

The complaint

Mr P complains about the delays he feels Halifax Share Dealing Limited (HSDL) caused to the transfer of his Self-Invested Personal Pension (SIPP) to a SIPP with a provider I'll refer to as provider V.

Mr P feels that HSDL failed to provide him with the correct information and was unhelpful.

What happened

Mr P held a SIPP. HSDL provided the platform and trading services on this account. A provider I'll refer to as provider A administered the SIPP.

Mr P wanted to transfer his funds to a provider I'll refer to as provider V. So he opened a provider V account in February 2024 and sold all his shares to cash ready for the transfer.

Mr P said he first called HSDL to ask questions about the transfer, but it couldn't help him. He said he instructed provider V to request the transfer.

Mr P said that five different transfer requests were denied. And that he made a number of calls to several different people in the HSDL team, but couldn't get an answer from it about why his transfer was being rejected. He said HSDL told him to go to provider A and it told him to go back to HSDL.

I understand that at the end of March 2024, Mr P contacted HSDL's complaints department. And that he shared two screen shots showing two rejections from provider V. I also understand that Mr P raised a complaint about the transfer delay with HSDL on 2 April 2024. Mr P said that provider V had told him that HSDL was blocking the transfer.

HSDL's file states that it found four transfer rejections – one in March 2024, one in April 2024, and two in May 2024.

I understand that it was only when Mr P went to his local bank branch to try to get help that the branch manager contacted the share dealing team. It then became apparent that it was provider A that administered the SIPP. So Mr P would need to speak to it about his transfer.

On 15 May 2024, HSDL contacted Mr P to tell him how his transfer request should be submitted to provider V. And on 22 May 2024, HSDL asked Mr P if he'd had the chance to speak to provider V. It said it hadn't yet received a transfer request and therefore couldn't process it.

Mr P replied the same day to tell HSDL he'd resubmitted his transfer request with the details it'd provided.

HSDL replied on 23 May 2024 to tell Mr P that it still hadn't received anything, but it expected it to take a few days. It said it would keep checking in with its transfers team and update Mr P as soon as it'd received a response from provider V.

Mr P then shared an email with HSDL which he'd received from provider V. This stated:

“...Effectively, [provider A] are their administrators to this SIPP and need to process the transfer for them. He understands there has been a clear breakdown on communication here and we are proceeding with a paper-based transfer.”

Mr P felt he was going round and round in circles with the providers involved. He felt he was losing out financially. And also noted that he was being charged for HSDL holding on to his money, despite his wish to transfer it. He asked HSDL to help to get the paper transfer going as soon as possible.

On 29 May 2024, Mr P brought his complaint to this service. He said that the stress of the delayed transfer was affecting his health and had been time-consuming and inconvenient. He felt he'd lost investment return and that HSDL was unfairly charging him for retaining his money.

On 2 June 2024, Mr P wrote to HSDL to further his complaint. He shared an email he'd received from provider V. This said that it always tried to submit transfer requests electronically through Origo, as this was typically faster and removed the need for paperwork.

Provider V said that it had expected Mr P's transfer to be carried out through Origo. But HSDL hadn't been able to follow its Origo instruction. Provider V also said that it'd re-issued all paperwork again the previous day to provider A.

HSDL issued its final response to the complaint on 5 June 2024. It said that it'd never received an instruction to transfer Mr P's SIPP to provider V. It said it'd concluded that provider V had been attempting to request the transfer directly with provider A. It said that after a discussion with provider A, it'd agreed that the best way forward was to transfer Mr P's complaint to it for further investigation.

HSDL felt that it'd taken too long to handle Mr P's complaint. It offered him £50 compensation in recognition of the distress and inconvenience the complaint handling delay may have caused.

Mr P declined the £50 HSDL had offered.

Provider A wrote to Mr P on 5 June 2024. It said Mr P's transfer requests had been rejected as the system didn't facilitate Origo transfers for his SIPP. And that it'd try to process his transfer request as quickly as possible.

Mr P replied the same day to provider A. He said the stress the process had led to had begun to affect his health, as well as taking a lot of time and affecting him financially. Mr P felt that provider A had regularly referred him to HSDL and it had done the same. He felt that both provider A and HSDL had failed to communicate properly.

Provider A replied on 7 June 2024 to tell Mr P that HSDL would close his SIPP and then send the funds to it.

On 10 June 2024, Mr P told this service that provider A had now admitted to provider V that things had not gone as they should. And that it was trying to ensure the transfer went ahead. Mr P said he'd been told on many occasions that he should deal with HSDL for security. But he was now being told the problem was with provider A. On the same date, provider A wrote to Mr P to confirm that his transfer had completed.

I understand that Mr P's account with HSDL was closed at this request on 10 June 2024.

On 25 June 2024, HSDL told this service that the investment transfer in question was being processed between providers A and V. Therefore HSDL had handed the complaint over to provider A to investigate and respond to. It felt the complaint should be set up against provider A.

Mr P confirmed to this service that although the complaint about the transfer was with provider A, he had other specific complaint points against HSDL as well. Our investigator then asked HSDL for a copy of Mr P's original complaint to it and its complaint file.

Provider A issued its final response to Mr P's transfer delay complaint on 30 July 2024. It said it'd received requests to transfer his SIPP as cash to provider V through Origo on 25 March 2024, 4 April 2024 and 7 May 2024. It said that each of these requests had been automatically rejected.

Provider A said it received a further transfer request through Origo on 20 May 2024, after which Mr P exchanged correspondence with HSDL and provider V.

Provider A said that it'd only found out about the complaint on 4 June 2024, after HSDL had contacted it to look into the issues. It said that it had, since then, been in contact with provider V to initiate the transfer.

Provider A said that Mr P's transfer requests had been rejected as its system didn't currently facilitate Origo transfers for HSDL SIPPs. It apologised. And said it'd instructed his transfer manually once HSDL had made it aware of the complaint. It said it had assessed the financial impact of the delay on the funds transferred, concluding that if there'd been no delays, the transfer would've completed on 2 April 2024 and the funds would've been invested within Mr P's provider V SIPP on 9 April 2024. It said Mr P had experienced a loss of £2,731.44. It said if Mr P accepted this calculation, it would pay the amount directly to him, after making a notional allowance for the income tax that would otherwise have been paid.

Provider A also offered Mr P £250 compensation for the distress and inconvenience it'd caused him.

Mr P accepted provider A's offer in respect of the transfer delays and the financial loss he'd suffered.

Our investigator acknowledged that HSDL didn't think it was responsible for the transfer delays. But felt it was reasonable to consider Mr P's complete journey as a customer of HSDL. He went on to consider whether HSDL had done enough to assist Mr P with the issues he was facing in completing the transfer, and if it had given him the correct information.

Our investigator felt that HSDL had a number of opportunities to explain to Mr P that he would need to speak to provider A before it actually did refer him to it. He felt this had delayed the transfer. And that if HSDL had provided Mr P with the correct information from the start, Mr P would've known earlier why his transfer requests were failing.

Our investigator felt that it would've been frustrating for Mr P to learn after several weeks that HSDL wasn't dealing with his transfer. He didn't think the £50 compensation it'd offered Mr P for the distress and inconvenience its complaint handling had caused him was enough. He felt that HSDL could've prevented some of the further distress and inconvenience Mr P had suffered if it'd provided him with full and correct information sooner. He therefore felt that HSDL had caused Mr P to suffer a prolonged period of inconvenience over several months. And that compensation of £150 would be more reflective of the distress and inconvenience suffered.

HSDL didn't agree with our investigator. It felt that further compensation wasn't proportionate to its involvement. And that its original offer was fair and reasonable.

As agreement couldn't be reached, the complaint has come to me for a 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.

Having done so, I'm going to uphold it. I'll explain the reasons for my decision.

In provider A's final response letter, it noted that it wasn't until 2 June 2024 that Mr P and provider V confirmed that provider V had been requesting the transfer directly with provider A, rather than with HSDL. However, the evidence shows that HSDL made it clear to Mr P on 22 May 2024 that it was yet to receive a transfer request from him and therefore couldn't process his transfer.

Having said that, I consider that HSDL could've made this clearer much earlier than it did. I say this because Mr P complained to HSDL about his transfer being rejected on 2 April 2024. I think that HSDL could've taken steps at this point to help Mr P work out what was going wrong. And if it had, I'm satisfied that he would've had a shorter period of distress and inconvenience while trying to ensure his transfer went through.

I acknowledge that HSDL feels that its original offer of £50 compensation for the distress and inconvenience caused by its delayed complaint handling was reasonable under the circumstances. But I don't agree. I say this because the existing offer only covered complaint handling, whereas it's clear some distress and inconvenience could've been avoided if HSDL had directed Mr P to provider A sooner.

I therefore uphold the complaint.

Putting things right

Halifax Share Dealing Limited must pay Mr P £150 compensation for the distress and inconvenience caused by the delayed provision of full information and for its acknowledged complaint handling failings.

My final decision

For the reasons explained above, I uphold Mr P's complaint. I require Halifax Share Dealing Limited to pay Mr P a total of £150 compensation for the distress and inconvenience its actions have caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 4 March 2025.

Jo Occleshaw
Ombudsman