasons. So I think Origen was entitled to think it could provide Mr A with advice, and the administrator has confirmed that it would have made Mr A aware of the benefits (no cost) of using Origen if he'd asked had it followed the correct process in the first place.

So there nothing to support the claim that Origen shouldn't, or indeed couldn't have advised Mr A. The problem in the end was the lack of time that Origen, and in my view any other adviser would have had in completing the transfer before the CETV deadline expired. It wouldn't be reasonable for me to suggest that Origen could have completed the transfer, given that it set out its service levels, in the time remaining regardless of any delays it may have caused or errors it made. But I have gone to consider the effect of its delay and the compensation offer it made as a result.

#### Origen's compensation offer

Origen has accepted that it received Mr A's consent form on 2 August 2022 but, because of an administrative error, it didn't forward that to the scheme administrator until three weeks later. This was clearly an error on Origen's behalf which led to a delay in receiving information from the administrator.

But I can't reasonably say that this was the principal reason that the transfer couldn't be completed using the original CETV. I say that because it didn't prevent Origen carrying on

with its fact finding or “abridged advice” service which it began on 11 August 2022. It was during this part of the process that Origen identified that Mr A hadn’t been referred through the “usual process”. But in any case, it was unlikely that it could carry out its full process before the expiry date of the original CETV.

I note that the insurer didn’t grant a further extension on 12 October 2022, which was only around four weeks after the initial telephone appointment. I don’t think it’s reasonable to suggest Origen would have been able to complete its transfer process in that timescale. As I’ve said previously Origen said it would require around 10 weeks to complete the process and the retirement pack Mr A received said he should allow between 6-8 weeks. So it would be difficult to conclude that Origen should be able to recommend and implement a transfer in around half that time.

Origen’s administrative delay shouldn’t have happened and could have led to consent and information being received from the scheme administrator quicker. But I don’t think it was the reason for the transfer not being carried out. However, Origen accepts that it should have acted in a timelier manner and has offered £500 for the distress and inconvenience caused. I have thought carefully about this offer and, in my view, it’s within the range of what I would expect to see for such an error. So I think it’s fair and reasonable in this case.

### **My final decision**

Origen Financial Services Limited has already made an offer to pay £500 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Origen Financial Services Limited should pay £500.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr A to accept or reject my decision before 14 December 2023.

Keith Lawrence  
**Ombudsman**