DRN-4601282

The complaint

Mr C has complained that Barclays Bank Plc ('Barclays') unduly delayed the transfer of his pension to Aviva. Mr C has stated that during these delays changes to investment values meant that financial losses were incurred.

What happened

The chain of events in this case are well known to all parties concerned and as such I have only included a summary of the key dates below.

Whilst not all dates and points of contact are included in the summary below, I would like to reassure all parties that all the relevant evidence and commentary provided has been fully considered in my decision.

Having decided to move his pension from Barclays to Aviva, and having provided Aviva with the relevant signed documentation, Aviva emailed the transfer documents to Barclays on 25 October 2021. This was emailed to the Barclays Transfer Team ('FNZ').

Hard copies of these documents were posted to Barclays Smart Investor on 2 November 2021 with these being signed for upon delivery.

FNZ forwarded the documentation to AJ Bell, the administrators of Mr C's pension, on 2 December 2021.

The appropriate discharge paperwork was then sent to Mr C on 8 December 2021 with this being completed by Mr C and returned to AJ Bell on 13 December 2021.

On 17 December 2021 AJ Bell then instructed FNZ to complete the transfer with an updated valuation for the investments held sent to Aviva on 31 December 2021.

With the transfer delayed and not yet complete Mr C raised a complaint with Barclays on 7 January 2022.

The investments to be sold as part of this process were encashed on 26 January 2022 and the cash moved to AJ Bell on 3 February 2022. The transfer of all assets to the Aviva pension scheme was subsequently completed on 8 March 2022.

Barclays issued their complaint response in June 2022. This accepted that there were internal delays in dealing with the transfer and that they may have been able to get the transfer initiated quicker. A total payment of £300 was offered for the distress caused.

Unhappy with Barclays' response Mr C referred his complaint to this service on 12 October 2022.

Our investigator looked into things and concluded that Barclays were responsible for delays in the transfer of Mr C's pension. The size of the delays were identified, and redress recommendations were made.

Mr C accepted the findings issued however no response has been provided by Barclays.

As no agreement could be reached 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.

Firstly, I would like to note that it is clear from the policy documentation available that the transfer paperwork for Mr C's pension should have been sent to AJ Bell in the first instance. This is clearly noted in the terms and conditions document and as such it is not unreasonable to state that the sending of these documents directly to Barclays was an error.

Businesses are entitled to have dedicated addresses and teams to which certain queries and requests should be directed. This allows any requests to be actioned in as timely a manner as possible by ensuring that the request is sent to the correct team from the outset.

This is especially relevant in larger businesses with a wide product offering and many customers – it would not be reasonable for Barclays to have one email address for all their customers to send any request about any product they offer.

Notwithstanding the above, I have reached the same outcome as our investigator and for broadly the same reasons.

As above, businesses are entitled to direct their customers to specific addresses based on the product and query type, and I accept the incorrect email address was used in this case.

However, whilst a customer sending a request to the wrong place may mean a reasonable delay in actioning that request occurs, it does not entitle a business to simply ignore that customer's request. Businesses still have a duty to act in their customers best interests.

In this case FNZ did receive the transfer request and it was they who eventually forwarded this to AJ Bell. Additionally, for FNZ to establish Mr C's request had been sent to them in error, the documentation must have been opened, read, and assessed.

In line with what our investigator outlined in their findings, I do not consider it unreasonable for Mr C to expect that the documentation would either be forwarded on to the correct department (AJ Bell in this case) in a timely manner or be returned to the original sender with an explanation stating that it had been sent to the wrong place.

Whilst FNZ and Barclays did eventually forward the documentation on to AJ Bell and did communicate with Mr C (and his adviser), I agree with our investigator in concluding that this process took too long and that Barclays are responsible for significant delays in the transfer of Mr C's pension.

Having reached this conclusion I have gone on to consider the extent of the delays which Barclays can reasonably be held accountable for.

It is impossible for me to know what exactly would have happened (and when) had Barclays acted differently however, overall, I have concluded that the alternative timeline proposed by our investigator is reasonable, and as such I am not making any changes to it.

Our investigator concluded that had Barclays acted more reasonably the transfer could have been completed by 22 January 2022. To reach this completion date a new transfer timeline was produced:

- 25 October 2021 – transfer and valuation request to Barclays.
- 6 November 2021 – Barclays forward transfer request to A J Bell and valuation to Aviva.
- 23 November 2021 – A J Bell instruct the transfer.
- 6 December 2021 – Aviva accepts cash transfer.
- 11 December 2021 – Barclays instructs sell down of funds and liaises with A J Bell to initiate transfer.
- 19 January 2022 – to complete re-registration part.
- 22 January 2022 – transfer process complete.

The key dates that need to be considered within the above timeline are 25 October 2021 and 6 November 2021.

Our investigator concluded that upon receiving the transfer paperwork on 25 October 2021, it was reasonable to expect these documents to be forwarded to AJ Bell by 6 November 2021. I agree that this timescale is reasonable. This would allow sufficient time for the documents to be assessed at FNZ, it be established that they had been sent to the wrong place and then either forwarded directly to AJ Bell or returned to the sender who could then have forwarded them on to AJ Bell via email.

As above, I have fully considered that this chain of events could have been avoided had the documents been sent directly to AJ Bell in the first instance, but I do not believe it is unreasonable for Mr C to expect Barclays / FNZ to undertake such steps to assist him in his transfer over a 10-working day timeframe.

The rest of the dates from this point on have been calculated based on what is considered a reasonable amount of time for the relevant tasks to be completed using a combination of what actually took place in the transfer of Mr C's pension and industry good practice guides, and again are considered reasonable in this case.

I would note here that whilst the redress is worded slightly differently in this decision when compared to the findings issued by our investigator, the overall outcome and process which should be followed remains the same.

Putting things right

My aim is that Mr C should be put as closely as possible into the position he would probably now be in if he had his transfer been completed in a timely manner.

As per the alternative timeline detailed above, I have concluded that the transfer of Mr C's pension to Aviva should have been completed on 22 January 2022.

What must Barclays do?

To compensate Mr C fairly, Barclays must:

- Barclays should calculate the encashment value of those investments which could not be transferred in specie and had to be sold down to facilitate the transfer as per the alternative timeline detailed above.

- This value would then have been invested into the Aviva pension from 22 January 2022 onwards.
- The hypothetical *'fair'* value of these investments based on this new timeline should be compared with their *'actual value'*. If the fair value of the investments is higher than the actual value then a loss has occurred and redress is payable.
- Barclays should pay into Mr C's pension plan to increase its value by the total amount of the compensation and any interest. The amount paid should allow for the effect of charges and any available tax relief. Compensation should not be paid into the pension plan if it would conflict with any existing protection or allowance.
- If Barclays is unable to pay the total amount into Mr C's pension plan, it should pay that amount direct to him. But had it been possible to pay into the plan, it would have provided a taxable income. Therefore, the total amount should be reduced to *notionally* allow for any income tax that would otherwise have been paid. This is an adjustment to ensure the compensation is a fair amount – it isn't a payment of tax to HMRC, so Mr C won't be able to reclaim any of the reduction after compensation is paid.
- The *notional* allowance should be calculated using Mr C's actual or expected marginal rate of tax at his selected retirement age.
- It's reasonable to assume that Mr C is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mr C would have been able to take a tax-free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.
- In line with the findings issued I am not making any changes to the amount offered to cover the distress and inconvenience the delays caused Mr C.

Portfolio name	Status	Benchmark	From ("start date")	To ("end date")	Additional interest
Barclays pension	No longer exists	Aviva pension	22 January 2022	Date of my final decision	n/a

Actual value

This means the actual amount payable from the investment at the end date.

Fair value

This is what the investment would have been worth at the end date had it produced a return using the benchmark.

Any additional sum paid into the investment should be added to the *fair value* calculation from the point in time when it was actually paid in.

Any withdrawal from the Aviva pension should be deducted from the fair value calculation at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there are a large number of regular payments, to keep calculations simpler, I'll accept if Barclays totals all those payments and deducts that figure at the end to determine the fair value instead of deducting periodically.

Why is this remedy suitable?

I’ve decided on this method of compensation because:

- Mr C’s transfer was delayed with the redress detailed above accounting for the fact that some of the existing investments held within the Barclays pension would have been sold earlier, and then subsequently re-invested with Aviva earlier.

My final decision

I uphold the complaint. My decision is that Barclays Bank Plc should pay the amount calculated as set out above.

Barclays Bank Plc should provide details of its calculation to Mr C in a clear, simple format.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr C to accept or reject my decision before 26 April 2024.

John Rogowski
Ombudsman