DRN-5011023

The complaint

Mr F has complained about the transfer of his personal pensions from The Royal London Mutual Insurance Society Limited ("Royal London") to a small self-administered scheme ("SSAS") in 2014. Mr F's transfer proceeds were invested, largely, in The Resort Group ("TRG"), an overseas hotel development that has since run into trouble. The investment now appears to have little value.

Mr F says Royal London failed in its responsibilities when dealing with his transfer requests. He says that it should have done more to warn him of the potential dangers of transferring, and undertaken greater due diligence on the transfer, in line with the guidance he says was in place at the time. Mr F says he wouldn't have transferred, and therefore wouldn't have put his pension savings at risk, if Royal London had acted as it should have done.

What happened

Mr F says he was cold called in 2014 and offered a free pension review. He took this offer up, meeting a "Mr B" from First Review Pension Services Limited ("FRPS") on two occasions. On 16 April 2014, Royal London wrote to FRPS with information on Mr F's personal pensions and details on how to transfer them. Mr F had three personal pensions with Royal London. It said Mr F had provided it with a letter of authority allowing FRPS to ask for that information. FRPS wasn't authorised by the Financial Conduct Authority ("FCA").

Shortly afterwards, in early May, a company was incorporated with Mr F as director. I'll refer to this company as "M Ltd". On 28 May, Mr F's SSAS was registered with HMRC.
M Ltd was the SSAS's sponsoring employer and Cantwell Grove Limited the scheme administrator.

In June, Cantwell Grove wrote to Royal London requesting a transfer of two of Mr F's Royal London personal pensions to the newly established SSAS. Cantwell Grove's covering letter said it supported industry initiatives to tackle pension liberation – the process by which pension benefits are accessed in an unauthorised manner (before normal retirement age for example). To that end, Cantwell Grove said it had spoken to Mr F about pension liberation, had provided him with the appropriate "Scorpion" warning leaflet (the details of which I covered in my provisional decision) and had received confirmation from Mr F that he wasn't attempting to access his pension before the age of 55 and wasn't receiving a cash incentive to transfer.

Included in Cantwell Grove's transfer request were a number of documents, including:

- A scheme details "Q&A" which summarised the key elements of Mr F's SSAS. Included in this was reference to Central Markets Investment Management Limited ("CMIM"), a FCA regulated firm, which was said to be providing advice to the trustee of the SSAS (which was Mr F) as required under Section 36 of the Pensions Act 1995. Ultimately this role was fulfilled by Broadwood Assets Limited (which wasn't authorised by the FCA).

- A letter confirming that Cantwell Grove was willing to accept a transfer of Mr F's policies, along with details of the bank account the transfer values were to be paid into.

- A signed letter from Mr F confirming that he wasn't attempting to access his pension before the age of 55 and wasn't receiving a cash incentive to transfer. The letter said he was transferring in order to benefit from the investment opportunities that were available through the SSAS.

- A SSAS transfer-in request form, signed by Mr F.

- A letter from HMRC confirming Mr F's SSAS had been registered on 28 May 2014.

- The trust deed and rules for Mr F's SSAS.

On 18 June, Royal London wrote to Cantwell Grove and Mr F to confirm the transfer of the two policies. The combined transfer value was approximately £26,000. On 30 June, Mr F signed a letter to say he had read and understood the advice given to him by Broadwood Assets Limited which had written to him, in his capacity as scheme trustee, on the appropriateness of TRG as an investment for the SSAS. On 10 July, the SSAS invested £22,900 in TRG.

On 7 July, Cantwell Grove sent in a similar transfer request (including similar supporting documents) for Mr F's other Royal London policy. Royal London wrote to Cantwell Grove and Mr F on 16 July to confirm that transfer had also gone through. The transfer value was just over £10,000. A further £5,400 was invested in TRG on 5 August. In December, £6,131 was invested in Parmenion, which I understand to be a discretionary fund manager.

Mr F was 46 at the time of the transfers. He didn't transfer any other policies and he hasn't indicated having any other pension arrangements at that time.

Although some income was received from TRG, it appears as though the investment has run into trouble to the extent that it now appears to be illiquid and that Mr F – like many others – will struggle to realise any further value from it. In 2020, Mr F complained to Royal London. Briefly, his argument is that Royal London ought to have spotted, and told him about, a number of warning signs in relation to the transfer, including (but not limited to) the following: the SSAS was newly registered, there wasn't a genuine employment link to the sponsoring employer, the catalyst for the transfer was an unsolicited call, he had been promised unrealistically high investment returns and he had been advised by an unregulated business.

Royal London didn't uphold the complaint. It referred to the scheme's Q&A which pointed to CMIM, a regulated adviser, giving advice on the scheme's investments. It thought that this, plus the fact that Mr F had confirmed he had read the Scorpion warning materials, was enough to give it comfort about the transfer.

I provisionally concluded that the complaint shouldn't be upheld. Royal London had no further comments. Mr F made a number of comments which I address below.

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.

Rather than repeat everything I said in my provisional decision, I will focus on what Mr F has said in response to that decision (Royal London having had nothing further to add). My provisional decision is, however, attached and forms part of my final decision.

In my provisional decision, I took the view that Royal London didn't need to conduct further, detailed, due diligence along the lines of the check list in the Scorpion action pack. I came to

that view because businesses at that time were directed towards the threat posed by pension liberation and Mr F had already indicated to Royal London, in the clearest of terms, that he wasn't intending to take his pension before the age of 55 and wasn't expecting to receive a payment or incentive for transferring. He said this in a signed letter included in his transfer papers, in which he said:

"The purpose of this letter is to provide you with additional confirmation of the basis upon which I have made this request and to seek to provide a record of the fact that I am aware of the issues relating to pensions liberation. Indeed I have carefully considered my decision to request a transfer to the Scheme and have not made it lightly."

"In making this transfer I am not seeking to access my pension benefits before age 55 and I am aware of the potentially significant tax liabilities that would arise were I attempt to do so. Indeed the trust deed and rules of the Scheme do not permit benefits to be taken prior to age 55, except in circumstances of ill health which meet HMRC requirements. I also confirm that I have not been offered any cash or other incentive by any person as part of my decision to transfer my pension to the Scheme."

In response, Mr F argues that the approach I took would only withstand scrutiny if one defines pension liberation as being just the early access of pension funds. In Mr F's view, pension liberation is far broader and encompasses the type of activity that he fell victim to, specifically situations where pension funds are "liberated" from well-regulated UK pension schemes in order to end up in high risk, unregulated, overseas investments. Mr F doesn't therefore view the letter referred to above as being as reassuring as it first appears. By extension, he thinks Royal London couldn't have relied on it and should therefore have undertaken further due diligence on his transfer.

I'm not persuaded Mr F's description of pension liberation was what the tax authorities had in mind given no one appears to have tried to extract funds from his pension in an unauthorised manner. Nevertheless, there's a kernel of a legitimate argument here in so far as pension liberation can take many forms and isn't limited to situations involving the release of funds before the age of 55. Even so, I'm satisfied that the focus of a business's due diligence didn't have to be as wide-ranging as Mr F argues. To make this point I think it's helpful to refer to the February 2013 Scorpion guidance (which is the relevant one for Mr F's complaint) and the Scorpion guidance that was issued in July 2014 (which was after Mr F's transfers):

- The front page of the 2013 Scorpion insert has the following message: "Companies are singling out savers like you and claiming that they can help you cash in your pension early. If you agree to this you could face a tax bill of more than half your pension *savings*." Whereas the front page of the 2014 Scorpion insert says the following: "*A lifetime's savings lost in a moment…Pension Scams. Don't get stung*."

- The 2013 Scorpion insert goes on to say: "*Pension loans or cash incentives are being used alongside misleading information to entice savers as the number of pension scams increases. This activity is known as 'pension liberation fraud' and it's on the increase in the UK. In rare cases – such as terminal illness – it is possible to access funds before age 55 from your current pension scheme. But for the majority, promises of early cash will be bogus and are likely to result in serious tax consequences*." The 2014 Scorpion insert also warns about taking cash from a pension before the age of 55. But it also warns about the dangers of "*one-off investment opportunities*" and the potential to lose an entire pension pot. Tax isn't mentioned at all.

- The 2013 Scorpion action pack is titled 'Pension Liberation Fraud'; the 2014 action pack is titled 'Pension Scams'.

- The case studies in the 2013 Scorpion action pack are solely about people wanting to use their pension in order to access cash, the repercussions of which were tax charges and the loss of some pension monies to high administration fees. The warning signs that were highlighted followed suit: “accessing a pension before age 55”, “cash bonus”, “targeting poor credit histories”, “loans to members”. In contrast, the 2014 action pack included a case study about someone transferring in order to benefit from a “unique investment opportunity” – an overseas property development – which subsequently failed causing the consumer to lose his entire pension.

The above shows that at the time of Mr F’s transfer, efforts to protect transferring members were directed towards the types of activity that Mr F told Royal London he was aware of and wasn’t engaged in. It was only later that the dangers of being lured into an inappropriate investment – and the risk of losing an entire pension as a result – were highlighted by the Scorpion guidance and by the FCA.

In coming to this conclusion, I’ve considered Mr F’s point that the TPR press release that accompanied the launch of the Scorpion guidance had the following statement:

“The remainder of their funds are likely to be invested in highly dubious and risky, unregulated investment structures, often based overseas. The amount that has been ‘liberated’ from pension schemes in this way is known to be in the hundreds of millions of pounds, with thousands of members affected.”

Mr F’s point is that accessing pensions early wasn’t the only concern of the guidance – unregulated, overseas, investments were also a concern. But the context within which the above quote is framed is important here. On reading the press release as a whole, it’s clear that attention isn’t being drawn to overseas investments in order for ceding schemes to view them as a scam threat in their own right. Rather, overseas investments are presented as a possible feature of scams involving the early access of pension funds – and it is the early access of pension funds that is presented as the threat ceding schemes are told to be guarding against. The point is illustrated by the 2013 Scorpion action pack which says:

“One technique that pension fraudsters use is to send a large portion of the pension transfer overseas. This makes the funds harder to trace and retrieve when the arrangement is closed down.”

The portrait of a scam as sketched out in the 2013 guidance isn’t therefore one where the transferring member is motivated by a specific investment of the type Mr F invested in. Instead, the transfer overseas is a means to misappropriate the transferred funds which were transferred for other reasons – namely to access funds in an unauthorised way. As explained above, it was only in 2014 that the emphasis changed and schemes were directed towards members wanting to transfer because they had become interested in a particular investment opportunity. All this needs to be kept in mind when looking at what Royal London should have done and the extent to which Mr F could, realistically, have been viewed as liberating his pension.

In response to my provisional decision, Mr F also says he *isn’t* arguing that the check list in the Scorpion action pack should be deployed on every transfer. He accepts businesses could conduct due diligence that was proportionate to the apparent threat posed by a transfer request. He goes on to list the type of transfer that wouldn’t, in his view, necessitate further detailed due diligence which includes, for instance, transfers involving FCA regulated IFAs. But he goes on to say why his transfer request should still have prompted Royal London to follow the check list. Whilst I’ve taken on board Mr F’s comments, they don’t ultimately move us very far forward. Mr F’s view was – and remains – that a proportionate response to due diligence would have been to follow the check list. For the reasons given in

my provisional decision, and above, I disagree.

Mr F has also referred again to what he believes to be an inconsistent approach between Royal London's handling of his transfer and what it has said in an article from 2016 about its approach to another transfer which had similar circumstances to his own. Mr F questions why Royal London appears to have endorsed a more thorough approach to due diligence than the one it deployed in his transfer, especially given the concerns he says Royal London had about similar looking transfer requests at that time.

As a general point, I don't think it would be fair and reasonable for me to make a decision based on eight-year old commentary relating to a different transfer, the specific circumstances of which I've no sight of. More specifically, I come back to the point I made in my provisional decision which is that I'd expect a transferring scheme to assess each transfer request on its own individual facts. So that may well result in different outcomes based on what appear to be similar circumstances. That doesn't necessarily mean the business has acted unfairly or has fallen short of what it should have done. With this in mind, and given the specific facts of Mr F's transfer, I'm satisfied Royal London didn't need to undertake the due diligence that Mr F has suggested. Royal London could reasonably have considered the threat it had been told to lookout for – pension liberation – was low.

For similar reasons, I won't be commenting on the ombudsman's decision that Mr F has pointed me to. The issue before me is Mr F's transfer, my views on which I've outlined in my provisional decision and above.

For the reasons given in my provisional decision, and above, I don't uphold Mr F's complaint.

COPY PROVISIONAL DECISION

The complaint

Mr F has complained about the transfer of his personal pensions from The Royal London Mutual Insurance Society Limited ("Royal London") to a small self-administered scheme ("SSAS") in 2014. Mr F's transfer proceeds were invested, largely, in The Resort Group ("TRG"), an overseas hotel development that has since run into trouble. The investment now appears to have little value.

Mr F says Royal London failed in its responsibilities when dealing with his transfer requests. He says that it should have done more to warn him of the potential dangers of transferring, and undertaken greater due diligence on the transfer, in line with the guidance he says was in place at the time. Mr F says he wouldn't have transferred, and therefore wouldn't have put his pension savings at risk, if Royal London had acted as it should have done.

What happened

Mr F says he was cold called in 2014 and offered a free pension review. He took this offer up, meeting a "Mr B" from First Review Pension Services Limited ("FRPS") on two occasions. On 16 April 2014, Royal London wrote to FRPS with information on Mr F's personal pensions and details on how to transfer them. Mr F had three personal pensions with Royal London. It said Mr F had provided it with a letter of authority allowing FRPS to ask for that information. FRPS wasn't authorised by the Financial Conduct Authority ("FCA").

Shortly afterwards, in early May, a company was incorporated with Mr F as director. I'll refer to this company as "M Ltd". On 28 May, Mr F's SSAS was registered with HMRC. M Ltd was the SSAS's sponsoring employer and Cantwell Grove Limited the scheme administrator.

In June, Cantwell Grove wrote to Royal London requesting a transfer of two of Mr F's Royal London personal pensions to the newly established SSAS. Cantwell Grove's covering letter said it supported industry initiatives to tackle pension liberation – the process by which pension benefits are accessed in an unauthorised manner (before normal retirement age for example). To that end, Cantwell Grove said it had spoken to Mr F about pension liberation, had provided him with the appropriate "Scorpion" warning leaflet (the details of which I cover later) and had received confirmation from Mr F that he wasn't attempting to access his pension before the age of 55 and wasn't receiving a cash incentive to transfer.

Included in Cantwell Grove's transfer request were a number of documents, including:

- A scheme details "Q&A" which summarised the key elements of Mr F's SSAS. Included in this was reference to Central Markets Investment Management Limited ("CMIM"), a FCA regulated firm, which was said to be providing advice to the trustee of the SSAS (which was Mr F) as required under Section 36 of the Pensions Act 1995. Ultimately this role was fulfilled by Broadwood Assets Limited (which wasn't authorised by the FCA).

- A letter confirming that Cantwell Grove was willing to accept a transfer of Mr F's policies, along with details of the bank account the transfer values were to be paid into.

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Mr F was 46 at the time of the transfers. He didn't transfer any other policies and he hasn't indicated having any other pension arrangements at that time.

Although some income was received from TRG, it appears as though the investment has run into trouble to the extent that it now appears to be illiquid and that Mr F – like many others – will struggle to realise any further value from it. In 2020, Mr F complained to Royal London. Briefly, his argument is that Royal London ought to have spotted, and told him about, a number of warning signs in relation to the transfer, including (but not limited to) the following: the SSAS was newly registered, there wasn't a genuine employment link to the sponsoring employer, the catalyst for the transfer was an unsolicited call, he had been promised unrealistically high investment returns and he had been advised by an unregulated business.

Royal London didn't uphold the complaint. It referred to the scheme's Q&A which pointed to CMIM, a regulated adviser, giving advice on the scheme's investments. It thought that this, plus the fact that Mr F had confirmed he had read the Scorpion warning materials, was enough to give it comfort about the transfer.

Our investigator was unable to resolve the dispute informally, so the matter was passed to me to decide. Mr F has provided further evidence and arguments since we started to investigate his complaint, all of which I've reviewed.

What I've provisionally 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.

The relevant rules and guidance

Personal pension providers are regulated by the FCA. Prior to that they were regulated by the FCA's predecessor, the Financial Services Authority (FSA). As such Royal London was subject to the FSA/FCA Handbook, and under that to the Principles for Businesses (PRIN) and to the Conduct of Business Sourcebook (COBS). There have never been any specific FSA/FCA rules governing pension transfer requests, but the following have particular relevance here:

- Principle 2 – A firm must conduct its business with due skill, care and diligence;
- Principle 6 – A firm must pay due regard to the interests of its customers and treat them fairly;
- Principle 7 – A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading; and
- COBS 2.1.1R (the client's best interests rule), which states that a firm must act honestly, fairly and professionally in accordance with the best interests of its client.

On 14 February 2013, The Pensions Regulator ("TPR") launched the "Scorpion" guidance. The guidance was for scheme administrators dealing with transfer requests and was introduced to help prevent pension liberation. The guidance comprised the following:

- An insert to be included in transfer packs (the "Scorpion insert"). The insert warns readers about the dangers of agreeing to cash in a pension early and identifies a number of warning signs to look out for.
- A longer booklet giving more information, including example scenarios, about pension liberation. Guidance provided by TPR on its website at the time said this longer leaflet was intended to be sent to members who had queries about pension liberation fraud.
- An 'action pack' for scheme administrators that highlighted the warning signs present in a number of transfer examples. It suggested transferring schemes should "look out for" various warning signs of liberation. If any of the warning signs applied, the action pack provided a check list that schemes could use to help find out more about the receiving scheme and how the member came to make the transfer request. Where transferring schemes still had concerns, they were encouraged to write to members to warn them of the potential tax consequences of their actions; to consider delaying the transfer; to seek legal advice; and to direct the member to TPAS, TPR or Action Fraud.

The contents of the Scorpion guidance was essentially informational and advisory in nature. Deviating from it doesn't necessarily mean a firm has broken the Principles or COBS rules. Firms were able to take a proportionate approach to transfer requests, balancing consumer protection with the need to also execute a transfer promptly and in line with a member's legal rights.

However, the Scorpion guidance was an important moment in so far it provided, for the first time, guidance for personal pension providers dealing with transfer requests – guidance that prompted providers to take a more active role in assessing those requests. The guidance was launched in response to widespread abuses that were causing pension scheme members to suffer significant losses. And the guidance's specific purpose was to inform and help ceding firms when they dealt with

transfer requests in order to prevent these abuses and save their customers from falling victim to them.

In those circumstances, I consider firms which received pension transfer requests needed to pay regard to the contents of the Scorpion guidance as a matter of good industry practice. It means February 2013 marks an inflection point in terms of what was expected of personal pension providers dealing with transfer requests as a matter of fulfilling their duties under the regulator's Principles and COBS 2.1.1R.

The considerations of regulated firms didn't start and end with the Scorpion guidance. If a personal pension provider had good reason to think the transferring member was being scammed – even if the suspected scam didn't involve anything specifically referred to in the Scorpion guidance – then its general duties to its customer as an authorised financial services provider would come into play and it would have needed to act. Ignoring clear signs of a scam, if they came to a firm's attention, or should have done so, would almost certainly breach the regulator's Principles and COBS 2.1.1R.

Before moving on to discuss Mr F's transfer, it's worth noting that the above represents a summary. I am aware that Royal London, and Mr F's representatives, have received ombudsman decisions that have covered similar ground in more detail so they should be familiar with the background to, and contents and status of, the relevant rules and guidance.

What did Royal London do and was it enough?

When TPR launched the Scorpion guidance in February 2013, its website said it wanted the inclusion of the Scorpion insert in transfer packs to "become best practice". The Scorpion insert provided an important safeguard for transferring members, allowing them to consider for themselves the liberation threat they were facing. Sending it to customers asking to transfer their pensions was also a simple and inexpensive step for pension firms to take and one that wouldn't have got in the way of efficiently dealing with transfer requests. So, all things considered, my view is that personal pension providers should, as a matter of course, have sent transferring members the Scorpion insert or given them substantially the same information.

I haven't seen any persuasive evidence that Royal London sent Mr F the Scorpion insert or provided him with anything similar. However, included in Mr F's transfer papers was a letter from Mr F to Royal London which said the following:

"The purpose of this letter is to provide you with additional confirmation of the basis upon which I have made this request and to seek to provide a record of the fact that I am aware of the issues relating to pensions liberation. Indeed I have carefully considered my decision to request a transfer to the Scheme and have not made it lightly."

"In making this transfer I am not seeking to access my pension benefits before age 55 and I am aware of the potentially significant tax liabilities that would arise were I attempt to do so. Indeed the trust deed and rules of the Scheme do not permit benefits to be taken prior to age 55, except in circumstances of ill health which meet HMRC requirements. I also confirm that I have not been offered any cash or other incentive by any person as part of my decision to transfer my pension to the Scheme."

Mr F signed this letter on two separate occasions reflecting the fact that two transfer requests were made. So even though Royal London didn't give Mr F the relevant warnings, there's compelling evidence to show Mr F was aware of pension liberation – what it involved, activity that was likely to constitute pension liberation and the repercussions of taking that action – and that he had given the matter due consideration. It means I don't consider Royal London's failure to send the insert to be material here. It also means I'm satisfied Royal London didn't need to conduct further due diligence into Mr F's transfer request. The Scorpion guidance pointed scheme administrators to guard against the threat posed by pension liberation. And Mr F had confirmed, in the clearest of terms, that he wasn't engaged in such activity.

Mr F has said the letter in question was obviously written for him, rather than by him, and shouldn't therefore have been treated as sufficient evidence by Royal London of his intentions. In Mr F's view,

Royal London should have done its own investigation, the results of which would have revealed a number of concerns which Mr F has set out in detail.

In addressing this, it's worth noting first of all that Mr F's letter was an accurate reflection of his intentions because he *wasn't* trying to liberate his pension. So there's a plausible reason why he signed it – because it was true. This would be a more plausible scenario to me than Mr F signing something he hadn't read just because he had, in his words, "numerous" other documents to sign. After all, Mr F was making a significant financial decision – the transfer of what looks to be his only pensions which were worth, in total, more than £35,000. In that context, it seems to me that Mr F would have reviewed a short, easy to understand, letter before signing it.

Nevertheless, I recognise the point Mr F is making which is that Royal London wouldn't necessarily have known any of this and, faced with a templated letter, couldn't (in his view) have properly discounted the liberation threat without further investigation. But I find the counterargument far more compelling here, which is that it was reasonable for Royal London to have taken its customer's signed declaration at face value. That strikes me as being a more reasonable, considered, approach to due diligence than assuming Mr F didn't really mean what he said in a signed letter.

In a similar vein, Mr F argues that Royal London should have checked his employment status in order to confirm he had a statutory right to transfer. He argues Royal London would have been concerned by the results of those checks, not least because it would have revealed the lack of a genuine employment link between him and M Ltd, the SSAS's sponsoring employer. But I disagree. There was no obligation for ceding schemes to conduct such checks as a matter of course. And Royal London wouldn't have been given any reason to suspect Mr F didn't have a right to transfer because he was employed at the time, earning approximately £24,000 p.a. So I see no reason why Royal London would, or should, have probed this issue any further.

More broadly, Mr F points out that the warning signs in the action pack didn't significantly change in the 2014 and 2015 updates to the Scorpion guidance despite the focus of the guidance widening from just pension liberation in that period. Mr F says it must therefore be irrelevant whether he was liberating, or intending to liberate, his pension. More logical, in Mr F's view, is that ceding schemes were tasked with identifying warning signs as identified by the action pack and with communicating any warning signs to the transferring member so they could decide for themselves the risks they were running. He says if Royal London had followed that approach here, he would have been made aware of eight warning signs and he wouldn't have progressed the transfer as a result.

It seems to me the inevitable conclusion of Mr F's argument is that a ceding scheme needed to *always* go through the action pack's checklist (whether a risk was apparent or not) and needed to *always* present the results of that exercise to the transferring member – almost like a scorecard (although he doesn't use that term). But ceding schemes weren't required to follow the checklist as a matter of course at that time. Schemes were required to take a proportionate approach to transfer requests, balancing consumer protection with the need to also execute a transfer promptly and in line with a member's rights. Given the focus of the Scorpion guidance at this time was the prevention of pension liberation (a point Mr F agrees with) and Mr F had indicated in the clearest of terms that he wasn't liberating, I don't think a proportionate response here would have been to conduct a full due diligence process along the lines Mr F has suggested.

Finally, Mr F has pointed to what he believes to be an inconsistent approach between Royal London's handling of his transfer and its handling of another transfer, some of the details of which entered into the public domain following judgements by the Pensions Ombudsman and the High Court. Mr F points out that Royal London unearthed a number of warning signs in that other transfer that had parallels with his transfer, including a standard letter in the transfer papers of the type I've referred to above. Mr F questions why Royal London did very little in his transfer but undertook a more thorough approach in that other transfer. The argument is that Royal London's approach in the other transfer was the correct one, that it is illogical for it (and us) to endorse a different approach and that Royal London has, by its own standards, treated him unfairly. Mr F also points to some commentary by Royal London from 2016 that suggests, in his view, that it didn't adhere to its own standards when dealing with his transfer request.

It bears repeating that I'd expect a transferring scheme to assess each transfer request on its own

individual facts. So that may well result in different outcomes based on what looks to be similar circumstances. That doesn't necessarily mean the business has acted unfairly or has fallen short of what it should have done. With this in mind, and given the specific facts of Mr F's transfer, I'm satisfied Royal London didn't need to undertake the detailed due diligence that Mr F has suggested. Royal London could reasonably have considered the threat it had been told to look out for – pension liberation – was low.

My final decision

My final decision is to not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 16 October 2024.

Christian Wood
Ombudsman