The complaint

Mr B complains that Suffolk Life Pensions Limited (Suffolk Life) failed to process his Trustee Investment Plan (TIP) application in a timely manner. And didn't inform him that it couldn't process it within his existing Self-Invested Pension Plan (SIPP). He said that this led to a reduction in the maturity value he was eventually able to access.

What happened

Mr B had a SIPP with a provider I'll refer to as provider P. I understand that this is administered by Suffolk Life.

Mr B's adviser explained that Mr B is a very cautious investor, hence the use of fixed-rate cash. And that he is so cautious that he limits some cash holdings to the Financial Services Compensation Scheme (FSCS) limit – only going over where he was comfortable with the financial strength.

Mr B's adviser said that he'd been tracking the TIP at the heart of this complaint for Mr B since he'd become aware of it. He said it was under the long-term insurance section of the FSCS so was clearly attractive to someone as cautious as Mr B. But that the rates hadn't been hugely attractive in comparison to fixed-rate cash. He said they'd become more attractive by January 2022. So he and Mr B had agreed an intention to use the contract. And at this point he needed to check its availability with Mr B's SIPP provider.

Mr B's adviser contacted Suffolk Life on 17 January 2022 about the potential TIP purchase. Suffolk Life confirmed that the TIP was acceptable. It said: "*I can confirm that the client will be able to purchase [the TIP name] within his SIPP*." Mr B's adviser said he had no reason to doubt this information.

Mr B's adviser obtained a quote for the TIP Mr B wanted to invest in dated 31 October 2022. This said that for an initial payment of £518K, a guaranteed maturity value of £616,236 would be paid on 20 April 2026. Mr B wanted to invest in the TIP at this point. He signed an application form for the TIP on 7 November 2022. And on 8 November 2022, his adviser sent instructions to Suffolk Life. He also sent the completed TIP application form. This showed that the deadline for obtained the guaranteed maturity value of £616,236 was 30 November 2022. Suffolk Life said it would pass it on to the correct team to action.

Suffolk Life mistakenly thought the instruction was for an annuity purchase. So it sent provider P, the SIPP provider, annuity purchase instructions instead of TIP purchase instructions on 10 November 2022.

On 19 November 2022, provider P emailed Mr B's adviser about what it thought was Mr B's transfer request. Mr B's adviser confirmed on 21 November 2022 what the request was actually for. Then provider P told Suffolk Life that the instruction was actually for a TIP purchase, not an annuity. Mr B's adviser also reminded both provider P and Suffolk Life that the guarantee-date for the TIP was 30 November 2022.

On 22 November 2022, Suffolk Life asked provider P to contact Mr B's adviser to confirm how Mr B would like to proceed. The email stated:

"I have been advised that the form completed by the IFA is definitely an annuity purchase form, not a form for to purchase a TIP.

Furthermore, [we] as a business have decided recently that TIP apps are not an allowable investment for Private Funds plans.

Could you please therefore arrange to contact the IFA as to whether they wish to TFO or how they would like to proceed?"

Suffolk Life said it asked provider P to do this because: "*they are the customer facing part of the agreement between Suffolk Life and [provider P], we only administer the product on their behalf*". But I understand that provider P failed to contact Mr B's adviser. So he wasn't made aware that the application hadn't been processed.

Mr B's adviser contacted Suffolk Life on 12 January 2023 for an update. He hadn't been told the application for the TIP had failed. Suffolk Life apologised to Mr B's adviser that he'd not been told. It sent him the email it'd sent to provider P on 22 November 2022.

On 12 January 2023, Mr B's adviser raised a complaint on Mr B's behalf. He was unhappy that his TIP application hadn't been processed. He felt that Suffolk Life could've called him to let him know what was happening. He asked it when it'd decided that it wasn't taking TIPs, which he felt was perverse. He noted that it wasn't available to a certain type of SIPP. But asked if that meant Suffolk Life would accept it through other SIPPs. He also said he would start working on how much detriment he felt Suffolk Life had caused Mr B.

Suffolk Life responded to Mr B's adviser on 13 January 2023. It apologised for the situation. And confirmed that although it didn't allow TIP investments in Mr B's current SIPP, it did have a SIPP that could hold the investment.

Suffolk Life said that Mr B's adviser had been misinformed about whether the TIP was an acceptable investment when he'd originally enquired in January 2022. It said it was looking into whether there'd been any further changes. And if there had, it would make sure that Mr B wasn't disadvantaged. It also acknowledged that the lack of contact had caused a delay in allowing Mr B to consider his other options. And that if Mr B's adviser had been aware that the TIP wasn't an available investment for his SIPP, he and Mr B wouldn't have spent time submitting the TIP application form on 8 November 2022. It felt they would've looked into alternative investment options. It asked Mr B's adviser for his thoughts on how he and Mr B would like it to address any loss. And said it hoped to work with Mr B's adviser to correct the situation.

Suffolk Life said it would ask provider P to confirm why it hadn't contacted Mr B's adviser after its 22 November 2022 email. It also said that it hadn't itself told Mr B's adviser that it didn't allow a TIP after he'd sent in the application form because the person working on the request was unsure how to move forward. He'd thought that the form was for an annuity purchase/transfer out rather than a TIP purchase, which conflicted with the intent in the email chain. It said that as it wasn't familiar with the transfer out procedure – as that was with provider P - and as any TIP purchase wouldn't be possible, the person working on the request thought that provider P was better placed to contact Mr B's adviser to find out what Mr B wanted to do instead.

Suffolk Life acknowledged that it could've contacted Mr B's adviser directly. And that this would've cleared up the situation more quickly. It apologised for failing to do this.

On 16 January 2023, Suffolk Life emailed Mr B's adviser to explain that Mr B's SIPP needed to be transferred into a different type of SIPP in order to hold the TIP he wanted to invest in.

Suffolk Life sent its final response to the complaint on 17 February 2023, although this was sent on provider P headed paper. It acknowledged that it had provided Mr B's adviser with incorrect information in January 2022. It said that it wouldn't allow its clients to suffer a financial loss as a direct result of its administration. And that it would look into financial loss once the situation was resolved. As a recognition of the service provided and to apologise, Suffolk Life said it wanted to send Mr B a hamper. Suffolk Life also apologised for failing to contact Mr B's adviser to update him about Mr B's investment application.

In February 2023, Mr B's adviser sent instructions for Suffolk Life to transfer Mr B's SIPP with provider P to the Suffolk Life SIPP which could accept the TIP investment. He also sent a new TIP application. Suffolk Life processed the application in April 2023. I understand that the purchased investment had a maturity value of £581,500 on 20 April 2026, rather than the £616,236 Mr B had initially been hoping to achieve.

Mr B's adviser complained to Suffolk Life again on 19 June 2023 on behalf of Mr B. He felt that as Mr B had now purchased the TIP with a lower maturity value, Suffolk Life could consider detriment. Mr B's adviser said that if Suffolk Life had given him the correct information in January 2022, he and Mr B would've been able to take action to access the November 2022 guaranteed figure. He also felt that if Suffolk Life had handled the November 2022 situation better, the same result could've been achieved. He said the detriment was £34,736 on the guaranteed maturity value.

On 6 July 2023, Suffolk Life sent Mr B's adviser a further complaint response. It acknowledged it'd incorrectly confirmed that the TIP could be held within the SIPP in January 2022. And offered compensation of £500 for the distress and inconvenience this had caused.

Suffolk Life said that the TIP hadn't actually been able to be held in any of its products until December 2022. And that this meant that even if it had provided the correct information before the original TIP maturity guarantee deadline of 30 November 2022, Mr B's situation wouldn't have been different as the deadline would've been missed – even if he'd held the relevant SIPP. It said that because of the 10 months that had passed between the original query and the November 2022 instruction, anything could've changed with what was and wasn't allowable within Mr B's existing SIPP.

Suffolk Life didn't think it was responsible for any financial loss. It felt that provider P, rather than itself, was responsible for not contacting Mr B's adviser about the failure to place the investment after it had asked it to on 22 November 2022. And that Mr B should seek any redress for financial loss from it instead.

Mr B wasn't happy with Suffolk Life's response. So he brought his complaint to this service in August 2023. He wanted Suffolk Life to replace the lost guaranteed return. He said that if his adviser had been given the correct information from the start, he would've moved his SIPP in readiness for the application. And if Suffolk Life had responded in a timely fashion to the application, he could've still accessed the better rate. He felt that Suffolk Life had a number of opportunities to make sure this detriment didn't happen, but that it'd failed to take any of them.

After our investigator had asked Suffolk Life for its case file, it said that having reviewed the whole case independently, there was now additional information available which hadn't been included within its original response. It still felt that it hadn't caused any actual financial loss. But acknowledged that it had provided poor customer service and caused a loss of expectation to Mr B. So it increased its distress and inconvenience offer by £250 for the loss of expectation the incorrect information it'd provided in January 2022 had caused. And for its poor communication with Mr B's adviser in November 2022.

Suffolk Life said that it hadn't been correct when it'd told provider P on 22 November 2022 that it'd recently made the decision to change its stance on allowing TIP investments. It said that it had always been the case that TIPs couldn't be held within Mr B's SIPP. But it felt that this didn't change the fact that the investment couldn't have been held and said it'd confirmed this to Mr B before the guarantee-date.

Mr B's adviser told this service that if Suffolk Life had provided the correct information at the start, or admitted its error earlier, he could've made changes to ensure Mr B got the better rate for his investment.

Our investigator acknowledged that Suffolk Life had incorrectly informed Mr B's adviser that Mr B could purchase the TIP with his provider P SIPP. And felt that this had led to a significant loss of expectation, distress and inconvenience to Mr B. But he felt that the original TIP quotation was never possible to obtain through Suffolk Life. So he didn't consider that it had caused any financial loss. He also felt that Suffolk Life had offered fair compensation for the loss of expectation, distress and inconvenience. Therefore he didn't think it should be required to take further steps to put things right.

Mr B didn't agree with our investigator. He made the following points through his adviser:

- He felt he would need to undertake a formal complaint process with provider P. And that the issues between provider P and Suffolk Life needed to be reviewed together.

- He felt he'd clearly suffered a financial loss, as he'd ended up with a lower guaranteed value for his TIP than he would've got but for Suffolk Life/provider P's errors.

Our investigator told Mr B's adviser that he wouldn't be able to review any complaint about provider P alongside this complaint.

Mr B's adviser then provided this service with more information about the process he'd followed. He explained that he'd first tried to ensure that the desired contract was available for Mr B. He said that if Suffolk Life had given the correct information about its availability in January 2022, Mr B would've moved SIPP provider. He acknowledged that Suffolk Life didn't agree. But said that it was key to remember that the SIPP itself wasn't important. Instead, the investments were. He said that moving a contract to access an investment was a regular and normal process.

Mr B's adviser said that the cash Mr B had needed for his desired investment was available at the end of May 2022 as other investments matured. And that, because Mr B knew that he could use the SIPP with provider P to buy the TIP he wanted, that money remained in the SIPP's current account whilst he and his adviser monitored interest rates. Mr B's adviser said that Suffolk Life would be able to confirm that Mr B had never held cash in the current account over that extended a time period before.

Mr B's adviser felt that this proved that he and Mr B were waiting to put the desired course of action into effect. He said that if they'd known they couldn't buy the TIP, they would've moved the money. And if they hadn't been bothered about accessing the specific TIP, they would've used more fixed rate cash. He said that the fact that Mr B sat on more current account cash than usual proved that his sole aim was to buy the specified TIP.

Mr B’s adviser said that when, in later October 2022, rates started to look compelling for the desired product, he ordered a formal quotation from the TIP provider. And completed and submitted the application form to Suffolk Life. But that despite him asking both parties to contact him to let him know what was going on, neither Suffolk Life nor provider P got in touch to say that they’d made an error and couldn’t do the investment after all. He also said that by the time Mr B’s financial loss was known, Suffolk Life changed its story. He said he’d been told the following as time went on:

“1. Confusion over which SIPP it was because some could hold and some couldn’t

2. That it was possible at the time of first request but subsequently wasn’t

3. That it wasn’t possible at time of first request but subsequently was”

Mr B’s adviser said that it didn’t matter what had actually gone wrong. He said that if Suffolk Life had given him correct information in January 2022, he and Mr B would’ve sourced a different SIPP for that portion of his funds. And if the error been pointed out promptly in November 2022, they could’ve sourced a different SIPP for Mr B.

Mr B’s adviser felt that the delay in completing the TIP contract from date of application in early November 2022 to April 2023 was wholly down to the actions of Suffolk Life.

As agreement couldn’t be reached, the complaint has come to me for a review.

I asked both Suffolk Life and Mr B’s adviser for further information.

Suffolk Life confirmed that the TIP had never been allowed in Mr B’s original SIPP but that it was allowable in an alternative SIPP that he could’ve switched to.

Suffolk Life acknowledged that Mr B would’ve had enough time to decide on a different course of action if it’d given his adviser the correct information in January 2022. But felt that as ten months had elapsed before the TIP application was actually submitted, it would expect an adviser to confirm the action was still possible before sending in the application. It also said that Mr B’s adviser had originally submitted an incorrect application for an annuity purchase which had caused a delay between 10 November 2022 and 21 November 2022.

Mr B’s adviser provided detailed further background on Mr B’s investment recommendations.

I issued my provisional decision on 1 February 2024. It said:

I’ve considered all the available 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 don’t agree with our investigator that Suffolk Life’s January 2022 mistake only caused Mr B a loss of expectation. In my view, if Suffolk Life had given Mr B’s adviser the correct information at this point, steps could’ve been taken to ensure that Mr B could access the TIP he wanted at the time he wanted to. I’ll explain the reasons for my decision.

As our investigator noted, while provider P was the provider of Mr B’s SIPP, it outsources some of the administration to Suffolk Life. My decision here only covers Mr B’s complaint against Suffolk Life.

I first considered if the TIP could be held in Mr B’s original SIPP.

Could the TIP be held in Mr B's original SIPP?

It's not disputed that Suffolk Life incorrectly told Mr B's adviser on 17 January 2022 that Mr B would be able to purchase the TIP within his SIPP.

Suffolk Life also emailed provider P on 22 November 2022 to say that it had "recently" decided that TIPs weren't an allowable investment in Mr B's SIPP. It shared this email with Mr B's adviser in January 2023. Then on 6 July 2023, in its response to the complaint, Suffolk Life said that the TIP hadn't actually been able to be held in any of its products until December 2022. And when it provided its case file to this service, Suffolk Life said that it hadn't been correct when it'd told provider P on 22 November 2022 that it'd recently decided that TIPs weren't an allowable investment in Mr B's SIPP. It said that TIPs could never be held within Mr B's SIPP.

Therefore I understand that Mr B could never have purchased his desired TIP in his existing SIPP with provider P. This is supported by the fact that Mr B transferred his SIPP with provider P to a SIPP with Suffolk Life to allow his second TIP application to proceed.

I next considered what I thought would've happened if Suffolk Life had given Mr B's adviser the correct information in January 2022. That is, if it had told him that Mr B's existing SIPP didn't allow the desired TIP.

What should've happened?

Mr B's adviser felt that if Suffolk Life had given him correct information in January 2022, he and Mr B would've found a different SIPP which did permit the desired TIP. He felt that Suffolk Life was responsible for the delay in completing the TIP contract from the original date of application in early November 2022 to April 2023. And that it was therefore responsible for the reduction in maturity value that Mr B had obtained.

Suffolk Life felt that it hadn't caused any actual financial loss. It felt that the incorrect information it'd provided had caused a loss of expectation to Mr B. It said that the TIP couldn't have been held in Mr B's existing SIPP, and that it'd confirmed this to Mr B before the guarantee-date had expired.

The evidence shows that Suffolk Life didn't actually inform Mr B - or his adviser - that he couldn't hold the TIP in his existing SIPP before the guarantee-date expired. But I can see that it thought it was doing so when it asked provider P on 22 November 2022 to contact Mr B's adviser to find out how Mr B wanted to proceed.

I've considered what might've happened if either Suffolk Life or provider P had informed Mr B's adviser on 22 November 2022 that Mr B couldn't hold the TIP in his current SIPP. Having done so, I'm not persuaded that there was enough time for Mr B and his adviser to find a new SIPP provider that could've processed his application by the guarantee-date. I say this because there were only six working days left at this point before the guarantee-date expired. Therefore, although I think this failure to communicate to Mr B and his adviser demonstrates poor service, I can't fairly say that it led to the application not being processed by the guarantee-date.

However, I am persuaded that if Suffolk Life had given Mr B's adviser the correct information in January 2022, or at any other point up to mid-November 2022, Mr B would've decided to transfer into a different SIPP which would accept the TIP. He would've had enough time to do so. And as Suffolk Life said that it hadn't offered a product that could accept the TIP until December 2022, I'm not persuaded by its argument that if Mr B had switched to the alternative SIPP he did eventually switch to, he wouldn't have been able to access the TIP *by the 30 November 2022 guarantee-date as the new SIPP wouldn't have allowed it at that point. I say this because, given the correct information in January 2022, Mr B would've realised that if he wanted to invest in the TIP, he'd have to transfer his SIPP to another provider. I also say this because Mr B's adviser has provided compelling testimony explaining why the SIPP itself didn't matter– instead, the investment was key to Mr B.*

Therefore I'm satisfied that if Suffolk Life had told Mr B's adviser that Mr B couldn't hold the TIP in his existing SIPP, he would've found a SIPP provider which could, at that time, offer the required TIP.

Suffolk life has noted that, 10 months after Mr B's adviser asked it to confirm Mr B's SIPP could hold the TIP, things could've changed. Although they didn't change with Mr B's SIPP with provider P, I appreciate that they could've changed with any new provider. But I'm more persuaded that nothing would've changed. So I consider that, given the correct information in January 2022, Mr B would've been able to access the 30 November 2022 guaranteed maturity value. As such, I'm satisfied that it was Suffolk Life's initial and persistent error about what could be held in the SIPP that caused Mr B's financial loss.

I've already been persuaded that Suffolk Life's January 2022 error led to Mr B's financial loss. But I've also considered what happened in November 2022.

What happened in November 2022?

Suffolk Life recently told this service that Mr B's adviser had originally submitted an incorrect application for an annuity purchase which had caused a delay between 10 November 2022 and 21 November 2022. But this wasn't the case.

The evidence shows that the original application form was a TIP application, not one for an annuity purchase. And that Mr B had signed the application on 7 November 2022.

Suffolk Life's own response to Mr B's adviser on 6 July 2023 acknowledged that it had mistaken the instructions he'd sent in early November 2022 for an annuity purchase. And that provider P had told it that it was in fact a TIP application, not an annuity purchase, on 21 November 2022.

Suffolk Life also told provider P on 22 November 2022 that the form that Mr B's adviser had send was: "definitely an annuity purchase form, not a form for to purchase a TIP".

Therefore, there's no evidence to support Suffolk Life's allegation that an incorrect application was submitted. Instead, the evidence shows that Suffolk Life mistakenly thought the 8 November 2022 instruction was for an annuity purchase.

From what I've seen, if Suffolk Life had correctly identified the TIP application, and then immediately informed Mr B's adviser that such an application wasn't possible in Mr B's current SIPP, there may have still been time for Mr B to take action to move his SIPP somewhere he could access the desired TIP before the guarantee-date.

While I can't be sure whether there would've been time or not, the evidence is clear that it was Suffolk Life's error that caused the delay from when the application was received and 21 November 2021, when provider P correctly identified the application as a TIP application.

If Suffolk Life had correctly identified the application from the start, it could've told Mr B's adviser that the TIP purchase wasn't possible in early November 2022, rather than asking provider P to tell him on 22 November 2022. If it had, it's unclear whether Mr B would've still been able to access the initial higher maturity value by the guarantee-date. But he might've *had the chance.*

Looking at the process as a whole, I agree with Mr B's adviser that if Suffolk Life had given him the correct information in January 2022, he and Mr B would've been able to take action to access the November 2022 guaranteed figure. I also agree that if Suffolk Life had handled the November 2022 situation better, the same result could've been achieved. Therefore I'm persuaded that but for Suffolk Life's errors and poor service, Mr B would've achieved a maturity value on his investment that was £34,736 more than he was eventually able to obtain.

I finally considered the distress and inconvenience Suffolk Life has caused Mr B.

Distress and inconvenience

Suffolk Life has made the following offers to Mr B:

- *17 February 2023 - a hamper*
- *6 July 2023 - £500 for incorrectly confirming that the TIP could be held within the SIPP in January 2022.*
- *21 September 2023 - £250 for the loss of expectation the incorrect information it'd provided in January 2022 had caused. And for its poor communication with Mr B's adviser in November 2022.*

Based on what I've seen, and given that I intend to require Suffolk Life to put Mr B pack into the position he would've been in but for its errors and poor customer service, I'm satisfied that a total of £750 for the distress and inconvenience caused is fair.

Putting things right

My aim in awarding fair compensation is to put Mr B back into the position he would likely have been in, had it not been for Suffolk Life's error. I think this would have meant he obtained a maturity value of £616,236 from his TIP on 20 April 2026, rather than the £581,500 he will actually receive at that date. This means that Mr B will suffer a loss of £34,736 on 20 April 2026 within his SIPP with Suffolk Life.

In order to place a value on this loss at the date of any final decision, I intend to ask Suffolk Life to pay Mr B the present value of £34,736 payable on 20 April 2026, calculated using the Bank of England base rate at the date of any final decision.

The compensation amount should if possible be paid into Mr B's SIPP with Suffolk Life. 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 Mr B as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

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

I've not been provided with details about whether any payments for distress and inconvenience have yet been made to Mr B. If Suffolk Life has already paid the £750 it offered to Mr B, it need take no further action on this point. But if it hasn't yet paid this compensation to Mr B, I intend to require it to also pay Mr B £750 compensation for the distress and inconvenience it has caused him.

Response to my provisional decision

Suffolk Life felt that I'd assumed that nothing would've changed in the 10-month gap between it providing the adviser with the incorrect information and him then acting on it. It felt that the situation could've changed. And that if the adviser had contacted it during that period, it would've confirmed that the desired investment wasn't allowed within the existing SIPP. Suffolk Life felt that Mr B and his adviser should've checked that the product was still available during the 10 months, as it felt that the allowable assets within SIPPs frequently changed.

Suffolk Life felt that the 10 months that had passed between the incorrect information being provided and any action being taken meant that there was more than enough time to decide on a different course of action. It also said that the adviser had originally submitted an incorrect application for an annuity purchase which had also added a delay. And that if he hadn't, Mr B may have had time to change provider and still access the desired investment.

Suffolk Life didn't think it was fair for it to have to look into financial loss because the adviser didn't act on the incorrect information for 10 months. It also said that it had confirmed to Mr B before the expiry of the guarantee date that the desired investment couldn't be held within the existing SIPP.

Mr B had nothing further to add.

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.

Suffolk Life repeated its point that things could've changed in the 10 months between it giving Mr B's adviser incorrect information and Mr B's application for the TIP. It said that if the adviser had contacted it during that period, it could've corrected the mistake and Mr B would've still had time to access the TIP. It also noted that allowable assets within SIPPs frequently changed.

I covered most of these points in my provisional decision. I acknowledged that things could've changed. But I was more persuaded that nothing would've changed. While I can't definitively know what would've happened if the correct information had been provided in January 2022, I still consider that if the correct information had been provided in January 2022, Mr B would've been able to access the 30 November 2022 guaranteed maturity value. Therefore I remain of the view that Suffolk Life's initial and persistent error about what could be held in the SIPP caused Mr B's financial loss.

I understand why Suffolk Life feels that if Mr B's adviser had called it to check that the TIP was still available in Mr B's existing SIPP at any point in the 10 month gap, Mr B would've had time to access the TIP. But I don't consider that the adviser had any reason to call to check.

I acknowledge that Suffolk Life has repeated its point that the adviser submitted an incorrect application form for an annuity purchase, thus causing a delay. But I noted in my provisional decision that there's no evidence that this is correct.

I said that the evidence showed that the original application form was a TIP application which Mr B had signed on 7 November 2022. I also said that Suffolk Life itself had acknowledged on 6 July 2023 that it had mistaken the instructions Mr B's adviser had sent in early November 2022 for an annuity purchase. And that it had told provider P on 22 November 2022 that the form that Mr B's adviser had send was: "*definitely an annuity purchase form, not a form for to purchase a TIP*". Therefore I don't agree that the adviser did submit the wrong form.

I also acknowledge that Suffolk Life considers that it confirmed to Mr B before the initial expiry date that he couldn't hold the TIP in his existing SIPP. But again, I covered this in my provisional decision.

I noted that while Suffolk Life asked provider P on 22 November 2022 to contact Mr B's adviser to find out how Mr B wanted to proceed, it didn't actually contact him. Nor did provider P. I also felt that even if Suffolk Life/provider P had contacted Mr B on 22 November 2022, there wasn't enough time for Mr B and his adviser to find a new SIPP provider that could've processed his application by the guarantee-date, as there were only six working days left at this point before the guarantee-date expired.

Having considered the points made, they don't change my decision. So I remain of the view I set out in my provisional decision.

Putting things right

My aim in awarding fair compensation is to put Mr B back into the position he would likely have been in, had it not been for Suffolk Life's error. I think this would have meant he obtained a maturity value of £616,236 from his TIP on 20 April 2026, rather than the £581,500 he will actually receive at that date. This means that Mr B will suffer a loss of £34,736 on 20 April 2026 within his SIPP with Suffolk Life.

In order to place a value on this loss at the date of any final decision, I require Suffolk Life to pay Mr B the present value of £34,736 payable on 20 April 2026, calculated using the Bank of England base rate at the date of my final decision.

The compensation amount should if possible be paid into Mr B's SIPP with Suffolk Life. 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 Mr B as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

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

I've not been provided with details about whether any payments for distress and inconvenience have yet been made to Mr B. If Suffolk Life has already paid the £750 it offered to Mr B, it need take no further action on this point. But if it hasn't yet paid this compensation to Mr B, I also require it to pay Mr B £750 compensation for the distress and inconvenience it has caused him.

If payment of compensation is not made within 28 days of Suffolk Life receiving Mr B’s acceptance of my final decision, interest must be added to the compensation at the rate of 8% per year simple from the date of my final decision to the date of payment.

Income tax may be payable on any interest paid. If Suffolk Life deducts income tax from the interest, it should tell Mr B how much has been taken off. Suffolk Life should give Mr B a tax deduction certificate in respect of interest if he asks for one, so he can reclaim the tax on interest from HMRC if appropriate.

My final decision

For the reasons set out above, I uphold Mr B’s complaint. Suffolk Life Pensions Limited 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 Mr B to accept or reject my decision before 13 March 2024.

Jo Occleshaw
Ombudsman