

The complaint

Mr S holds a commercial property investment in a self-invested personal pension ('SIPP') with Suffolk Life Pensions Limited (trading as Curtis Banks Pensions in this case). Mr S complains that Suffolk Life Pensions Limited failed to correctly apply rental payments that the tenant made to it.

What happened

In November 2020 commercial property held in Mr S's SIPP was let to a person I will refer to as Mr B. The property within the SIPP is owned by the SIPP trustees – Suffolk Life Annuities Limited. The SIPP administration is carried out by Curtis Banks and the issues complained about relate to Curtis Banks' correspondence and activities. So I will refer to Curtis Banks as the respondent for ease of reading.

Curtis Banks wrote to Mr B on 25 November 2020 at the start of the tenancy. It explained the method for payment of the rent, which was £1,950 every three months. It explained that the rent should be paid by Direct Debit and included a Direct Debit mandate that it requested Mr B completed. This was not completed.

On 19 November 2022 Curtis Banks contacted Mr B regarding rental arrears and provided details of the account that payments should be made to and the reference number that should be used.

Curtis Banks chased Mr B again in March 2023 for the rent arrears. It wrote to Mr B again in December 2023 about the rental arrears on his account. Which at that stage it said was £7,337.38.

In April 2024 Mr S complained to Curtis Banks about its handling of pursuing rental arrears. Mr S believed that the rental payments had been made by Mr B and that Curtis Banks needed to locate the payments.

Curtis Banks responded to explain that its correspondence about the rent arrears could have been clearer. But explained that it had no record of rental incomes being received and stated that it had been clear about what evidence it required about the claimed payments for it to be able to investigate the claim that payments were made any further. It would continue to take action to pursue the arrears unless Mr S instructed it not to.

Mr S did not accept this response and referred his complaint to our service. Our investigator looked into what happened and Curtis Banks confirmed that it had reflected on the case and was of the opinion that it had failed to chase the arrears with sufficient frequency and offered £100 in compensation for the distress and inconvenience of that. Our investigator didn't think that the evidence indicated that Curtis Banks had done anything wrong in recording rental payments. And thought its offer of £100 was fair for its failure to chase the arrears more frequently.

Mr S didn't agree with our investigator's opinion and this case has been referred for an ombudsman's decision.

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.

The crux of this case is that Mr S has challenged whether Curtis Banks have fairly credited his SIPP with the rental income that he believes Mr B sent. For the reasons that I will set out, I am not persuaded that Mr S can evidence that Curtis Banks were correctly sent the rental payments. So I don't think that Curtis Banks have acted unfairly in continuing to pursue the rental arrears.

The property was owned by the SIPP trustees so it principally fell to Curtis Banks to invoice the rent and to inform the tenant when their account was in arrears. This was set out in the SIPP terms and conditions and set out for both parties in our investigator's view. And this responsibility is not in dispute.

Curtis Banks have explained for Mr S and our service how rent payments are processed. And I think it seems clear and reasonable. Mr B was told to complete a Direct Debit and, had that been done, that would have eliminated the issues that happened. Without the Direct Debit being in place, it was incumbent on Mr B to ensure that the payments were made to the correct bank account including the correct reference number. Providing that Curtis Banks were clear on this. And I think that, in its initial correspondence and subsequent chasing, it was very clear on how the rent should be paid.

Curtis Banks explain that any correctly referenced payments to that account number would be attributed to the correct SIPP. Any payments that were not recognised would be returned. Overall, this seems like a reasonable and plausible explanation for how the payments would be treated. It is the lack of clearly referenced payments that has led to the absence of the rental receipts in question.

I understand Mr S's concern that mistakes could have happened with payments. So I don't think that it's unreasonable for him to query this if he thought that the tenant had paid the rent. And where he did, I would expect Curtis Banks to investigate to ensure that it had not missed a payment in error. I am satisfied that Curtis Banks has done this.

Curtis Banks clearly set out what information it needed to be able to trace the payments. I understand that Mr S has provided two bank accounts that he believes Mr B used to make the payments. And Curtis Banks has confirmed that it has checked its records for payments from those accounts and cannot find them. And I think this was fair.

Mr S has also provided a couple of screen shots that he says evidence that Mr B paid rent to Curtis Banks. But I don't agree that is persuasive evidence that Curtis Banks received the payment to the correct account. It appears to show a payment being made out of an account that Mr B used. But it does not provide information about the account number that it was paid to. Without clearer evidence, along the lines that Curtis Banks has requested, I am not persuaded that Curtis Banks could have done any more without specific evidence of the payments having been made to the specific account in question. Put simply, it has looked for payments from the account numbers given and not found them.

I understand Mr S's frustration because his SIPP investment has lost out on potential rental income. But it is not my role to make a determination about why that payment has not been received into the correct account for Curtis Banks to find it. It is my role to decide whether or not Curtis Banks has done anything wrong. And that must be based on the evidence provided. For the above reasons, Mr S has not provided evidence that persuades me that payments were made to the correct account. So I am not persuaded that Curtis Banks have

failed to track the payments or made any mistakes in recording the arrears in the way it has. It follows that I am not upholding this part of Mr S's complaint.

Whilst not specifically the complaint that Mr S made, Curtis Banks identified that it ought to have chased the tenant more frequently than it did. And, from the documents received, I am inclined to agree. Having chased the arrears with Mr B in March 2023 there is no evidence that it pursued that again until December 2023. I don't think that was responsible for a loss as the rent arrears remain unresolved. But it likely caused a delay in the issue being escalated to the stage it was. So it is fair and reasonable for Curtis Banks to pay £100 to compensate for that inconvenience.

My final decision

For the above reasons I think Suffolk Life Pensions Limited should pay Mr S £100 compensation for the inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 May 2025.

Gary Lane
Ombudsman