

The complaint

Mr G complains that Legal and General Assurance Society Limited (“L&G”) failed to complete the partial transfer of his pension savings in a timely manner.

What happened

Mr G held pension investments with L&G in a self-invested personal pension (“SIPP”). In April 2024 Mr G decided to transfer the majority of his pension savings to another provider I will call X. Mr G says he intended to use the transferred funds in order to purchase some property.

X sent a transfer request to L&G via the automated Origo Options system on 4 April 2024. It asked that L&G transfer £124,000 of Mr G’s pension savings. In line with its normal approach, L&G valued Mr G’s pension investments two days after the transfer request had been received. But, by that time, the value of Mr G’s pension investments had fallen to £123,927 - less than the requested transfer. So on 11 April it sent an email to X requesting updated instructions.

Mr G responded to that email the same day asking that L&G amend the transfer request to be £123,000. He said that he would advise X. But on 17 April L&G responded to Mr G advising that X would need to submit a new transfer request. And it warned him that the value of his pension investments had fallen further, to £122,300.

X sent a new transfer request to L&G on 17 April for a transfer value of £122,000. But by the time the value of Mr G’s pension investments was calculated two days later it had fallen to £121,950 meaning that L&G was again unable to complete the transfer. It sent another email to X on 23 April asking for updated instructions.

X sent a new transfer request to L&G on 24 April. At that time it asked that a transfer be completed for £122,000, or £121,500 if insufficient. The transfer was completed on 29 April since the value of Mr G’s pension investments on 26 April exceeded the requested transfer of £122,000. X received the transfer proceeds on 2 May.

Mr G complained to L&G about the delays to the transfer. He said that he thought L&G should have amended the transfer rather than simply rejecting it when the value of his pension investments fell. L&G didn’t agree with Mr G’s complaint. It said that it would expect to complete transfers within 15 working days of receipt but could only take instructions from Mr G’s new pension provider – not Mr G himself. Unhappy with that response Mr G brought his complaint to us.

Mr G’s complaint has been assessed by one of our investigators. He thought that L&G had dealt with each part of Mr G’s transfer within a reasonable period of time. And he didn’t think L&G could be reasonably considered responsible for any fluctuations in the value of Mr G’s pension investments. So the investigator didn’t think the complaint should be upheld.

Mr G didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr G and by L&G. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

The transfer of pension benefits using the automated Origo Options system is subject to strict controls to protect consumers from fraudulent activities. In general transfers will need to be requested by the new pension provider that is receiving the transferred funds. And that request will generally need to clearly set out both the nature and value of the transfer being proposed.

Here X made a request to L&G for the partial transfer of Mr G's pension savings. And in each request it set out the value of the transfer that it was requesting. In line with its responsibilities under the Origo scheme L&G was required to complete the transfer exactly as it had been requested. And, should the transfer request not be able to be completed, L&G was required to reject the request and seek further instructions from X.

Mr G's proposed transfer also had a couple of other complicating factors. His request was for a partial transfer – so he wanted to leave his SIPP with L&G open. In line with other pension providers L&G required a minimum balance to be left in a SIPP if it was to remain open. So that further restricted the funds that Mr G might have had available to transfer at any time.

But of greatest importance here was that Mr G's pension savings remained invested at the time he made his transfer request, rather than having already been sold and held in cash. That meant that the value of Mr G's pension savings would fluctuate depending on market conditions. And since he was looking to transfer the vast majority of his pension savings there was always a strong chance that their value might fall to less than the amount of any transfer request.

The terms and conditions of Mr G's SIPP set out how any transfer requests requiring the disinvestment of assets to generate cash proceeds would be handled. Those terms set out that the sale would be deemed to take place two working days after the receipt of the transfer request. That is relatively standard in the industry and ensures both that a firm has a reasonable period of time to place the necessary sale instructions, and that consumers are not able to benefit from sales based on knowledge of market movements.

It would be unreasonable to expect a firm to deal immediately with any instructions it receives. So generally I expect to see a short period of time allowed for instructions, or transfer requests in this case, to be processed. Having looked at the timescales in which L&G dealt with each of the transfer requests it received I am satisfied that it didn't cause any unreasonable delays to Mr G's transfer.

I can understand why Mr G was so disappointed with the time his transfer took. His initial request was sent to L&G on 4 April 2024 and the transferred fund were not received by his new pension provider until almost a month later on 2 May. But I don't think that delay was because of something L&G did wrong. As I have explained, the nature of the investments Mr G held in his SIPP meant their value would fluctuate on a daily basis. And the transfer requests that were sent to L&G by X were for specific amounts. When Mr G's pension savings were insufficient to meet the requested transfer L&G had little option but to reject the entire request.

Mr G has asked why, when it wasn't able to complete the first request, L&G didn't take steps to protect the value of his pension savings by completing the sale that would be required. But that wasn't the instruction L&G received. It was asked to sell part of Mr G's pension savings to facilitate a transfer. L&G had no way of knowing after the first transfer had been rejected due to insufficient funds when, or even if, a subsequent transfer might be received. If it had taken action to sell Mr G's pension investments it might have faced problems should the value of the investments subsequently rose and Mr G decided to not make a new transfer request. Ultimately it fell to Mr G to ensure that his SIPP held sufficient cash to make the transfer if he wished to have some certainty over its completion.

I understand that this is not the outcome that Mr G was hoping for. But I am satisfied that L&G dealt with each of his transfer requests in a reasonable period of time and in line with what I would consider to be normal industry practice. So I don't think L&G has done anything wrong and as such I don't think the complaint should be upheld.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Legal and General Assurance Society Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 August 2025.

Paul Reilly
Ombudsman