

The complaint

Mr V complains that his pension transfer value that Phoenix Life Limited ('Phoenix') initially confirmed to him substantially diminished within a very short space of time.

Mr V says that within the space of 20 days, his transfer value decreased by £25,000. He'd now like Phoenix to recompense him.

What happened

On 26 September 2023, Mr V telephoned Phoenix to discuss his two pension pots. He explained that as he'd nearly reached 65 years old, he wanted to exploring taking benefits from his plans, so he needed to understand what annuity Phoenix might be able to provide.

Phoenix recommended that Mr V contact the government's 'Pension Wise' service for guidance. Phoenix then issued a pension pack to Mr V (dated 27 September 2023) stating that his 'estimated pension savings' were £58,777.58. He then telephoned Phoenix again on 5 October 2023 to discuss arranging an annuity with the monies. During the call, Phoenix confirmed the value of Mr V's other pension that was held with them of having a value of £732,365.16.

Phoenix explained to Mr V that they use a retirement services partner to provide annuity quotations for customers to help them secure the best income from their pension fund. Phoenix went on to say that the provider then assists the customer by completing the relevant paperwork. Mr V's call was then handed off to the annuity provider to arrange income quotations for him.

On 10 October 2023, Phoenix sent Mr V a retirement pack for his second pension with them; that letter showed the value had decreased slightly since their call with him five days earlier and was now worth £731,543.78.

On 30 October 2023, Phoenix received an Origo transfer request from a business that I shall call Firm J to move Mr V's pension funds to them. Origo is the independent platform that pension and investment firms use to move monies between themselves to help speed up transfers.

Phoenix completed the request to move Mr V's pension fund to Firm J on 22 November 2023. And, on 30 November 2023, Phoenix wrote to Mr V stating that they had used the value of his plans from 30 October 2023 which meant a total of £764,942.87 had been sent to Firm J (which represented £708,098.32 and £56,844.55 across the two plans).

Shortly afterwards, Mr V decided to formally complain to Phoenix. In summary, he said he was concerned that there was such a difference in value between what was sent to Firm J and the postal valuations that he received (dated 27 September 2023 and 5 October 2023).

After not receiving a reply from Phoenix within eight weeks, Mr V referred his complaint to this service. In summary, he repeated the concerns that he'd made to Phoenix and explained that he'd like recompensing for the difference in amounts.

Following his complaint to this service, Phoenix made a proactive attempt to try and settle Mr V's concerns. Phoenix stated that they acknowledged that a delay had occurred in processing Firm J's Origo request and as such, they would use the value of Mr V's pension on 30 October 2023, and after allowing for five working days, would use 6 November 2023 as its liability date. They also said:

- Having checked with their actuarial department, the plan values quoted on 27 September 2023 and the amount transferred to Firm J using a value from 30 October 2023 were correct.
- They had written to Firm J, the receiving scheme, to determine if Mr V would have been better off had they settled the transfer claim on 6 November 2023 rather than the later date when the funds were eventually sent (22 November 2023). Phoenix also explained that if an impact of the delay was substantiated, they would send Firm J an additional payment to make good any loss.
- They were offering Mr V £350 for the trouble caused which consisted of £200 for the delay in transferring his two plans, £100 for failing to log his complaint and a further £50 for delaying a response to him.

The complaint was then considered by one of our Investigators. She concluded that the offer Phoenix had put forward to put things right for Mr V was fair and reasonable.

Mr V, however, disagreed with our Investigator's findings. In summary, he said that he didn't feel a full investigation had been undertaken. Mr V went on to explain that he didn't wish to accept the offer Phoenix had made and had seen no evidence to explain why the funds weren't withdrawn from his investments immediately after his telephone call asking for this.

Our Investigator was not persuaded to change her view as she didn't believe Mr V had presented any new arguments she'd not already considered or responded to. Unhappy with that outcome, Mr V then asked the Investigator to pass the case to an Ombudsman for a 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.

I have summarised this complaint in less detail than Mr V has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mr V and Phoenix in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best

industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, whilst I'm upholding Mr V's complaint – I'm not going to ask Phoenix to take any additional actions beyond what they've already offered to do. I'll explain why below.

Before I do, I want to acknowledge that I very much appreciate Mr V's strength of feeling about this matter. It's clear from his submissions to this service that he's found seeing his retirement fund reduce by around £25,000 immediately before taking his annuity upsetting.

The crux of Mr V's complaint is that he says he's surprised his two pension pots fell in value by so much between the first pension quotation at the end of September 2023 and the figures used at the end of October 2023. Mr V thinks Phoenix should honour the higher, earlier figures from September 2023. However, I don't agree.

I've listened to the various telephone calls that Mr V had with Phoenix about accessing his pension. During the different discussions, I'm satisfied that Phoenix explained that the values they were quoting weren't guaranteed and were subject to change. In addition, I've not heard or not seen any written evidence to suggest that Mr V asked Phoenix during those interactions to move his pension pots into cash to help avoid any intervening market movements whilst he was transitioning his fund to an annuity.

Mr V is an execution only customer. In short, that means Phoenix is not responsible for providing advice on what to do with his pensions or the funds that he's invested in. So, if Mr V wanted Phoenix to take specific action with his funds, he needed to set out a clear instruction to them to do so but from what I've seen, he didn't.

And despite what Mr V has said about the retirement packs that he received from Phoenix providing definitive quotations about what he could expect his pensions to be worth, I think it's clear that the values quoted weren't guaranteed because they've used the phrase 'estimated pension savings' when setting out the values of his two plans.

Phoenix have confirmed that their Actuarial Team had checked that the switch amounts that they used on 30 October 2023 were correct and reflective of the value of Mr V's plan at that date. Whilst Mr V made enquiries to Phoenix in September 2023 about accessing his pension, until such time as Phoenix are instructed to sell units within the plans, they will continue to leave Mr V's monies invested within his funds. And, given Mr V was invested in a unit linked fund, that meant the value of his monies would vary daily. It wasn't until 30 October 2023 that Phoenix were instructed by Firm J that they had received an instruction from Mr V to move his pensions' monies to them and it's at that point that Phoenix locked the value down. I think Phoenix's approach is reasonable.

I think it's clear from Phoenix's complaint resolution letter that they've conceded that they could've done better. They've acknowledged that they didn't process Mr V's switch to Firm J as promptly as they could have done and as a consequence, they've agreed to approach Firm J to understand the impact of the delay in sending those funds and pay a lump sum if their investigations show that Mr V would have been better off. When mistakes occur, we'd ordinarily ask the business to put the consumer back into as close as possible to the same position that they would have been in were it not for the error. Having looked at Phoenix's resolution letter to Mr V of 3 May 2024, I think the redress approach that they've set out is fair and the notional dates that they've used are reasonable and is what I would have asked them to do had they not already offered.

I've also given careful thought to the £350 that Phoenix have offered to Mr V in light of the delays in sending his pension fund to Firm J and acknowledgment of gaps in the way that they handled his complaint. Again, I think this offer is fair and reasonable in the circumstances and is in line with complaints of a similar nature that this service has considered.

My final decision

Phoenix Life Limited have already made an offer to pay Mr V £350 for the trouble caused and undertake a loss assessment and pay redress if that investigation shows that Mr V has suffered a loss because of their delays. I think that this offer is fair and reasonable in all of the circumstances.

So, my decision is that Phoenix Life Limited should both pay Mr V £350 and undertake the loss calculation and recompense him if that shows a financial impact if they've not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 29 November 2024.

Simon Fox
Ombudsman