

The complaint

Mr M's complaint is about protected tax free cash (PTFC) quotations he received from Countrywide Assured plc (Countrywide).

What happened

Mr M contacted Countrywide in January 2024. Countrywide provided a PTFC quotation on 18 January 2024. It was £105,878.34, assuming Mr M didn't have any Fixed or Individual Lifetime Allowance (LTA) protection. Mr M reminded Countrywide that he had Fixed Protection 2014 and his PTFC was recalculated on 22 January 2024 at £93,110.32. There's also an email from Countrywide to Mr M on 24 January 2024 with some information about PTFC and explaining why the quotation had gone down.

Mr M requested an updated PTFC figure on 5 March 2024. Countrywide provided quotations the following day, which showed PTFC of £92,807.31. But Countrywide added that the abolition of the LTA from the next tax year would see a change to the way PTFC was revalued. And, based on the same fund value, Mr M's PTFC would increase to £105,575.32 if he took it in the next tax year. Countrywide attached some information and said it recommended that Mr M seek independent financial advice.

Mr M planned to take his PTFC in the new tax year. To make that easier and quicker, he started to encash stocks held in his pension. The trades were completed on 20 March 2024.

He received further quotations from Countrywide on 30 April 2024, which confirmed his current PTFC entitlement was £105,614.99. But, as discussed below, HMRC had by then issued further guidance in a newsletter on 4 April 2024 stating that the new assumptions and guidance they'd outlined (following the abolition of the LTA) for calculating PTFC was incorrect.

Mr M contacted Countrywide on 5 May 2024 to start the process of taking his PTFC. A requote was undertaken and the PTFC had dropped to around £93,000. Mr M queried that and was told that the higher quotations were based on erroneous guidance from HMRC.

Mr M complained to Countrywide. In its final response dated 28 June 2024 Countrywide didn't uphold the complaint, repeating that it couldn't be held responsible for the erroneous guidance from HMRC.

Mr M referred his complaint to us. Countrywide told us that he'd been unhappy with the final response as he didn't think his concerns had been investigated correctly. Countrywide was dealing with Mr M's service related concerns as a new complaint. But the subject matter of this current complaint wouldn't be revisited.

One of our investigators looked into what had happened. He was sympathetic to Mr M and acknowledged he'd been caused distress and inconvenience. But the investigator didn't think Countrywide had to honour the higher PTFC that had been quoted. Countrywide had made some small errors but there didn't seem to have been any errors in the quotations issued in January 2024. And Countrywide wouldn't necessarily have been aware that Mr M

had Fixed Protection 2014 until he'd told Countrywide that. On 5 March 2024 Mr M was told his PTFC would be higher if he took it in the next tax year. That was based on the erroneous guidance from HMRC. But Countrywide had issued an incorrect quotation on 30 April 2024 which was after HMRC had released the following statement on 4 April 2024:

'Regulation 3 of the Pensions (Abolition of Lifetime Allowance Charge etc) Regulations 2024 made changes to paragraph 24 of Schedule 36 FA [Finance Act] 2004. This provides the calculation for the additional lump sum where a member holds scheme-specific lump sum protection. We are aware that this formula double counts certain benefits and therefore does not operate as intended. The government will therefore bring forward legislation to resolve this issue.

Until this legislation is effective, affected members may wish to request a delay to the payment of a PCLS [Pension Commencement Lump Sum] under scheme-specific lump sum protection.'

However, by then Mr M had already taken steps to disinvest his pension funds following the earlier quotations which Countrywide wouldn't reasonably have known were incorrect. So the investigator considered the impact of the wrong quotation was lessened, although it did amplify the loss of expectation Mr M experienced when he tried to claim his PTFC in May 2024. The investigator recommended a payment of £200 for the distress and inconvenience Mr M had suffered.

Mr M didn't accept the investigator's view. I've listened to his call with the investigator. It centred on the 30 April 2024 quotation which post dated HMRC's announcement on 4 April 2024. Mr M also requested copies of the evidence on which the investigator had based his view, which we provided. We gave Mr M more time to make any further comments but we didn't receive any.

As agreement couldn't be reached the complaint was referred to me to decide.

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.

First I'd like to reassure Mr M that I've considered everything afresh. Although, having done so, my views are similar to the investigator's.

The LTA was abolished on 5 April 2024 as had been announced in the 2023 Spring Budget. In anticipation HMRC had issued guidance as to how PTFC would be calculated from 6 April 2024, the start of the new tax year. But, just before then, HMRC issued further guidance in the newsletter on 4 April 2024 saying the new assumptions and guidance they'd outlined for calculating PTFC were incorrect. Amending legislation was required to correct various technical issues and anomalies which arose following the abolition of the LTA. Amending legislation came into force on 18 November 2024 with retrospective effect from 6 April 2024.

Countrywide is Mr M's pension provider, not his adviser, so it isn't up to Countrywide to advise him about if and when he should take his PTFC. But any information Countrywide provides – such as quotations as to how much his PTFC is likely to be – should be accurate as it will impact on his decisions. But I don't think Countrywide is responsible if, in providing PTFC quotations, Countrywide is applying correctly the relevant regulations and any guidance given by HMRC. It's not Countrywide's fault that there were flaws in the regulations under which the LTA was abolished and which meant they operated in a way which wasn't intended and had to be rectified.

The quotations Mr M got in January 2024 were accurate. The first was on the assumption that he didn't have any LTA protection. In fact he had Fixed Protection 2014 which, as he's pointed out, Countrywide did know about. But it's possible it could've since been lost and, in any event, quotations may have been routinely generated on the same basis – that an individual didn't have protection. If they did, it would be relatively straightforward to confirm that to Countrywide and for the quotation to be redone on that basis. Which is what happened here. So I don't think anything turns on the initial quotation not being on the basis that Mr M had Fixed Protection 2014.

The updated PTFC quotation which Countrywide provided on 6 March 2024 showing PTFC of £92,807.31 was also accurate. As was what Countrywide said about it increasing to £105,575.32 if Mr M took it in the next tax year, based on what Countrywide reasonably understood, from information given by HMRC. Mr M acted on that information by encashing funds in readiness for taking his PTFC. But in doing so, he wasn't acting on information provided by Countrywide which it ought to have known was incorrect.

But Countrywide issued a further quotation on 30 April 2024. It didn't take into account the announcement HMRC had made on 4 April 2024. Countrywide acknowledged that but said it would've needed some time to digest what HMRC had said. But I don't think it would've taken Countrywide too long, given that the statement wasn't lengthy or complicated.

I've thought about whether Countrywide should've got in contact with Mr M soon after HMRC's announcement on 4 April 2024 to point out to him that quotations which had been provided might've been wrong as issues had been identified in the underlying regulations. On the one hand, Countrywide wasn't Mr M's adviser and so Countrywide didn't have to advise him of changes which might impact on him in the same way as an adviser would generally be expected to. But, on the other hand, Mr M had requested a number of PTFC quotations and so Countrywide would've known that he was contemplating taking his PTFC. On balance I think Countrywide should've alerted him to the issue.

But, by then, the encashment of Mr M's stocks had been completed and notification soon after 4 April 2024 would've been too late to have stopped that process. But Mr M would've been aware of the correct position earlier and, in theory at least, could've taken steps to mitigate his position.

I don't think Countrywide would dispute that, when Mr M requested another quotation at the end of April 2024, Countrywide should've been aware that HMRC had identified issues, which meant the current position was uncertain and so Mr M might want to delay taking his PTFC. Instead, the quotation was incorrect and the problem didn't come to light until 5 May 2024 when Mr M actually started the process of taking his PTFC.

Where, as here, a business has done something wrong (or not done something it should've), we'll consider the impact of that error (or omission) on the consumer. We'll look at if the consumer has suffered financial loss and/or distress and inconvenience. In awarding any redress for financial loss, we'd aim to put the consumer, as far as possible, in the position they'd be in but for the business' error or omission. I'd add that, generally speaking, where incorrect information is given, that won't create an entitlement to any higher figure that's been quoted in error. Here Mr M's PTFC depends on the scheme rules and the relevant legislation and regulations. He's only entitled to the correctly calculated amount. But I've considered if he suffered any financial loss because he relied on incorrect information.

Mr M was buying a house and intended to use his PTFC towards the purchase. As I understand it, his main concern is that he sold his stocks in preparation for taking his PTFC and that's meant he was out of the market and so he's lost out on any growth. However, he did also say on his complaint form that he wouldn't have gone ahead with the property

purchase if he'd have known his PTFC wouldn't have been around £105,000. I'm not persuaded about that. Mr M first began enquiring about taking his PTFC in January 2024. The figure was then around £93,000. If that was when the property purchase kicked off, he'd have known that was the amount available. It wasn't until early March 2024 that the possibility that it could be higher, around £105,000, was raised. Although that may have come as welcome news to Mr M, if the property purchase was by then underway, it wouldn't have been dependent on the higher PTFC.

And, even if I'm wrong about that, Mr M did go ahead with the purchase anyway. He was fortunately able to access other assets, even though that disrupted, to some extent, his tax planning. But buying a property is a significant decision, usually driven by a number of factors. Availability of funds is of course central but I think it would be hard to say that Mr M wouldn't have proceeded, if he'd known that his PTFC wouldn't be as much as £105,000.

Turning to his claim for loss of investment growth, by the time Mr M found out that his PTFC would be lower, he'd already encashed stocks in preparation for taking the PTFC. If he'd then decided against taking it and so he'd encashed his stocks unnecessarily, he could've reinvested. That would've been around, say, mid April 2024 (if Countrywide had notified him following HMRC's announcement on 4 April 2024) or at the beginning of May 2024 (if Countrywide's quotation issued on 30 April 2024 had been correct). But Mr M did go ahead and take his PTFC. I've seen that on 23 July 2024 Countrywide confirmed that the PTFC (£92,753.16) had been paid into his nominated bank account and a transfer in drawdown payment (£190,649.21) made to a new provider. Given that Mr M did what he was going to do anyway – take his PTFC – I don't see that he did encash unnecessarily. So I can't say he's suffered any investment loss as a result of being out of the market.

In the circumstances I think the complaint boils down to disappointment he's suffered because his PTFC was less than the higher figure that had been mentioned.

I know Mr M considers the compensation suggested by the investigator isn't adequate. To be clear, that was in respect of the distress and inconvenience suffered. It didn't reflect any financial loss, such as investment growth as Mr M was out of the market which, as discussed above, I don't think he can successfully claim. I think £200 is fair and reasonable to recognise the impact on Mr M, including disappointment or loss of expectation, when he found out that his PTFC would be less than he'd at one stage thought.

I can understand that Mr M feels very strongly about this matter. And there's no dispute that there were shortcomings in what Countrywide did. But my aim isn't to punish Countrywide. Rather it's to put Mr M back in the position he'd be in if Countrywide had done all it should've. Here I'm not persuaded that Mr M would've acted differently even if Countrywide had advised him earlier and correctly about the PTFC position. So my award is confined to distress and inconvenience.

My final decision

I uphold the complaint but in part only. Countrywide Assurance plc must pay Mr M £200 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 October 2025.

Lesley Stead
Ombudsman