

The complaint

Mr H's complaint is about his Self-Invested Personal Pension ('SIPP'), previously administered by BW SIPP LLP ('BW'). His complaint mainly presents the following claims –

- BW's failure to communicate corporate notices it received in May and June 2023, for his SIPP account, in relation to the SIPP's holding in POLYMETAL INTL PLC (the 'POLY holding'), leading to a financial loss, trouble and inconvenience. [issue 1]
- BW's catalogue of delays and errors – between February and December 2023 – in his pursuits to transfer the BW SIPP's Pension Trader Account ('PTA'), held with Interactive Investor ('II'), to a dealing account with AJ Bell ('AJB'); to transfer the BW SIPP, completely, to an AJB SIPP; and to transfer the BW SIPP, completely, to an II SIPP. He says BW's wrongdoings in the first pursuit directly caused the need to abandon it and embark on the second, then its wrongdoings in the second caused the need to abandon that and embark on the third (in which it committed even further wrongdoings) leading, overall, to a financial loss, trouble and inconvenience. [issue 2]
- A claim for a refund of all BW fees for the 2022/2023 year, given its complete failure of service in issues 1 and 2. [issue 3]

What happened

Following referral of the complaint to our service a mediation process was applied to it. All the complaint issues could not be resolved in this process, but some were. Thereafter, one of our investigators investigated the issues in the complaint.

The investigator engaged in notably extensive and transparent correspondence and considerations with both parties, in the course of which he issued a number of views and addendums to his views – mainly to address the parties', particularly Mr H's, comments and queries on his views.

For the above reasons, this decision will not be heavy on the substantial details about the complaint and about its journey through our service's process. Those details have been comprehensively expressed, explained, verified and debated between the parties and our investigator in numerous pieces of correspondence, so the parties do not need to be reminded of them.

As part of the mediation and the investigator's engagements with the parties, two distinct aspects of the complaint have reached an agreed settlement. They are issue 1 and compensation to Mr H for the trouble and inconvenience issue 1 caused him.

For issue 1, the parties have agreed compensation of £1,713 from BW to Mr H for financial loss arising from its delay in notifying him about the corporate notices concerning the POLY holding. Those notices were about delisting of the POLY stock, the options given to Mr H for his holding and the deadlines for exercising them. No option was exercised – because, he says, he was unaware of the notices – so the holding was subjected to a mandatory sale on 28 June 2023. BW says it has not found record of receiving the notices, but it calculated and

offered the above compensation figure for the loss of value incurred in the matter. Mr H has agreed with the figure and settlement offer.

In terms of trouble and inconvenience, the investigator concluded that Mr H's claim for £750, submitted as part of the mediation process, should be upheld and increased, overall, to £1,250 in total. He considered that an award of £750 can reasonably be applied to the trouble and inconvenience caused to Mr H in issue 1, and that an additional award of £500 can reasonably be applied to the trouble and inconvenience caused to Mr H in issue 2. During the mediation process, there was agreement between the parties on the £750 amount (connected with issue 1). In response to the investigator's view, BW has confirmed it agrees with the total award of £1,250 (in connection with issues 1 and 2).

There was/is a part of Mr H's complaint related to his experience of BW's handling of his expressions of dissatisfaction and complaints during the events in issues 1 and 2. The investigator's relatively brief treatment of this included the following:

"I've seen no evidence from ... that BW has ever issued a final response to [Mr H's] various complaints and expressions of dissatisfaction, which he made to BW between February 2023 and January 2024. Nor have I seen any evidence BW ever issued ... referral rights to this service, which FCA regulated firms are expected to do under DISP.

... I've noted the aforementioned to acknowledge his experience in dealing with BW's complaint process, but to also explain that complaint handling alone isn't a regulated activity under the rules which govern our service. So, I can't make any findings or recommendations because of his experience with BW's complaint process. However, our service has taken note of the lack of a final response and not issuing referral rights by BW. My assessment findings below relate to BW's handling of the regulated activity 'Establishing, operating or winding up a personal pension scheme'."

Focus, in our service's investigation, was then placed on determining the merits of issues 2 and 3.

With regards to issue 3, the investigator's conclusion, in a nutshell, was that there is no reasonable or meaningful nexus between the claim in issue 3 and the complaints in issues 1 and 2.

He noted that only BW's SIPP administration fees were charged in the 2022/2023 year; an annual administration fee of £318 (including VAT) and an additional annual administration fee of £504 (including VAT) were applied; both were charged on the SIPP's anniversary date of 13 May 2023; no BW fees were relevant to or charged for issue 1 and no BW fees were charged for the transfer activities in issue 2; the only event in the complaint that happened before 13 May 2023 was the attempt to transfer the SIPP's PTA from II to AJB; and had that been completed the BW SIPP would still have been in place (and the administration fee would still have been due).

Mr H strongly disagrees with this conclusion. He holds the view that BW's failings in issues 1 and 2 amount to a complete breakdown of service on its part – it did not deliver the level of service it was paid and obliged to deliver – so there is no basis on which it can reasonably be entitled to any fees.

In terms of issue 2, a recap on some of the facts is necessary.

The sequence of events began on 22 February 2023, when BW informed Mr H that II would no longer be supporting PTAs for external SIPPs (like his). The sequence of events eventually ended on 5 January 2024 when the transfer of his BW SIPP to an II SIPP was

fully completed. However, all the three pursuits mentioned at the outset of this decision (that is, the II PTA to AJB dealing account transfer, the BW to AJB SIPP switch and the BW to II SIPP switch) happened in between these dates.

One of the options available to Mr H, with regards to the news about the II PTA, was to move the PTA to another provider's dealing account, which is what he elected to do on 27 February. BW informed him about such an account with AJB and about its discussions with AJB to put in place a streamlined process for BW customers who sought to move dealing accounts. This appears to have led to his selection of the AJB dealing account. Then, in March, he learnt that the prospective streamlined account opening process would not be happening, and BW told him he had to apply for the AJB dealing account himself/directly. By the end of this month, he had taken steps to do so, for the purpose of transferring the II PTA in-specie..

Mr H needed information and documentation from BW for the process. For over two months, he asked, and chased BW, for this information/documentation. It eventually addressed the matter on 20 June. It apologised for its delayed response. It acknowledged that it was BW (not Mr H) who needed to open the AJB dealing account for the SIPP. It promised to do so, promised to issue the relevant documents and to assist in completing the transfer of the II PTA into the dealing account. The AJB dealing account, for the BW SIPP, was opened in August, and in September BW confirmed that it would be arranging for the inward in-specie transfer of the II PTA. Unfortunately, Mr H had to chase BW for action on a specific requirement in this respect too.

Around this time, on 20 September, he sent the following instruction to BW –

"Yesterday I have requested a cash funds withdrawal from my bullionvault.com account. Please can you confirm receipt of the cash? Once this cash settles in my cash account I would like to transfer it and the other funds held there across to my new dealing account with AJ Bell for investing."

Liquidation of this asset was prompted by AJB's inability to hold it in-specie. On the following day, 21 September, Mr H instructed AJB to move his entire BW SIPP into an AJB SIPP. On 22 September BW confirmed receipt of the liquidated proceeds for the bullionvault.com account (£133,499.67) – the 'bv-cash' – and confirmed that the proceeds would be transferred to AJB immediately. On 27 September Mr H gave BW the following notice of the SIPP switch he had instructed –

"I am moving my SIPP to AJ Bell, they have asked me to request a transfer out discharge form from you directly. In Addition, kindly advise me if there are any other forms you require me to complete in order to proceed with the transfer of my SIPP to A J Bell?"

"Thanks in advance, your prompt attention in this matter will be greatly appreciated."

AJB submitted the discharge paperwork to BW on 2 October. BW acknowledged this to Mr H on 7 October, and said it would begin the transfer. AJB wrote to BW on 23 October to submit some transfer documentation, and it took the opportunity to highlight that the bv-cash had twice (on 26 September and 11 October) been sent to the AJB dealing account, that it remained untraded in that account and that, as part of the SIPP switch, AJB assumed BW would need to instruct its transfer from the dealing account into the AJB SIPP cash account, and instruct closure of the former.

It should be noted that the actual dates of receipts of the bv-cash in the dealing account were 25 September and 10 October, 26 September and 11 October were the dates on which they were acknowledged/recorded by AJB.

With regards to reinvestment of the bv-cash, Mr H wrote to AJB and BW on 24 October expressing his intention to do so. He noted that the cash remained in the wrong dealing account and expressed dissatisfaction about BW delaying the SIPP switch. However, he also shared his consideration of moving his BW SIPP to an II SIPP, instead of to AJB, because his PTA investments were already with II, only his total cash would need to be transferred in and the switch to II would potentially be quicker for these reasons. In its same-day response, AJB confirmed it had been in a position to receive the SIPP since 26 September and BW could have transferred the SIPP since 2 October. With regards to investing the bv-cash, it said –

“There are no restrictions within [the dealing account], you’re able to purchase any Funds, Equities, ETFs and so on that are available on our platform. Should you purchase a particular within [the dealing account] BW simply need to issue us with an [sic] transfer instruction to debit the investments out of [the dealing account] and credit them into [the SIPP account].”

On 27 October Mr H confirmed to BW and AJB that he wished to cancel the SIPP switch to AJB because the process was taking too long. Around this time he instructed the in-specie SIPP switch to II. On 14 November BW said it had “... sent ii all necessary paperwork to action the in-specie asset transfer. The cash on your SIPP account received 8 November, following your AJ Bell closure, will be transferred when the asset transfer is completed and any final fees due have been processed”. On 17 November Mr H asked BW the following – “I see the investment assets have been transferred, when will my cash be sent?” On 4 December he chased further on this, he referred to his plan to reinvest the cash being hindered by BW’s delay and said he intended to recover his financial loss from BW.

In response, on 5 December, BW said –

“Please see the attached email trail with ii; we are still awaiting receipt of the cash balance from them to finalise all matters on your SIPP as would be our standard process.

We received the funds you placed with AJ Bell on 6 November and have been processing your transfer with ii since that date. We will continue to monitor the position with ii, however to assist you, I am arranging for a transfer of £130,000 to your Investor SIPP to be made so that you are able to make your new investments.”

On 21 December BW mistakenly paid the final transfer payment of £5,152.47 to AJB, instead of II, but by 5 January 2024 this had been corrected and the payment was sent to Mr H’s II SIPP.

The investigator approached this issue with the following main and overall views –

- the three transfer pursuits, each of which he considered to be distinct – in conflict with Mr H’s view that they should be considered collectively – means a basis to blame BW for a delayed SIPP switch is absent;
- because, whilst BW committed some errors and delays across them, only the BW to II SIPP switch (which began in late October 2023) was ever completed;
- so, it is impossible to say that BW caused a detrimental delay to the first two pursuits, they were stopped by Mr H and never completed;
- with regards to the BW to II SIPP switch, despite BW’s error in sending the final payment to AJB on 21 December and the delay it caused between 18 December (when it had the final cash sum, deducted its fees from it and should have remitted the balance) and 21 December (when it actually remitted the balance), the process of

- sending the bv-cash to II was not unduly delayed;
- there is a lack of evidence to show that Mr H was ever hindered in reinvesting the bv-cash, so there is no basis to claim a financial loss in this respect;
- with regards to BW's shortcomings, *"... BW should carry out a loss calculation ... If [Mr H] can provide evidence (contract notes) of where he invested the £5,152.47 once it was received at II, and providing it was invested within three weeks, then BW should carry out a unit price comparison and if a loss is shown then it should pay the appropriate amount ... to allow him to purchase the number of units he would've been able to had he received the £5,152.47 sooner"*;
- and *"... it may also be the case, where no investment was made at II, that the cash ... would've attracted interest ... then BW should calculate and pay interest at the relevant rate for the period of when the cash should've been received II to when it was received at II. To calculate the date the cash should've been received, [Mr H] should provide BW with evidence of when II applied the £5,152.47 to his SIPP cash account. The starting point for when the money should've been sent is as noted above, which is 18 December 2024."*;
- the aborted II PTA to AJB dealing account transfer was always an in-specie matter, so there is no basis to claim a financial loss in this respect, Mr H's PTA investments were never to be taken out of the market;
- and the cancelled BW to AJB SIPP switch also did not feature a financial loss, it was Mr H's decision to create the bv-cash because, at the time, he wanted to transfer to AJB and AJB could not hold the bullionvault.com account asset, it is noteworthy that the II SIPP also could not hold this asset.

Mr H has vehemently disputed the investigator's findings and conclusions on issue 2. He mainly says –

- But for BW's error in sending the bv-cash to the wrong AJB account on 25 September and 11 October he would have been able to reinvest it as he intended to (and there is evidence of this intention), there would be no financial loss, and there probably would have been no need for the SIPP switch to II.
- He is being unfairly penalised for the BW to II SIPP switch decision, whereas the facts show that, because of BW's delays and overall lack of competent service, he had no choice but to safeguard his high value SIPP and ensure it was moved away from BW.
- His financial loss resulting from the bv-cash being out of the market for so long, due to BW's wrongdoings, has not been properly addressed.
- It is wrong to single out the history of events from October 2023 onwards only, the entire matter began in February 2023 and BW's errors, failures and delays prolonged the matter until the conclusion of the SIPP switch to II in January 2024; the beginning of BW's culpability can be found in its misrepresentation of the AJB dealing account option in February 2023.
- He was essentially required to move his SIPP account against his wishes, the entire matter began because of BW's commercial issues with II, with regards to the PTA, and the events that followed were consequences of that.
- The investigator's notion of his financial loss in this issue is insulting.
- The bv-cash was unreasonably withheld by BW in the switch process as security for its fees and charges, despite the BW SIPP maintaining a cash balance that was enough to cover relevant fees/charges.
- *"The cash proceeds of the gold bullion liquidation (£133, 499.67) did not form part of the standing cash balance held ... in his SIPP cash account, these funds were transient, and his gold bullion was only converted to cash to facilitate its move to a new provider who was unable to accept it In Specie."*
- It is wrong to portray him as having wilfully cancelled the II PTA to AJB dealing

account transfer and the BW to AJB SIPP switch, both cancellations were his reasonable responses to mitigate problems, failings and delays caused by BW and to safeguard his SIPP.

The matter was referred to an Ombudsman.

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.

BW's complaint handling

Like the investigator, I too acknowledge the parts of Mr H's complaint submissions which highlight, with reasons, his dissatisfaction with aspects of BW's handling of his complaints and of the concerns he raised during the facts of his case.

I can determine complaints about regulated activities, like the SIPP administration related activities in the present case. Complaint handling, in isolation, is not a regulated activity. It is also not an ancillary activity connected to the conduct of a regulated activity.

Sometimes a complaint to a firm and its alleged mishandling of it might form a part of the substantive case. If so, addressing the firm's complaint handling might be a necessary part of determining the overall complaint.

In the present case, there is some overlap between the complaints/expressions of dissatisfaction made by Mr H and the SIPP switch processes that were ongoing at the time. However, I do not consider that the former could be deemed a part of the latter, or that the former needs to be addressed as a part of determining the issues in the latter. Irrespective of his complaints/expressions of dissatisfaction at the time, the issues BW had to deal with and was responsible for in the substantive PTA/dealing account transfer and SIPP switch matters were distinct, and how it did or did not handle its complaints "process" does not appear to have had any bearing on how it did or did not handle its responsibilities in the substantive matters.

As such, I hold the view that any complaint handling aspect of Mr H's case is isolated, and that I do not have jurisdiction to address it.

Evidence and Events

For the sake of clarity, and to assure the parties, I have considered all the substantial and relevant details and evidence in this case. My summaries above have not captured them all, in aid of presenting this decision efficiently, but that does not mean they have not all been considered. The main issues have been captured in my summaries and will be addressed below.

Issue 1

This has been resolved by the agreed settlement between the parties. Overall, on balance, and for the sake of completeness, I am satisfied with available evidence confirming that the relevant corporate notices were sent to BW, that they related to Mr H's SIPP and his POLY holding and that it was within, or at least ancillary to, BW's service to him and his SIPP to communicate those notices to him. It is undisputed that it did not do so. Therefore, there is merit to be upheld, which I uphold, in this issue.

BW's redress offer of £1,713 appears to have been calculated broadly on the same basis used by Mr H during the mediation process in presenting his settlement proposal, and this amount appears to be slightly higher than the settlement amount he proposed. In any case, both parties agree with this settlement amount and with the calculation behind it. I see no cause to interfere in this agreement and I will reflect this settlement amount in my redress orders below.

I will also reflect, in my orders below, the award of £750 to Mr H for the trouble and inconvenience caused to him in issue 1. This too has been agreed between the parties.

Issue 2

Mr H is entitled to view his entire experience in 2023 collectively. I can see how and why he would do so. The initial event – the II PTA issue – was not his creation, and the steps he took thereafter – from the PTA/dealing account transfer to the two SIPP switch decisions – could be viewed as steps on his part to address circumstances that flowed from the initial II PTA issue. This might be why he seems to assert that the events in his complaint were imposed on him.

Whilst some of the circumstances were imposed on him, I do not agree that *all* the events were imposed on him. Like the investigator, I find that the specific decisions to attempt the transfer to the AJB dealing account, then to change course and move to the BW to AJB SIPP switch and then to change course again and move to the BW to II SIPP switch were clearly his. No-one else in the case made those decisions for him, and no-one else in the case could have made those decisions for him. Therefore, in addition to considering BW's role in the matter, it is reasonable to also taken into account his responsibility for the specific decisions he made at his discretion.

I start with the II PTA issue. On balance, I do not accept that BW did anything wrong in terms of what it shared with Mr H about the prospects of a streamlined account opening/transfer process with AJB, or that it misrepresented that to him. The prospect of having the process in place appears to have fallen through, at the time, for commercial reasons. I do not know the details on this, but there is enough evidence to show that BW did not mislead Mr H or guarantee anything to him in this respect.

BW did misguide Mr H in terms of the alternative he was told to consider.

It wrongly told him he could arrange the AJB dealing account himself, which he proceeded to try to do – consuming, and wasting, around two and half months over April, May and June, until 20 June when BW corrected its error and acknowledged that it, not Mr H, had to arrange the AJB dealing account for the SIPP. BW should have known this at the outset. The dealing account was to be a SIPP related dealing account, not a general investment dealing account for Mr H (personally), so the idea of telling him to arrange the latter was pointless. As trustees and legal owners of the SIPP the dealing account was BW's responsibility to open, on Mr H's behalf. This error was compounded by the chasers, some answered late some unanswered, Mr H sent BW during the wasted two and a half months.

However, as the investigator said, the only matter to address here is the trouble and inconvenience caused to Mr H (mainly between April, May and June). There was no financial loss. As it was in February/March and as it remained in June, the plan was to move the II PTA to the AJB dealing account in-specie, so no investment was ever taken out of the market for this purpose. The dealing account was not opened until early August and BW did not arrange for the transfer until September, but the same point about financial loss applies to this additional time – no financial loss arose from it. I am also not persuaded to extend consideration of trouble and inconvenience into this additional period, because, in the main,

general due process for the account opening and transfer applied at these times.

Around 18 September Mr H applied for the AJB SIPP; on 19 September he updated the PTA/dealing account transfer process, at AJB's end, on this and disclosed to AJB his intention to transfer his BW SIPP to AJB; on 21 September AJB confirmed to him that the PTA/dealing account transfer will be cancelled in light of the prospective SIPP switch; on 22 September AJB conveyed the same message directly to BW, but on the same date BW received the bv-cash (post-liquidation) and transferred it into the AJB dealing account (as Mr H had instructed it to do in his 20 September email, quoted in the background section above); the bv-cash was received in the AJB dealing account on 25 September, it was subsequently returned to BW, but it re-sent the cash again to the dealing account on 10 October, after which the cash was returned to BW yet again; then, by the end of October Mr H had cancelled the BW to AJB SIPP switch.

The bv-cash is the main focus of Mr H's claim in issue 2. It is undisputed that he created it, upon liquidation of his bullionvault.com account, and that he did so in anticipation of the AJB SIPP he wanted to open (because that SIPP could not hold the bullionvault.com account). Therefore, creation of the bv-cash had nothing to do with BW. He says the delay in reinvesting it had everything to do with BW, but I disagree.

To establish a case for lost investment opportunity, it is usually important for the complainant to show, amongst other things, a specific intention to invest (or the probability of such an intention) and an inability to do so caused by the respondent firm's action(s) and/or inaction(s). Mr H has referred to evidence of correspondence in which he voiced, to BW, his intention to reinvest the bv-cash. I am satisfied with this evidence. However, the need remains to consider whether (or not) BW's actions or inactions prevented him from doing so. In this respect, I agree with the investigator's finding, I too have not seen evidence that BW prevented, or caused any delay in, his reinvestment of the bv-cash.

His 20 September instruction to BW was to move the bv-cash to the AJB dealing account. BW did that two days later, on 22 September. I have considered the debate about whether (or not) it was wrong in doing so, given that AJB informed it on the same date that the dealing account was to be cancelled. I am not persuaded this is relevant or pivotal to Mr H's reinvestment argument. If, as can be inferred from his 20 September instruction, he intended to reinvest the cash in the AJB dealing account, he wilfully put a stop to that by cancelling that account and embarking on the SIPP switch, to AJB, instead.

Therefore, the 22 September remittance (and receipt in the dealing account on 25 September) made no difference. After the decision to conduct the SIPP switch – which was made before the remittance – any reinvestment plan for the bv-cash in an AJB SIPP had to await the point at which cash was to be transferred in the SIPP switch process. The alternative was reinvestment under the BW SIPP, whilst the switch process was ongoing, but there is no evidence that was ever instructed.

The investigator referred to AJB's SIPP transfer process showing that the in-specie element of the transfer was to be given priority and the cash element was to be transferred towards the end. He explained that this is common practice in the industry. I agree. This can be verified in the model SIPP-to-SIPP transfer illustration within the 2018 Industry-Wide Framework for Improving Transfers and Re-registrations (or the 'TRIG' framework), which also shows the remittance of cash happening towards the end of the process.

In other words, in the absence of a pro-active attempt by Mr H to have the cash transferred early for the purpose of reinvestment, it was always bound to be transferred into the AJB SIPP towards the end of the SIPP switch, not around its beginning (on 22 or 25 September). The switch process was ongoing and was just over a fortnight old on 10 October when BW

sent the cash, again, to the dealing account. I have not seen evidence that the switch was close to completion at the time, so the same point applies. Then by the end of October Mr H cancelled the switch to AJB, to be replaced by his BW to II SIPP switch pursuit.

In the above context, I am not persuaded that BW did anything meaningful to prevent or delay reinvestment of the bv-cash. Mr H could have reinvested the cash under the BW SIPP, pending any SIPP switch he was pursuing, or in the AJB dealing account (when the cash was sent there, and before it was returned). There is no evidence that BW prevented him from doing the former – plus, I quote evidence in the next paragraph that further shows he could have – and the SIPP switch he was arranging was going to be in-specie anyway, so that would have covered any newly invested asset (so long as it could be held by AJB). As I quoted earlier above, AJB's response to him on 24 October also confirmed that he could invest the cash in the dealing account and then transfer the investment into the prospective AJB SIPP without a problem.

Furthermore, I note evidence of a communication from Mr H to BW in June 2023 (when the initial PTA/dealing account transfer was still in play), in which he said – “... *send £40K from my pension cash account across to interactive investor. I want to invest this money and do not want to wait 3-4 weeks before more [sic] while the move to AJ Bell is actioned*” [my emphasis]

This shows that he was aware of the option to make investments in his existing SIPP and II account pending any transfer. I have not seen evidence that he tried to do this with the bv-cash or that he sent an instruction akin to the one above in relation to the bv-cash. Even his 17 November enquiry to BW did not do this, it simply enquired into when the cash will be sent to II. Eventually, during the BW to II SIPP switch, BW remitted the bv-cash on 5 December, and it was received in the II SIPP shortly thereafter.

Overall, on balance, and for the above reasons, I do not consider that Mr H was hindered, by BW's actions or inactions, in reinvesting the bv-cash, so I do not find ground to support his claim of a financial loss in this respect.

Mr H was caused trouble and inconvenience during the wasted two and half months between April and June 2023, as explained above, then from the wrong payment(s) BW made into the AJB dealing account and from the delayed, and erroneous, final payment it made into the II SIPP – these would have all caused him trouble and inconvenience.

Our service's guidance on how we approach awards for trouble, distress and inconvenience can be found on our website, at the following link – <https://www.financial-ombudsman.org.uk/businesses/resolving-complaint/understanding-compensation/compensation-for-distress-or-inconvenience>. Under this guidance, awards up to £750 can be considered where a firm's wrongdoing has caused considerable distress, upset and worry, and where it has caused significant disruption and an impact felt over many weeks or months. In the present case, I consider that the impact upon Mr H in issue 2 – for the reasons given above – fits somewhere within this category. I agree with the investigator's award of £500 in this respect. I find the award to be reasonable and will include this in my orders below.

BW concedes that it received the final payment (which was due to be forwarded to the II SIPP) on 18 December. It is not clear why it waited until 21 December to transfer that payment, and I have not found a reason to justify that, so it should have been sent to the II SIPP on 18 December. It also should not have been sent to AJB, as I am sure BW will also concede. Its error in doing so caused an additional delay in the II SIPP receiving the payment. On this basis, I agree with the redress provisions set out by the investigator to deal with any compensation due to Mr H arising from the delayed transfer of this final payment. I

will include this too in my orders below.

Issue 3

I endorse the investigator's findings in this issue and I do not consider that there is much more I can add to it. Nevertheless, I will summarise my reasoned findings.

A fundamental requirement in a claim for a refund of fees is the need to show that the relevant fees relate to a service that was mainly or wholly unprovided. This creates grounds to find, fairly and reasonably, that the firm should not retain fees for a service it did not deliver.

BW had an overarching responsibility to administer the SIPP, and I understand how this could lend itself, as a premise, in support of the arguments (arguments essentially about an alleged complete breakdown of service) made by Mr H.

Its Schedule of Fees defines the annual administration fee as follows –

“This is our fee for the back office administration of your Barnett Waddingham Flexible SIPP. It includes fulfilling all regulatory and legislative requirements together with other record keeping, and issuing an annual statement to you. It also covers the processing of personal and company contributions.”

With regards to the additional annual administration fee, the BW SIPP welcome letter sent to Mr H in 2019 explained that – *“If you choose to add more than one panel investment or a non-panel investment to your SIPP, we will deduct the additional administration fee of £300.00 plus VAT when this investment is set up.”*

BW's failing in the POLY holding issue fell, in my view, within what could be called its day-to-day administration of the SIPP (or ancillary to that activity), but that was an isolated issue – which will be compensated for (as stated above and below) – and that alone cannot reasonably establish a service breakdown.

As Mr H might be aware, firms commonly charge separately for transfer activities, especially for transfers out. Available evidence shows that BW was no different. This could be viewed as indicative of such activities being somewhat additional to the basic day-to-day SIPP administration activity. I have seen evidence that the only fees charged by BW against Mr H's SIPP in 2023 were the annual administration and additional annual administration fees. No separate fees were charged for the PTA/dealing account transfer and SIPP switch pursuits that happened in that year.

In other words, a ground on which to award Mr H a refund of all BW fees paid in 2023 is absent. On balance, I do not consider that BW failed to deliver the basic SIPP administration it was obliged, and paid, to deliver in that year, and I have not seen evidence to the contrary. As such, it would not be reasonable for it to refund the SIPP administration related fees it collected.

With regards to the PTA/dealing account transfer and SIPP switch activities, I acknowledge that BW committed failings, and I addressed this in my treatment of issue 2 above. However, no fees were paid to BW in relation to these activities, so there are no such fees to refund. Dealings with 'Investment Providers' is a separate activity in BW's Schedule of Fees, distinct from its annual SIPP administration, so BW's activity in opening the AJB dealing account for Mr H (in the PTA/dealing account transfer matter) fell outside its SIPP administration fees category. However, there is a £0 fee in the Schedule for the task of setting up an investment provider account, so no fee was applied in Mr H's case. With regards to transfers out, the

Schedule provides for fees, but the fact is that none were charged for the SIPP switch pursuits in Mr H's case.

Overall, on balance and for the above reasons, I do not uphold issue 3.

Putting things right

What must BW do?

To compensate Mr H fairly, I order BW to do the following –

- Pay him the total of £1,713 in compensation for his financial loss in issue 1.
- Pay him £750 in compensation for the trouble and inconvenience caused to him in issue 1.
- Redress any financial loss he incurred in relation to BW's delayed transfer of the final payment in the BW to II SIPP switch – which should have been transferred on 18 December 2023 but was transferred on 5 January 2024 – by applying either of the following (depending on which is relevant to the facts of how the payment was used);

If the final payment was invested, and upon Mr H providing to BW, within seven days of his acceptance of this decision (should he accept this decision), evidence (contract notes and or II SIPP account statements) on how the final transferred payment was invested after it was received in the II SIPP, BW must conduct a comparison between, and calculation of, how many shares or units in the relevant investment(s) could have been bought if the delay in transferring the final payment (between 18 December 2023 and 5 January 2024) did not happen and how many shares or units in the relevant investment(s) were actually bought; it must share this comparison and calculation with Mr H in a clear and simple format; if, but for the delay, more shares or units could have been bought in the relevant investment(s) (the 'additional shares/units') BW must compensate Mr H for the current value of the additional shares/units. Mr H is ordered to engage cooperatively with BW to provide it with information it reasonably needs, but does not already have, to calculate this.

Or

If the final payment transferred to and received in the II SIPP was not invested, then BW must calculate and pay interest on the final payment amount at the II SIPP's cash account interest rate for the period ending on the date the amount was applied to the II SIPP's cash account and beginning from the date on which it would have been applied to the II SIPP's cash account but for the transfer delay between 18 December 2023 (when the payment should have been sent to the II SIPP) and 5 January 2024 (when it was actually sent). Mr H is ordered to engage cooperatively with BW to provide it with information it reasonably needs, but does not already have, to calculate this.

- Pay him £500 in compensation for the trouble and inconvenience caused to him in issue 2.

My final decision

For the reasons given above, I uphold Mr H's complaint (based on the issues upheld above) and I order BW SIPP LLP to calculate and pay him compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 January 2025.

Roy Kuku
Ombudsman