

The complaint

Mrs M has complained that Cansquared Limited provided misleading quotes for her pension holdings, which caused her to make a life changing decision. As a result, Mrs M would like Cansquared Limited to make up the difference.

What happened

The investigator who considered this matter set out the background to the complaint in his assessment of the case. I'm broadly setting out the same background below, with some amendments for the purposes of this decision.

Cansquared approached each of Mrs M's pension providers for balances on her various policies in April 2022. Information from three providers - Aviva, Standard Life and Royal London - was sent promptly, but the information on defined benefits held with Aon took longer.

In August 2022, Mrs M attended a client meeting with Cansquared which focused on her husband's forthcoming retirement and the resources available to them both moving forward. The balances on Mrs M's other non-Aon policies were used as part of this, but it was recorded that the information from Aon wasn't available at that stage.

It was further recorded that Mrs M probably wasn't ready at that point to retire, but could change her mind on this.

In October 2022, Aon responded to Cansquared apologising for the delays in providing the information. It did send some generic policy information which included the relevant policy references, her dates of starting and leaving the connected employment and her normal retirement date (NRD) of 24 October 2030 - her 65th birthday.

Cansquared sent this information to Mrs M the next day. The email from Aon said that her NRD retirement and Cash Enhanced Value Transfers (CETVs) were being calculated. However, despite assurances on when to expect the information, it wasn't sent until February 2023 to Cansquared's registered address. This gave a summary of Mrs M's benefit options.

Mrs M asked Cansquared further questions about the information, for example as to whether the £82,000 tax free lump sum was just related to the defined benefits or whether this was a sub-total of all available policies. Cansquared replied that this related solely to the defined benefits and gave Mrs M balances on the other policies.

Several emails followed and Mrs M opted to take the 25% tax free cash with the annual residual pension of around £12,000 and on 6 March 2023, Mrs M contacted Cansquared to say that her retirement plan was to hand in her notice at the end of March 2023, which after a three month notice period meant she would leave her employment at the end of June.

Mrs M later confirmed to Cansquared that this had been done on 30 March 2023 and Mrs M left her employment later that year in November.

Mrs M didn't need access to these funds right away and next got in touch with Cansquared on 3 March 2024. Cansquared explained the information from the previous year would now be out of date and recommended that she contact Aon directly, bearing in mind the delays of the previous year.

At this point it became clear there'd been an issue, as the quotes provided at this time were very different from the quote Cansquared had requested. It became evident that the 2023 quotes had been based on Mrs M's NRD rather than a quote for early retirement.

Having now left her employment, Mrs M raised her complaint on 24 March 2024, saying that both parties understood the figures to be for early retirement and that she'd been led to believe that this was the case.

Mrs M explained that she'd made the decision to leave her employment based on this information, that she was out of work as a consequence and that her current pension income wouldn't support her existing retirement plans.

Cansquared responded on 18 June 2024, agreeing that it hadn't highlighted a key point about the information, in that these benefits would be available from the age of 65.

Cansquared explained that, having received the quotes in March 2023, whilst it did then include the retirement date, it also included the necessary documents to make a claim on the policy benefits which added to the confusion.

In subsequent emails between Aon and Cansquared, Aon agreed that it sent the wrong type of information pack. But it said that, in the event of Mrs M making a claim on the wrong benefits, the main issue would have come to light.

In its complaint response, Cansquared said that because Mrs M hadn't taken the benefits of the policy and therefore hadn't crystallised the disparity between the two quotes, she'd effectively experienced a loss in expectation rather than a financial loss. That valuation would still be available at her NRD.

It expressed regret and apologised that it had failed to notice that the quote was for the NRD and not for early retirement. It offered £500 for the distress and inconvenience Mrs M had been caused by the matter.

Further emails were exchanged, but as agreement couldn't be reached on the outcome, the complaint was referred to our service.

Having considered the matter, our investigator didn't think that it should be upheld, saying the following in summary:

- Both parties agreed that Cansquared approached Aon initially in April 2022 and that receiving this information took just under a year.
- Cansquared had initially emailed Mrs M on 30 March 2022, asking for the Aon scheme details as they had no prior information on this and Mrs M provided it with a screenshot from her Aon portal login. This also had an early retirement quotation for the future date of 23 October 2022 with reduced benefits payable on that date.

- Cansquared said that it approached Aon for information as requested, but it had no knowledge at that time that Mrs M was considering taking benefits early.
- It sent a standard request for information and a letter of authority – and whilst there was no explicit suggestion of early retirement on this document, it did ask for information such as current fund holdings and a cash equivalent transfer value (CETV).
- Aon didn't reply until October 2022 to say that it was calculating the policy benefits, but it was important to consider that, in this response, it said it was calculating the NRD benefits.
- Mrs M had said in her responses to Cansquared that both parties had understood that this was to see where she was positioned with a view to early retirement. Cansquared had suggested that the first it knew of Mrs M's plan to retire was in March 2023 after the quote had been issued. This was a reasonable position as it emailed Mrs M on 6 March 2023 to ask if she'd informed her employer.
- Cansquared had reasonably suggested that Mrs M was aware, or at least ought to have been aware, of her NRD, but it was aware of her situation and intentions from March 2023 onwards. And during subsequent exchanges, Cansquared clearly appeared to support the notion of Mrs M's early retirement.
- Cansquared had conceded that it should have spotted that the quote wasn't designed for its intended purpose. And the investigator agreed that it had failed to properly inform Mrs M of a key detail on which she'd based an important decision.
- A key consideration for the complaint was the relationship between Mrs M and the adviser from Cansquared, which had existed since 2010. Cansquared had said that there was no formal agreement between it and Mrs M. There were no terms of business, no customer agreement and Cansquared didn't charge Mrs M for financial advice at any stage.
- This service could only consider complaints regarding a financially regulated activity and one such activity was the quality and suitability of financial advice.
- Financial advice is generally thought of as giving an opinion or steering a customer to a particular course of action that would involve an element of evaluation, value judgment or persuasion. When providing financial advice, the business takes responsibility for the accuracy of, and suitability of any recommendations.
- Looking over the available information, it seemed clear that information was largely provided via an email thread as there was no record of any structured meeting regarding this matter. Therefore, the evidence didn't support the position that Cansquared had provided Mrs M with specific, targeted financial advice and there was no reason to question further whether Cansquared should bear responsibility for Mrs M's decision to retire.
- It would perhaps be different if there was evidence of a formal process, that Cansquared had produced projections or cash flow summaries and had met to provide Mrs M with its official recommendation.

- It was more likely than not that, in this instance, Cansquared provided an informal service throughout, and again, whilst recognising its impact, consideration needed to be given to how much weight could be placed on its actions.
- Cansquared acted as a conduit for the information provided to Mrs M. And although Mrs M's position was that it was understood that she was considering retiring early, the quotes for the other policies with Aviva, Royal London and Standard Life, didn't appear to have been produced on the basis of early retirement.
- The key detail relating to the NRD was in the physical quote document, which all parties should have had had sight of, and it was unclear as to why this wasn't sent to Mrs M. This may have then been sent during a financial advice process, but it needed to be borne in mind that it was Mrs M's decision to retire based on this information. Cansquared hadn't provided Mrs M with any assurances before this had taken place.
- Cansquared made significant errors and there was enough context in its interactions with Mrs M for it to have understood her aims and to have provided much needed clarity on the pension figures. But Cansquared hadn't entered into a financial advice arrangement with Mrs M and ultimately it was her choice to take the action to leave her employment based on information she hadn't seen – albeit provided by someone she trusted.
- Therefore, Cansquared's offer of £500 for the distress and inconvenience caused by the matter was fair offer and aligned to the sum the investigator would have awarded.

In response, Mrs M provided evidence of the advice process which occurred in 2024, and after some further consideration, requested that the matter be referred to an ombudsman for review. As such, it's been referred to me.

At my request, the investigator enquired of Mrs M as to what she'd done since leaving her employment in terms of replacement income.

In response, Mrs M said that, instead of accessing her defined pension benefits, she's relied on tax rebates for 2023/24 and 2024/25, other pension funds, and savings accounts.

She also said that she hasn't taken alternative employment, mainly due to her mental health suffering as a result of this situation, which in turn has affected her physical health. Mrs M has said that she's been diagnosed with type 2 diabetes.

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'd firstly say that I don't think the matter of whether specific financial advice was provided here or not matters much. Mrs M clearly had a relationship with Cansquared and had asked for information relating to her pension benefits to be prepared and conveyed to her. Cansquared had agreed to do this, and so had a responsibility to provide accurate information.

That information was (eventually) received from Aon and conveyed to Mrs M in summary form. There was no commentary that these would be the benefits which she would receive at that time, as when this was sent Mrs M hadn't yet told Cansquared of her intention to retire early.

But when Mrs M did say that she was going to retire early (on the same day), she wasn't then notified that there would be a reduction in the benefits. And this was because Cansquared hadn't understood that the quoted benefits were for the NRD of 65, despite the proposed retirement age of 2030 being quoted at the top of most pages within the quotation.

Cansquared has said that this was due to there being options to begin taking benefits within the quote, and so this caused confusion. And Aon has itself conceded that this information shouldn't have been sent out as an "options" pack, but rather as a projection of benefits at the NRD.

So, there was an omission of information here. The actual information provided by Cansquared wasn't inaccurate, and it's fair to say that prior information provided did set out the NRD of 65. But for Mrs M's purposes, once she'd notified Cansquared of her intention to retire early, there was an important omission of the fact that there would be a reduction in the benefits payable before the NRD.

Cansquared has conceded that it should have realised that the benefits were projected to age 65, and that it should have notified Mrs M of this. And I agree.

But in thinking about a fair and reasonable resolution of this case, there are several aspects which need to be considered. Firstly, Mrs M hasn't received a reduction in her defined benefits as a result of taking them early – and Mrs M has confirmed that they remain deferred. And so, there's no actual loss attributed to this.

But Mrs M did decide to leave her employment on the basis of the information received, as might quite reasonably have been known by Cansquared, given that Mrs M informed it of her intention the same day that she received the pension figures.

As set out above, Mrs M has told us that, instead of accessing her deferred pension benefits, she's relied on tax rebates for 2023/24 and 2024/25, other pension funds, and savings accounts.

She's also said that she hasn't taken alternative employment, mainly due to her mental health suffering as a result of this situation, which in turn has affected her physical health. Mrs M has said that she's been diagnosed with type 2 diabetes.

But in terms of a chain of causation and what might reasonably have been foreseeable by Cansquared as a consequence of the error made, I think certainly the diabetes diagnosis and also arguably the lack of alternative employment to substitute the income which had previously been received, would be too remote from the error, or event, itself.

To explain further, I acknowledge what Mrs M has said about the effect on her mental health of learning that the pension benefits she'd been quoted wouldn't be payable until age 65, but although I think that Cansquared might reasonably have foreseen that this would be distressing and also present practical issues in terms of replacing the lost income, I don't think it would have been reasonably foreseeable that this would be so severe that Mrs M wouldn't then seek (or be in a position to seek) replacement employment.

To be clear, I don't seek to diminish the effect that the error had on Mrs M, but in terms of what might have been reasonably foreseeable by Cansquared as a consequence of the error, I don't think that this could fairly be included.

Further, although Mrs M might be reliant on other pension funds and savings, as I've set out above, she has retained her valuable defined benefits, which will be subject to annual revaluation in deferment and will also continue to accrue other benefits (such as the

spouse's benefit). And so, I think overall it's more likely than not that the retention of those defined benefits will adequately compensate for the need to access other pension benefits and savings in the meantime.

As mentioned above, however, Mrs M has undoubtedly been caused distress and inconvenience by this matter, and this would have been a reasonably foreseeable consequence. And so, I've thought about the types of award that this service might typically make in similar situations. The amount of £500 offered by Cansquared would be appropriate in situations where the impact of a mistake had caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needed a lot of extra effort to sort out. And typically, where the impact has lasted many weeks or months.

I think this situation, in which Mrs M became aware that the quoted figures were for her NRD, and having left her employment on that basis, would be consistent with the above. And so, I agree that the sum of £500 would be appropriate here.

My final decision

My final decision is that the amount of £500 offered by Cansquared Limited is an appropriate payment to resolve the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 21 August 2025.

Philip Miller
Ombudsman