

The complaint

Mr P complains about St James's Place's (SJP) actions – which caused him significant stress and inconvenience – when his personal pension was erroneously transferred to a new provider. He says he had to spend a lot of time contacting SJP over several weeks trying to get his funds returned – much of which was while his was on holiday, which was spoilt by the stress he endured during that time.

What happened

Mr P held a personal pension managed by SJP. In July 2023 he became aware that his funds had been transferred to another provider although he hadn't authorised or instructed the transfer. Mr P said he learned that there had been some confusion around the account number that was used to request the transfer and then spent some weeks having to chase up the return of his funds which was eventually confirmed verbally on 8 August 2023 – although he didn't receive the written confirmation that had been promised.

So Mr P complained to SJP about what he thought was breach of the General Data Protection Regulation (GDPR). He said SJP had provided him with a poor service and had caused him significant stress and inconvenience. He thought SJP should compensate him for the GDPR breach and the stress he'd suffered.

SJP said that after it had received a request to transfer Mr P's pension funds it did query the account number as it wasn't the same number that it held for his plan. But it did transfer the funds. It said that when Mr P called to question why his plan had been transferred it then told the new provider that the instruction to transfer wasn't from Mr P – and liaised with it to get the funds returned. As part of that process the investment returns that had occurred while the funds had been transferred away were then repaid to SJP and reinvested from the original date of disinvestment. Therefore it didn't think Mr P hadn't suffered any investment loss.

Mr P didn't think SJP's response was fair, so he brought his complaint to us where one of our investigators looked into the matter. He didn't think SJP had acted fairly and thought it needed to demonstrate, in writing, that it had put Mr P's pension plan back into the position it would have been had the transfer not taken place. He also said SJP should pay Mr P £500 for the trouble and upset caused which was made worse by its failure to return his calls and send emails it promised during what was a difficult time for Mr P as he was on holiday.

SJP agreed to pay the compensation and provided a valuation statement to reflect the correct position of Mr P's plan. But Mr P didn't agree.

He didn't think the compensation reflected either the time spent contacting SJP to get the matter resolved – some of which he had to do while on a family holiday and therefore *"ruined"* his enjoyment of it – nor the amount of stress and anxiety the whole matter caused him and his family. He thought a figure of £2,500 was more appropriate as this reflected the cost of his holiday which he thought had been affected hugely by events.

SJP wasn't prepared to offer further compensation, so the matter was referred to an ombudsman and has 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 agree with the outcome reached by the investigator. I know this outcome will disappoint Mr P and I have some sympathy for his position here. But I think the compensation recommended by the investigator is at the right level and I'm satisfied that Mr P's pension is now in the position it should be in had the transfer not gone ahead – so I'll explain my reasoning.

The erroneous transfer

It's not in dispute that Mr P didn't request a transfer of his pension plan to a new provider and when the provider sent a transfer request to SJP it gave his details but the account number of another planholder. This was clearly an error from the provider as SJP itself said it then asked for clarification of the number as it didn't align with the records it held for Mr P. So although I agree that the other provider was at fault, I agree with the investigator that SJP ought to have done more and carried out more extensive and robust checks to confirm if the transfer request was in fact from Mr P.

Having said that, I would then have expected both parties to have acted quickly to mitigate any possible financial loss or inconvenience arising as a result. I've seen that following the erroneous transfer on 14 July 2023 Mr P raised concerns on 20 July and the funds were returned to SJP on 25 July. I note there was a delay until 8 August 2023 until the funds were invested back into Mr P's plan – and I'll return to the impact of that delay later – but I think the reasons for it were because the amount returned wasn't the same as that originally transferred because of investment growth, and the reference number used may have been incorrect. So it would seem that SJP were unable to reconcile the funds straight away. I have though included the delay as part of my overall consideration of a compensatory award.

I also need to consider SJP's actions in respect of whether Mr P suffered any financial loss as a result of the transfer, but I'm satisfied that the error was corrected within a reasonable timescale and, more importantly, I'm satisfied that Mr P's plan has been put back into the position it ought now to be in had the transfer not occurred – including the growth that was made while the funds were with the new provider. So I don't think Mr P has suffered any financial loss to his pension plan. SJP has provided sufficient evidence in my view to persuade me that's the case.

The stress and inconvenience caused and the compensation recommendation

As I've set out above, the time from when Mr P first raised his concern about the transfer taking place to when the money was put back into his plan was around 19 days or so. So Mr P was entitled to be concerned about his funds not being with SJP and invested into his plan for at least this length of time.

And Mr P has provided substantial evidence to support the number of contacts he made during this time as well as details of when SJP didn't return some calls or failed to send emails it had promised to provide. I also note that around one month after the funds were returned to his pension, he still hadn't received the written confirmation he'd requested.

I don't take lightly the impact this would have had on Mr P and I can imagine the stress and concern he would have experienced being unsure of his funds whereabouts for that length of time. This was also impacted by Mr P being on a family holiday for some of the time and having to make calls which I can appreciate would have distracted him from events and

taken up some of his time. Mr P feels that compensation around the cost of the holiday would be fair and reasonable in this case because he says it was “*completely ruined*” because of the continual need to speak to SJP and his ongoing worry which pre-occupied him.

But the reason Mr P had to contact SJP was primarily to resolve an error that was made by the other provider – albeit I’ve said SJP might have done more to prevent it, but SJP didn’t make the initial error, so I don’t think it would be fair for me to tell it to compensate Mr P for the cost of his holiday.

But I need to consider the impact all of this had on Mr P and there’s no dispute the distress and inconvenience caused to him from the time taken communicating with SJP, not always getting the responses he was expecting, and being concerned for the whereabouts of his money over a period of weeks. This includes the parts of his holiday when he might have been doing something else rather than speaking with SJP.

An award for compensation isn’t designed to punish a business but reflect the impact the error had on a consumer. I think SJP’s actions here had a significant impact on Mr P which required a lot of effort to put right over a period of weeks. I think an award of £500 is fair and reasonable therefore and within the range of what I’d usually recommend for such an impact. So I think that’s what SJP should pay.

My final decision

For the reasons that I’ve given I uphold Mr P’s complaint against St James’s Place UK plc. St James’s Place UK plc should pay Mr P £500 for the impact of its actions arising from the erroneous transfer of his pension to another provider.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 10 June 2024.

Keith Lawrence
Ombudsman