

The complaint

Mr M complains about the actions of Suffolk Life Pensions Limited following the liquidation of an investment he held within his pension plan.

What happened

Mr M held a pension investment with Suffolk Life. He had previously held more pension investments with the firm but decided to transfer his pension savings to another provider in 2018. It was not possible to liquidate one investment that Mr M held so he proceeded with a partial transfer of his remaining pension savings, leaving the one illiquid investment with Suffolk Life.

Over the past few years Suffolk Life has provided Mr M with annual statements showing the value of his pension investment. But Suffolk Life says that it was dependent on information it received from the fund administrator in providing those valuations. It accepts that, with the benefit of hindsight, at least some of those valuations might not have been entirely up to date.

In 2022 the fund administrator completed the liquidation and closure of the investment fund. At that time Suffolk Life accepts that it incorrectly reported its value on Mr M's annual statement. That statement showed the fund retaining a capital value, whilst also reporting the cash received as part of the liquidation as income. Following a query from Mr M's financial advisor, Suffolk Life corrected that error in January 2023 and removed the asset from Mr M's pension account. The remaining cash was then transferred to Mr M's new pension provider.

Mr M asked Suffolk Life for further information about this investment. He noted that his initial investment was £25,000 and asked for detailed information about why its value had fallen to the final payment of £6,479.79. In August 2023 Suffolk Life told Mr M that it would try to establish some further information about the circumstances of the liquidation of the investment.

It doesn't seem that Suffolk Life provided any additional information to Mr M, so he again asked the firm for further details in March 2024. When he again didn't receive any response Mr M sent another email. Suffolk Life concluded that that email constituted a complaint and dealt with the matter through a formal response.

Suffolk Life acknowledged that the valuation it had provided to Mr M in 2022 was incorrect. It also said that it was entirely reliant on the fund manager for information about what had happened with the fund closure. And it said that usually communication of that nature would have been issued to Mr M directly, rather than through Suffolk Life. It said it would continue to press the new administrator for information although it expected that would not be a straightforward process. Unhappy with that response Mr M brought his complaint to us.

Mr M's complaint has been assessed by one of our investigators. He thought that it would be unreasonable to hold Suffolk Life responsible for what appeared to be a lack of communication by the administrators of the investment fund. And he noted the unsuccessful

attempts that Suffolk Life had made, since it had issued its response to Mr M's complaint, to gather further information. But the investigator did think that Suffolk Life could have communicated better with Mr M between February 2023 and May 2024. So he asked Suffolk Life to pay Mr M £200 for the inconvenience he'd been caused.

Suffolk Life accepted the investigator's findings. But Mr M didn't agree with the assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process. If Mr M accepts my decision it is legally binding on both parties.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr M and by Suffolk Life. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

Suffolk Life administered Mr M's pension plan. So it would be generally expected to provide him with regular updates about the value and performance of the investments he held within the plan. But Suffolk Life doesn't administer the individual investments. So when providing Mr M with information and valuations about those assets Suffolk Life is entirely reliant on information provided by a third party – whether that be a reporting service, or the fund manager itself.

Here Suffolk Life accepts that it didn't correctly reflect some changes that had been made to Mr M's investment in 2022. Whilst I can understand that incorrect information might have been disappointing for Mr M, I haven't seen anything to make me think it caused him to lose out. It doesn't seem that he took any irrevocable financial decisions based on the incorrect information that Suffolk Life had provided.

Mr M accepts that the investment he held within his pension plan was unregulated. So it didn't benefit from many of the normal protections that might be offered. And for similar reasons it is likely that the information about that investment would have been heavily dependent on what was released by the fund manager at any time. Based on my experience I concur with Suffolk Life's opinion that generally information about investments of this type is sent directly to investors, rather than through the pension plan administrator.

I was very sorry to hear of the health challenges that Mr M has faced in the past. He has told Suffolk Life that those problems have meant some of his administration has not been as dependable as he would have wanted. So I cannot discount the possibility that any updates from the fund manager might have been sent to an incorrect address. But, that said, from the unsuccessful attempts Suffolk Life has made to obtain further information I think it just as likely that no information has been issued at all.

The lack of information cannot be considered a failing by Suffolk Life. As I have said earlier it is entirely reliant on the fund manager for that information. And here, given the liquidation of the investment fund, and the subsequent transfer of the residual fund administration activities to another party, it does seem that the information Mr M might reasonably expect to see simply doesn't exist.

I am satisfied though that Suffolk Life either failed to make prompt enquiries (although from what I have said above they'd have likely been unsuccessful) or at the very least failed to communicate the results of those enquiries to Mr M. There was an extended period in 2023 when Mr M's questions appear to have been simply ignored.

But I don't think that is the case more recently. Our investigator set out in some detail for Mr M a timeline of the actions Suffolk Life had recently taken in an attempt to gather more information. Although at the time of the investigator's assessment those requests have been unsuccessful I am satisfied that Suffolk Life is doing all it can to assist Mr M with the information he is seeking.

Ultimately Suffolk Life had no control over the decision to liquidate Mr M's investment, and the loss that would generate against the price he paid for it. Suffolk Life was simply required to update the information it provided to Mr M to show those changes had been made. So I am not persuaded that Suffolk Life did anything wrong when Mr M's investment was liquidated. I appreciate how disappointing that would have been for him, given the financial loss he experienced as a result. But those actions were taken entirely by the third-party fund administrator.

But for the reasons I have set out above, I do think Suffolk Life might have dealt better with the reasonable requests that Mr M made for more information to be provided, even if it simply told him that the information he wanted was not available at that time. Over an extended period of time those failures will have caused some inconvenience to Mr M. So I will direct that Suffolk Life pays Mr M £200 in compensation for that inconvenience.

My final decision

My final decision is that I uphold a part of Mr M's complaint and direct Suffolk Life Pensions Limited to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 May 2025.

Paul Reilly
Ombudsman