DRN-5222918

The complaint

Mrs N says Zurich Assurance Ltd ('Zurich') caused a delay in the transfer of her Zurich Personal Pension ('PP') to Royal London ('RL') in 2022.

She claims redress for financial loss. She says the cash value of the PP was liquidated for the purpose of the transfer, and she alleges that the PP was potentially liquidated prematurely given that a part of Zurich's delay relates to its enquiry over what the transfer value was supposed to be, and that the cash value was left unmonitored, uninvested and out of the market for around four weeks because of Zurich's delay.

Mrs N has used, as a benchmark for her claim, growth in her husband's pension, which she says underwent the same transfer at the time (and, post-transfer, was invested in the same way as hers), but was transferred from Zurich to RL much faster. She says his pension has had a notably higher growth rate than hers, and that she learnt from her Financial Adviser ('FA') that this is due to a particular market event(s) during the four weeks period in which, because of Zurich's delay, her pension remained in cash (uninvested and out of the market) – whilst her husband's pension had been promptly transferred and reinvested, was in the market at the time, and benefited from the growth event(s).

Zurich disputes the complaint and denies causing a delay to the transfer process.

What happened

One of our investigators looked into the merits of the complaint and concluded it should not be upheld. Overall, she did not consider that Zurich had caused a delay to the transfer process.

In the main, she reviewed the chronology of events in 2022 and found as follows –

- The transfer was conducted through the electronic pension transfer system 'Origo'. The Origo transfer request was received by Zurich on 20 June. The PP was taken out of the market on the same date.

- Zurich reviewed the request on 27 June and noticed that the value requested by RL was more than the PP's transfer value, so it sought clarification on this from RL.

- RL replied on 1 July, but it failed to set the alert for Zurich to be notified of its reply – as Zurich had requested – so RL's chaser on 11 July prompted realisation of this oversight.

- RL re-submitted its request on 15 July, and the transfer was completed on 18 July.

On the above basis, the investigator was not persuaded that Zurich had delayed the process.

Mrs N has asked for an Ombudsman's decision. She retains her queries about why the PP appears to have been prematurely liquidated (if Zurich still had enquiries to make about the correct value to be transferred) and why it did not monitor the cash value during the delay (in order to be prompted to take action). She also questions why the seemingly premature liquidation happened seven days before it enquired about the correct value to be transferred, and she notes that RL denies the alert oversight that has been alleged.

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.

There is guidance for pension transfers, in terms of the length of time they should take, in the 2018 TRIG (or Transfers and Re-registrations Industry Group) Framework.

The TRIG Framework provides for two standards for this – a *step-by-step* standard, and an *end-to-end* standard.

Where there are only two counterparties in the transfer process and where assets are in cash, the end-to-end standard usually applies. In a nutshell, this standard has the expectation that transfers, from start to finish, should be completed within 10 to 15 working days, depending on the type of pension.

The Framework recognises that for more complex transfers there could be multiple parties involved, so there needs to be allowance for more time and for each party involved to be accountable for its own steps in the process. In such cases, the step-by-step standard applies, which provides for a total of three working days (including the day of receipt of correspondence) for each of a firm's 'step' in the transfer process and includes allowance for legitimate *stop the clock* events where extra time is required in a step.

Available information is that Mrs N's transfer was more of the non-complex type, involving only Zurich and RL, and involving the transfer of liquidated cash. We have a copy of the Origo transfer documentation, which supports this description. As such, I consider that the end-to-end standard can be applied.

The Origo documentation confirms that the transfer request was created on 20 June 2022. Mrs N has referred to her FA informing her that the transfer request was initiated on an earlier date. I have not seen enough evidence to explain that. However, as far as the Origo based request to Zurich for the transfer of her PP is concerned, the documentation confirms it was initiated on the above date – so this is the date that applies to my consideration of the transfer process.

The Origo documentation also confirms that the transfer was completed on 18 July 2022. Therefore, the entire process lasted 20 working days. This is five days longer than the up to 15 working days guidance for the end-to-end standard in the TRIG Framework. On face value, this would suggest that the process was delayed. However, that suggestion, on its own, is not enough to establish Mrs N's complaint. The circumstances of each case still have to be taken into account, and such circumstances might show reasonable cause for a process taking longer than stated in the guidance. Furthermore, and importantly, in the present case it also needs to be established that Zurich's action or inaction was the cause of the process taking longer than 15 working days.

The Origo document broadly supports Zurich's account of events. In it, there is record of Zurich's enquiry, on 27 June, about the conflicting values (the lower transfer value and the higher value requested by RL). To be specific, Zurich said –

"*You've requested a full fund transfer with an approx value of £286,372.00 but we hold a transfer value of £275,243.65 please confirm if this is a full fund or partial transfer request & if you're happy to proceed with the value we hold. Please set a transfer alert once confirmed*." [my emphasis]

On balance, I consider this to have been a reasonable enquiry. There was a difference of around £10,000 between the requested value and the transfer value. The reason behind the question about if the request was for a full or partial transfer is not quite clear to me, but the question about whether (or not) RL was prepared to proceed with the transfer value was quite reasonable. If, as it appears from the documentation (which shows that the requested value was indeed £286,372), RL was expecting a value around £10,000 more than the actual value, I do not consider that Zurich was wrong to highlight this conflict to RL and to await its clarification.

I understand Mrs N's question about why the PP was liquidated prior to this enquiry. The Origo documentation confirms that Zurich received a request for a 'full' transfer of the PP's *value*, in other words its liquidated value. In this context, it was not unreasonable for it to immediately liquidate the PP. It was told that the PP's full value was to be transferred, so the liquidation was required and Zurich probably sought to be efficient by doing so promptly. To illustrate this point slightly further, in another case, depending on the facts, a liquidation delay might be a cause for complaint.

Subsequent to the liquidation, it noticed the conflict in values and queried this, and as I have said that was not unreasonable in the circumstances.

As quoted and emphasised above, Zurich did ask RL to set the transfer alert once it confirmed its response. The documentation shows that RL replied on 1 July to confirm it was a full transfer request, and it told Zurich to "*Just send the lower value*". It then chased for a response from Zurich on 11 July. However, the section of the Origo documentation that states "Transfer Alert?" confirms that "None" was set.

Around five to six working days were lost between the 1 July response and the 11 July chaser. Given that this was time in which Zurich did not receive the alert it had requested, I am not persuaded that it caused this loss of time. The facility for the alert served a reasonable purpose, to create notice about the response, and I consider that its request for the alert fell within the scope of that purpose.

I understand Mrs N's point about Zurich not being proactive by monitoring the cash being held, which should have prompted it to act by following up on its enquiry. It could have been more proactive in this respect and it could have followed up on its enquiry, but it appears to have done neither. However, in the circumstances of the case, and given that the request had already been reasonably made for RL to alert Zurich of its response, but no alert was set when RL gave its response, it is somewhat difficult to conclude, on balance, that Zurich should carry the blame for the time this specific part of the process consumed.

Wider evidence suggests that Mrs N's husband's pension transfer was conducted and concluded quickly because there was no comparable conflict in values, so there was no cause for additional enquiries by Zurich. I am persuaded, on balance, that in processing the transfers, and with regards to Mrs N's, Zurich considered that there could be an issue in hers, indicated by the conflict in values, which had to be addressed on her and RL's side of the process. It might have assumed they were engaged in doing that. It is possibly for this reason that it did not follow-up on its query as quickly as it should have, without the alert.

On balance, I have not been persuaded to find that Zurich is responsible for the five to six working days between 1 and 11 July identified above. It should also be noted that its enquiry had been made four working days before RL's 1 July reply, so it also should not be blamed for the time taken by RL to reply. Deducting the five to six working days – for which I have not held Zurich responsible – from the transfer process' 20 working days journey brings it within the TRIG end-to-end standard guidance allowance of up to 15 working days for a transfer. Overall, on balance, on this basis, and given the circumstances of the case (including the chronology of events and the Origo documentation evidence) I do not find that Zurich unduly delayed the transfer of Mrs N's PP to RL. It follows that her claim for compensation (for financial loss), which rests on the allegation that Zurich caused a delay, falls away.

My final decision

For the reasons given above, I do not uphold Mrs N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 17 January 2025.

Roy Kuku
Ombudsman