

## **The complaint**

Mr R complains that Vanguard Asset Management Ltd (Vanguard) caused avoidable delays to the set up his SIPP. This led to a delay in accessing his monthly pension and his Tax-Free Cash (TFC) lump sum, which meant he couldn't make the investments he wanted to make when he wanted to.

## **What happened**

The background to this complaint is well-known to both parties, so I won't repeat it in detail here.

In summary, Mr R felt that Vanguard had caused avoidable delays to the transfer of part of his TFC lump sum to a Self-Invested Personal Pension with it. This meant he couldn't take any part of his pension from another business.

Mr R complained to Vanguard about the time it'd taken for his pension to be transferred. It upheld the complaint. And offered Mr R £50 compensation for the distress and inconvenience the delays had caused. It also offered him £50 for the delay in resolving his complaint.

Mr R didn't think Vanguard's offer was enough to put things right, so he brought his complaint to this service. He felt he'd suffered significant distress and inconvenience, noting that he was also suffering from serious ill health. Therefore the poor service he'd received and the time and effort he'd had to take to ensure his transfer was progressed had led to significant stress.

Mr R also said he lost out on the interest he would've got over the period of delay on the savings accounts he'd opened.

Our investigator felt that the complaint should be upheld. He felt that but for the avoidable delays, Mr R would've opened his savings accounts around 11 January 2024. He therefore felt that Vanguard should calculate how much additional interest the savings accounts would've paid if Mr R had been able to open them around 11 January 2024.

Vanguard agreed to pay Mr R interest on a total investment of £110,000, over the period from 11 January 2024. It also maintained its offer of £100 compensation.

Vanguard said that before it could calculate the interest redress our investigator had recommended, it needed evidence of the TFC payment. It also wanted further details about the savings investments Mr R had made on his and his wife's behalf with £110,000 of his TFC. It acknowledged that Mr R had already provided certain information, but said it needed additional details.

Mr R didn't consider that the £100 compensation Vanguard had offered him was fair.

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.

I first considered whether I agreed with our investigator about the date Mr R would've made his investments, but for the avoidable delays. I agreed with him that this would've been around 11 January 2024.

I noted that Vanguard had written to Mr R on 27 February 2024 to tell him that it'd received his transferred funds. Mr R's previous pension provider wrote to him on 23 February 2024 to tell him that it'd sent his TFC payment to his bank account. I therefore felt it was reasonable to assume that he would've received these funds around the same time as Vanguard received his remaining funds on 27 February 2024. Therefore I was satisfied that interest should cover the period from 11 January 2024 to 27 February 2024.

I then wrote to both Mr R and Vanguard, given the remaining unresolved issues in this complaint, to suggest a potential way forward.

I explained that I felt that Mr R had provided evidence that I was satisfied showed that, but for the delays Vanguard caused, he would've still invested in the investments he eventually took out in February 2024, but he would've done so sooner. Therefore I was satisfied that it was fair and reasonable for Vanguard to request information about the date the savings investments were actually made, and the interest rate those investments attracted.

I noted that Mr R had emailed Vanguard on 11 July 2024 with information about his investments. But I wasn't certain that the email showed all of the information I felt Vanguard reasonably required to carry out the calculation our investigator had suggested.

As I felt that Vanguard reasonably needed more information, but I understood that Mr R had said he'd provided all of the information he could, I suggested the following solution:

- a. I asked our investigator to share with Vanguard a copy of the 23 February 2024 letter from Mr R's previous pension provider as evidence of the payment of the TFC lump sum.
- b. Instead of asking Mr R to provide additional information, I asked if both parties would agree to the payment of interest at 5% compound each year over the period in question. I suggested this as a simple alternative to creating additional stress for Mr R, and additional work for Vanguard in reviewing any further information he might be able to provide. And because from the information Mr R had already provided, it was apparent that he was looking to achieve around 5% on his TFC savings.

I also said that I agreed with Mr R that the £100 compensation Vanguard had offered didn't fairly reflect the stress the situation had caused him. I said this was because of the following.

Mr R wanted to start his pension on 6 January 2024. He knew this might prove difficult, but believed that it would start no later than mid-January 2024. This didn't happen due to avoidable delays which Vanguard has accepted it caused.

Mr R has explained that the avoidable delays Vanguard caused meant that he couldn't access any of his pension monies. So he wasn't able to receive £1,100 each month from his pension or his £113K TFC lump sum. He's also explained how ill he's been and how difficult

and time-consuming his treatment has been. Therefore I can only imagine the additional stress and worry he suffered due to the delayed payment of an extremely significant sum of money. I can also see that it must've been incredibly inconvenient to manage without the monthly income for a time. Mr R has also told this service that the six weeks he had to spend chasing Vanguard took a huge amount of his time, and was therefore frustrating and inconvenient.

Considering the impact the avoidable delays Vanguard caused had on Mr R, I consider that it should pay him £500 compensation for the distress and inconvenience caused.

I asked our investigator to put my recommendation to both parties.

Both Vanguard and Mr R agreed to my recommendation. Vanguard said it would also still pay Mr R the £50 it'd offered him for the delayed complaint response.

Therefore I uphold the complaint.

### **Putting things right**

My aim in awarding fair compensation is to put Mr R back into the position he would likely have been in, had it not been for the avoidable delays Vanguard caused. I think this would have meant that he invested a total of £110K in savings products earning 5% each year on 11 January 2024.

#### *What Vanguard must do*

To compensate Mr R fairly Vanguard must:

- Calculate the lost interest over the period from 11 January 2024 to 27 February 2024.

Vanguard said that 5% interest on £110,000 for a 47-day period was £708.22.

- Pay Mr R £50 for the delayed complaint response.
- Pay Mr R £500 for the distress and inconvenience caused.

This is a total payment of £1,258.22.

Vanguard told this service that it will need Mr R to add his bank details to his online Vanguard account so that it can make the payment. It also needs a copy of the 23 February 2024 TFC letter, which I've asked our investigator to provide.

### **My final decision**

For the reasons set out above, I uphold Mr R's complaint. Vanguard Asset Management Ltd must take the actions detailed in "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 February 2025.

Jo Occleshaw  
**Ombudsman**