

The complaint

Mrs W has complained about the actions of Origen Financial Services Limited in relation to a transfer of her defined benefit ('DB') occupational pension scheme.

What happened

In 2022, Mrs W's DB scheme ('the Scheme') began the process of being wound up following the insolvency of the sponsoring employer. Member benefits were to be secured with an insurer. As part of this process, the trustees offered members the option of taking independent financial advice from Origen. This advice was free of charge for the member. This has generally been referred to as the 'bulk process'.

Mrs W confirmed she wanted to take up this offer on 7 January 2022. She was sent a welcome email by Origen on 11 March. She first met with Origen on 21 June, with further meetings following thereafter.

Mrs W was sent a provisional advice report dated 12 September and a finalised report dated 9 November. The provisional report was based on an indicative transfer value dated 31 March. The finalised transfer value was only available once the wind-up process had concluded. By this point Mrs W's transfer value (dated 30 September) had declined by 32%. Nevertheless, the final advice report recommended Mrs W transfer to a drawdown plan (as had the provisional report). Mrs W accepted the advice and transferred her DB pension.

In 2024 Mrs W complained to Origen. Her complaint, in brief, was that Origen should have done more to warn her about her transfer value reducing during a prolonged bulk process and that it should have advised her she would be better off transferring outside of that bulk process. If Origen had done this, she says she would have paid for advice from a different financial adviser which would have meant a quicker transfer process and, therefore, a higher transfer value. By way of background, the size of Mrs W's transfer value meant she would have needed to take financial advice ahead of any transfer. Mrs W wanted Origen to compensate her for the difference in her transfer value between 31 March and 30 September 2022.

In response, Origen said it couldn't have finalised its advice until it had received a finalised transfer value for Mrs W which was dependent on factors outside its control – namely the winding up of the Scheme and the securing of benefits with an insurer. It pointed to communications from the Scheme's trustees which outlined the timetable for members, specifically that the 31 March transfer value was "indicative" only and the final transfer value wouldn't be available until "the Autumn". And it said its remit was to give Mrs W independent financial advice – which it did.

Mrs W referred her complaint to us. Our investigator came to broadly the same conclusions as Origen. That is, Origen fulfilled its remit to provide independent financial advice and Mrs W was made aware of the following: the March 2022 transfer value was indicative only, the finalised transfer value wasn't going to be available until the Autumn, and members could use an alternative adviser to transfer outside the bulk process.

Mrs W responded with further arguments and asked for an ombudsman to make a final 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.

For the sake of completeness, it's important to acknowledge that Mrs W was told her initial transfer value wasn't guaranteed, she wouldn't be able to transfer as part of the bulk process until the wind-up process had been completed and that it would take until Autumn 2022 for that to happen. Those messages were contained in the information pack the Scheme trustees sent to members in May 2022:

- *"This statement sets out an indicative transfer value that is expected to be offered to you. The final transfer value available to you will be provided in Autumn 2022."*
- *"The table below shows the indicative transfer value of your Scheme pension at 31 March 2022."*
- *"Over the period to 8 August 2022, you will have received advice to consider whether the transfer option is right for you. This is based on an indicative transfer value (which in itself is subject to change)."*
- *"You will receive a final transfer value quotation in the Autumn of 2022."*

This built on similar messages given by Origen in the "timeline" document it forwarded to Mrs W on 11 March. There doesn't appear to be any dispute about any of this. Instead, Mrs W's complaint is that Origen should have gone further and advised her to transfer outside of the bulk process. Underpinning this are two further arguments. First, Origen ought to have known her transfer value would fall. Otherwise, Mrs W would, in effect, be saying she should have been warned her transfer value *could* fall, which is little different to the message she was given – as I've outlined above. And second, knowing the transfer value would fall, Origen had a duty of care towards Mrs W to warn her that delaying things would likely not be in her best interests.

It's true that Origen had to follow the FCA's Principles for Businesses, and COBS 2.1.1R, which gave it wider responsibilities towards Mrs W than just adhering to specific rules in relation to its transfer advice. In short, it did have to act in Mrs W's best interests. But, to my mind, it wouldn't have been acting in Mrs W's best interests if it had told her to not take its advice (which was free to Mrs W) but instead pay for a different adviser in order to avoid a fall in a transfer value that may not have even materialised. A client could, realistically, end up in a worse situation as a result of that given the vagaries and uncertainties of transfer values, not to mention the *certainty* of having to pay more for advice. And it doesn't strike me as being prudent for a business to have taken that approach when one considers it would have needed to have said the same thing to all its clients going through the bulk process. That would make it vulnerable to the reverse of Mrs W's complaint should transfer values have taken a different course.

Underpinning Mrs W's complaint is the notion that the fall in her transfer value was predictable and it is this, as much as anything, that necessitated action on Origen's part. To illustrate her point, Mrs W provided a table of 20-year gilt yields, which typically have an inverse relationship with transfer values:

01-Jan-22	1.20%
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31-Jan-22	1.52%
28-Feb-22	1.65%
31-Mar-22	1.82%
29-Apr-22	2.12%
31-May-22	2.43%
30-Jun-22	2.60%
29-Jul-22	2.41%
31-Aug-22	3.19%
30-Sep-22	4.13%
31-Oct-22	3.82%
30-Nov-22	3.49%
30-Dec-22	4.03%

I've reproduced the table here because it neatly illustrates the fact that the sharp rise in gilt yields was in September 2022, just before Mrs W's transfer value was finalised. This was prompted by the poorly received government "Mini Budget" on 23 September and subsequent political fallout. Clearly this wasn't predictable.

In any event, Origen would have needed to have advised Mrs W that her transfer value was going to fall before September 2022 to have enabled her to appoint her own financial adviser and stay ahead of her falling transfer value. Realistically, Origen would have needed to have done this by the end of June at the latest to have enabled Mrs W to appoint that adviser, request a new transfer value, receive that transfer value from the Scheme, go through the subsequent advice process and transfer her pension. There isn't anything in the table of gilt yields in the run-up to June 2022, or anything Origen otherwise ought reasonably have known, that makes me think it should have advised Mrs W along these lines.

On a related point, our investigator said appointing a different financial adviser wouldn't likely have resulted in her transferring any earlier anyway. Her conclusions were based on the time it would have taken to appoint another adviser and go through the requisite advice process. In itself, this is a reasonable conclusion – albeit one that is ultimately unprovable. But I would also add that the very factors that resulted in Mrs W's extended transfer process may well have impacted on an alternative transfer process with a different adviser. This is because any advice would have needed to take account of the position Mrs W would have been in without a transfer – the "do nothing" option – which wouldn't have been known until the Scheme wound up. Obtaining a transfer value from the trustees may not have been possible either for the same reason – it would have been dependent on a member's future scheme benefits, the precise nature of which was uncertain.

I can't say for certain what would have happened. The Scheme no longer exists so we can't know what information would have been provided to an alternative adviser, let alone know what that adviser would have done with that information. In any case, my decision doesn't turn on this for the reasons I've already explained; specifically, Origen can't reasonably have been expected to advise members to abandon the bulk process on a presumption that transfer values were going to fall. Nevertheless, I think it is worth noting that there are good reasons to conclude Mrs W wouldn't have been able to transfer with a higher transfer value even if she had appointed a different adviser outside of the bulk process.

Mrs W's comments suggest she thinks the Scheme was being run in an "unwise" manner and that's what contributed to the significant fall in her transfer value. Given its access to the

Scheme, she thinks Origen should have been aware of this and warned (and advised) her accordingly. Whilst I have no insight on how the scheme was managed, this appears to be a slight misconception on Mrs W's part. Transfer values for all DB pension schemes are sensitive to gilt yields. So her DB scheme wouldn't have been unusual in that respect. As such, it wasn't something that should have necessarily concerned Origen. And whilst Mrs W may well argue Origen should have warned her that gilt yields (amongst other factors) could impact on her transfer value, it's difficult to see why this would have prompted her to act in a different way. As I said before, and repeat now, seeking out an alternative adviser in order to maximise a transfer value wouldn't have been an obvious decision to make.

In coming to that conclusion, I have considered the options the Scheme gave its members, one of which was to appoint a financial adviser other than Origen. So I'm aware this option was more than just hypothetical. All members, Mrs W included, were made aware of it. Even so, for the reasons given above, it doesn't follow this is a path Mrs W would have necessarily pursued.

My final decision

For the reasons given above, my final decision is to not uphold Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 8 September 2025.

Christian Wood
Ombudsman