

## **The complaint**

Mr A complains that Virgin Money Unit Trust Managers Ltd (Virgin Money) will not provide an indemnity for a bank to reclaim the funds alleged to have been fraudulently transferred in 2012.

## **What happened**

The history leading up to this complaint is well known to the parties so I will only summarise key events that are relevant to this complaint.

Mr A previously held a stakeholder pension with Virgin Money. In 2012 he requested to transfer this pension to an occupational scheme. The transfer was completed in February 2012 and approximately £26,000 was paid to the new scheme.

Since that time, it has come to light that Mr A's occupational scheme was a vehicle for pension liberation – the process by which pensions are accessed in an unauthorised way. This can leave victims paying punitive tax charges and having to deal with the consequences of having their pension invested in an inappropriate way.

Mr A complained to Virgin Money about its actions when the transfer took place. This matter has been dealt with separately and a decision issued on the matter.

Mr A also complained to the bank he believed held the fraudulently accessed funds. The bank said that in order for it to attempt to return his funds, it required an indemnity from Virgin Money.

Mr A approached Virgin Money about the indemnity. They declined to provide such a letter and Mr A complained.

Virgin Money ultimately responded to the complaint confirming that they would not agree to send an indemnity to the bank to refund the pension funds transferred in 2012. They said this would be admitting a mistake had been made and they did not agree that was the case.

Mr A then referred the matter to this Service. One of our investigators considered things and ultimately concluded that Virgin Money hadn't done anything wrong in not agreeing to the indemnity.

Dissatisfied with this response, Mr A asked for his complaint to be referred to an ombudsman 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.

Having done so, I have reached the same conclusion as the investigator and for broadly the same reasons.

It is my role to fairly and reasonably decide if the business has done anything wrong in respect of the individual circumstances of the complaint made and – if I find that the business has done something wrong – award compensation for any material loss or distress and inconvenience suffered by the complainant as a result of this.

It is evident that Mr A has strong feelings about this complaint. He has provided detailed arguments to support his case which I can confirm I've read and carefully considered. However, I trust Mr A will not take the fact that my findings focus on what I consider to be the central issues, as a discourtesy. The purpose of my decision isn't to address every point raised, but instead to set out my conclusions and reasons for reaching them.

Additionally, I want to make clear that this decision concerns solely the issue of indemnity and not whether Virgin Money is responsible for any losses arising from the pension transfer in 2012. This has been dealt with separately and so will not and cannot be revisited here.

Virgin Money maintains that they acted correctly when following Mr A's instructions to transfer his pension. Providing an indemnity would mean that Virgin Money agree to cover Mr A's lost pension funds. But whilst I empathise with Mr A's situation and don't doubt how difficult things have been for him, in the absence of any evidence of a finding of liability or an admission of such from Virgin Money, I'm simply unable to say that Virgin Money have done anything wrong in refusing to provide the bank with an indemnity.

Therefore, on this very narrow issue of whether it was fair and reasonable for Virgin Money to decline to indemnify the bank for the pension funds, I've not seen sufficient evidence to conclude that it wasn't.

So, for all these reasons, whilst I know Mr A will be disappointed with this outcome, I'm not upholding his complaint.

### **My final decision**

For the reasons I've explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 February 2025.

Jennifer Wood  
**Ombudsman**