

## The complaint

Mr C complains that Truscott Wealth Management Limited ('TWM') didn't complete the transfer from his defined benefit (DB) pension to Prudential in a timely manner which has led to him missing out on a higher transfer value. He wants to be reimbursed for his financial losses.

## What happened

In 2022 Mr C sought advice from TWM on the transfer of his pension. His DB scheme had provided him with a guaranteed cash equivalent transfer value quotation of £299,776.82 on 7 January 2022. The value was guaranteed until 30 April 2022.

After advising Mr C, TWM sent discharge paperwork as well as a certified copy of Mr C's driving licence and passport to Prudential on 20 April 2022. Prudential say their system sent an automated email the same day requesting further identification documents. TWM say this email was never received. There is a dispute about whether this email was sent and if so if TWM's email address was included.

A reminder was sent by Prudential on 28 April requesting specifically bank validation, such as a certified copy of a bank statement dated within the last six months. TWM say this is the first email they received from Prudential asking for further documents. They say they requested the bank statement from Mr C the same day over the phone. An email shows that Mr C sent TWM a bank statement just before 5am on 29 April. TWM say they forwarded this to Prudential later that same day. There is no record of this and Prudential say this wasn't received. TWM say the email was deleted at their end as they delete all sent emails every Thursday afternoon.

On 9 May 2022 Prudential sent another reminder to TWM about the need for the bank statement. A copy of Mr C's bank statement was certified by TWM on 9 May and sent to Prudential on 10 May. All paperwork was sent to the DB scheme by Prudential on 13 May.

As the transfer value had expired by this point, a new one had to be obtained from the DB scheme. This was issued on 14 July 2022. The transfer value had reduced to £248,101.94. Mr C also had to pay a fee of £250 for the new quote.

TWM complained to Prudential for not requesting the additional document until 28 April when the rest of the paperwork had been received by them on 20 April. They thought it was Prudential's delay that caused the transfer value deadline to be missed.

Prudential rejected the complaint. In their complaint response they said the email of 20 April didn't include TWM's email address which is why it wasn't received, but that it took TWM 12 days (from 28 April until 10 May) to provide the required bank statement. Mr C's account did require further checks and they believed not enough time was left to process the transfer before the deadline.

Mr C referred the complaint against Prudential to this service. An investigator originally upheld the complaint because Prudential had said they had omitted TWM's email address

from their email of 20 April. He thought the deadline could have been met if that email had been correctly sent and received by TWM.

In response to the investigator's view Prudential explained that their case handler had incorrectly interpreted the information held on their administration system. In relation to the email of 20 April they said:

*'This email was an automatically generated requirements email and the addressee used for such emails are not shown in the administration view in our Retirement Account system. This is because the email is pushed out behind the scenes via Data Integration. By default, automatic requirements emails are issued to the adviser's contact email address held in our records or supplied with the application. After the keyed application was received on 20 April 2022, an automatic IDV requirements email was produced and addressed to [the adviser at TWM] as this was the contact address held on the account.'*

Prudential provided screenshots of the email generated on 20 April and of contact details of TWM's adviser they held on their system.

The investigator changed their view when they received this further information and considered that Prudential likely did send the 20 April email to TWM and that they weren't responsible for Mr C missing the transfer value deadline. Subsequently an ombudsman at this service independently reviewed the complaint against Prudential and issued a final decision rejecting the complaint. In his view Prudential likely did send the email on 20 April to TWM and he wasn't persuaded that TWM had returned any documents on 29 April.

Mr C then raised a complaint against TWM. He said he provided everything that he was asked for immediately and so if it wasn't Prudential, it must have been TWM who caused him to miss out on the higher transfer value.

An investigator reviewed the complaint against TWM and upheld it. He thought Prudential had likely sent the email of 20 April and TWM's email address had been auto-populated by their system. He said there was no evidence TWM had responded to the chaser email which was sent on 28 April. He thought TWM was responsible for Mr C missing the deadline.

TWM disagreed and so the complaint was passed to me 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.

### **Provisional decision**

I previously issued a provisional decision upholding Mr C's complaint. I said:

I want to be clear that a final decision by our service has been issued on the complaint against Prudential, so I can't revisit that complaint. I'm looking at TWM's actions and whether in my view it's fair and reasonable to hold them responsible for Mr C missing his transfer value guarantee and the subsequent financial losses he incurred.

This doesn't mean, however, that I'm bound by any findings the previous ombudsman made with regards to whether any emails were sent or received between Prudential and TWM. I've looked at this completely independently, taking into account all evidence submitted by Prudential and TWM. I've also reviewed the complaint afresh and independently from the investigator who upheld the complaint against TWM.

TWM has submitted detailed comments in their defence of this complaint. I've considered everything carefully and I can see how strongly they feel that Prudential is to blame for missing the deadline rather than TWM. I summarise their key points below:

- TWM is absolutely adamant that they never received the email of 20 April. When they complained to Prudential in May 2022 the complaint handler admitted the email could not have been received as TWM's email address had not been included. The screenshots provided to our service over a year later do not show TWM's email address being included in the respondent field. Without an email address being added, the email could not have been received. They asked an IT expert for their opinion who confirmed that an email couldn't be received without a respondent email address.
- When TWM submitted the documents to Prudential by email and special delivery, the paperwork was marked as urgent and it referred to the deadline of 30 April. Prudential didn't treat this with the urgency it required. They were the ones who asked for more information so they should have called TWM or chased them sooner.
- TWM received the first email requesting a bank statement on 28 April and they contacted Mr C immediately. They acknowledged that there is no record of sending this on to Prudential. They delete their sent emails regularly. However, they queried why-after having requested and having received the required document quickly- they would have not referred this on to Prudential immediately. They say they uploaded the bank statement to their files on 29 April. They don't have a copy which shows they certified the bank statement that day. They confirm a certified copy should have been retained. TWM explained they had only recently hired a new secretary and it must have been human error that this wasn't saved on file at the time.
- When the chaser email was received on 28 April, the deadline could likely not have been met anyway. The investigator who had looked into the complaint against Prudential also thought this was the case. So what happened at this point and thereafter is irrelevant.
- TWM referred to other cases where Prudential had delayed matters. On one case Prudential compensated the customer for the losses which resulted from missing a deadline. In the other case, after TWM had chased Prudential they had finally sent the discharge forms to the ceding scheme on the last day of the transfer value deadline. TWM say they have done around 500 transfers and never missed a transfer value end date.
- Prudential could have sent the paperwork on to the DB scheme without the bank details.

So far there has been a major focus on any potential delays or mistakes which happened between 20 April and 30 April. However, I think it's also important to look at the wider timeline here. Mr C's transfer value was guaranteed for four months. The paperwork was only submitted seven working days before the expiry date. I agree that submitting the paperwork to Prudential and then processing it and passing on the discharge forms to the DB scheme was technically possible in this time if additional information was requested and received promptly. However, it was by no means a generous timeframe.

I don't agree that what happened before 20 April is irrelevant. Delays before this date could have also led to the deadline being missed. I don't think it's fair and reasonable to say whatever happened in the three and a half months prior doesn't matter because if everything

had gone to plan in the last few days before the deadline, there would not have been a problem.

To demonstrate: if avoidable delays by Mr C or TWM before 20 April meant the paperwork could have been submitted to Prudential earlier, then any potential later delays/errors might not have been the main or only cause for missing the deadline. For this reason I asked TWM to provide an evidenced and detailed timeline of what happened before 20 April including when Mr C approached TWM for advice, when the fact find was completed, when the suitability report was issued etc. This wasn't provided as TWM didn't approve of this line of enquiry.

I would have preferred having a full picture of what happened in the four months of the transfer value guarantee period. Given TWM's reluctance to provide any information around this, I can only assume that there might have been earlier delays in the run up before 20 April. However, I have for now proceeded with the information I have. Any additional information that TWM or Mr C wish to provide can be considered before I issue my final decision.

It's not disputed that Prudential received an email from TWM on 20 April. TWM says the email and the covering letter in the post did mention the urgency of the transfer. I haven't seen these covering documents as neither TWM nor Prudential did provide them, however I'm willing to accept that a reference to the upcoming deadline was likely included given the short timeframe.

I don't think IT expertise is required to accept that if Prudential's email on 20 April didn't include TWM's email address, then it couldn't have been received. In fact it couldn't have been sent at all without a respondent email address.

Prudential's explanation is that the first email was an automated email which was pushed out to the adviser's address (which was correctly held) behind the scenes through data integration and that the administrative view of such emails doesn't show the respondent email address. This is the reason the complaint handler couldn't see the email address and reached the wrong conclusions. TWM disputes this is likely.

I have considered all the evidence and I have sympathy for both arguments. I don't think the screenshots that Prudential submitted are particularly clear. They don't show TWM's email added in the respondent field and the fact that Prudential hold TWM's correct email address doesn't mean it was actually added on this occasion. The screenshot also says the email was 'in progress'. So I understand TWM's doubts particularly because Prudential originally said the email wasn't correctly sent.

On the other hand I'm also aware from my own experience that automated system emails can be displayed in a different way to personalised emails. I'm satisfied that the email was automatically created on 20 April and assigned to a data integration user which I take to be the automated system. I understand why colleagues have decided that on the balance of probabilities it was likely sent and have found Prudential's explanation plausible. And whilst TWM is adamant they didn't receive it, emails can be overlooked or deleted by mistake. I think this is finely balanced. However, personally, based on the information I do have, I think it's more likely that the email wasn't received on this occasion.

So I'll continue on the assumption that TWM first received the request for a bank statement on 28 April. TWM say they called Mr C the same day. This seems plausible as there is clear evidence in form of an email that Mr C provided the bank statement to TWM on 29 April just before 5am. Unfortunately, there is no evidence that the copy was then certified and passed on to Prudential before 10 May after this was chased again by Prudential.

I agree it would have been the logical step to pass this on immediately and I accept this probably was the intention. However, without further evidence I can't fairly say that this is what likely happened. There is no evidence the email was sent or received. I acknowledge that TWM say they had a new member of staff who must have forgotten or didn't know to save the certified copy on file and that emails are deleted each week. However, it's also possible that human error meant this wasn't sent or sent to the wrong email address. Prudential sent another reminder on 9 May and copies of the certified copy from this date are available. Overall and on balance I conclude that no information was provided by TWM to Prudential until 10 May.

As I said earlier I think the timeframe of seven working days was fairly tight and the consequences of missing the deadline were significant, so I think it needed more oversight from TWM as Mr C's adviser.

I appreciate TWM thinks Prudential should have chased things earlier when they didn't receive a reply to their email of 20 April and that it was their obligation to move things along urgently as they were aware of the timeframe. Prudential immediately picked up TWM's email on 20 April and sent an email (which as noted above likely wasn't correctly addressed and therefore not received). They arguably could have chased this a couple of days earlier than they did when they didn't receive a response. However, given that TWM didn't respond for eight working days when they did receive the request, I'm not persuaded this would have changed anything.

In my view TWM's obligations to Mr C were greater than those of Prudential in any event. Mr C was paying the adviser a significant fee to advise him and arrange the transfer. Given the limited time to the deadline, TWM ought to have ensured Prudential had everything they required and that everything was progressing to meet the deadline. TWM would have been aware that additional documents could be requested in some circumstances and delays with a large pension provider were a risk. I don't think TWM could reasonably just rely on everything being picked up and moved on without any delay at all and that everything was on track without checking.

There is no evidence that TWM contacted Prudential at all after they submitted the documents. I'm most concerned that when TWM did receive the request for further information on 28 April they didn't take more control of the process even then. At that point they would have known that things hadn't gone to plan. As I said above on balance I think the bank statement wasn't sent to Prudential until May. However, even if I thought TWM did send the email on 29 April, I would have reasonably expected them to call Prudential to make sure this was picked up as a priority and discuss whether there was a possibility everything could be sent over to the DB scheme the same day.

I don't doubt that Prudential's usual processes might have taken a little longer than this, however I don't think it's unreasonable to assume that there was a decent chance Prudential would have prioritised it at this point if at all possible if TWM had called them and explained the situation. As the receiving scheme they also had an interest in the transfer proceeding with a higher value and a phone call would have likely uncovered that their first email had not been received. I appreciate it's not absolutely certain that the deadline could have been met at that point. However, not contacting Prudential in that way meant missing the deadline was practically guaranteed and on balance I think it could have been processed in time. TWM said on a different case they chased Prudential and paperwork was sent to the ceding scheme on the last day of the transfer value guarantee. This should and could have reasonably happened here.

Based on my findings above it's my view that Prudential likely caused some delays by not correctly sending the email on 20 April and they possibly could have chased a response a

couple of days earlier. However, I'm not persuaded that it was these issues which caused the deadline to be missed. It took TWM eight working days to return the bank statement requested on 28 April. So using the same timelines from 20 April, they wouldn't have provided the documents in time. I would like to note again that in my view it would have been reasonable for TWM to check after a few days that the transfer process was on track, particularly as they hadn't received any confirmation that the documents had been sent off to the DB scheme.

I think it was reasonable for Prudential to only send off documents to the DB scheme once all their ID and verification requirements were fulfilled. I note that TWM say other providers might handle this differently. However, Prudential is entitled to have their own processes and this policy doesn't strike me as unreasonable.

TWM's failings in my view were more significant given their role as Mr C's adviser. They ought to have taken a more active oversight to Mr C's transfer. They didn't check in with Prudential or the DB scheme as far as I know during the process and even when it was reasonably clear the deadline would likely not be met without urgent personal interaction with Prudential on 28 April, they failed to act accordingly. In my view they simply relied on the fact that there would be no hold ups or errors on Prudential's side. I don't think this was reasonable given the consequences if the deadline was missed. TWM even said they had other examples around this time where administrative errors and delays at Prudential occurred. I think TWM ought to have known that a smooth process could not always be guaranteed and so it would have been reasonable to check in on the progress on a time sensitive matter.

So overall, I consider it's fair and reasonable to hold TWM responsible for Mr C missing the transfer value guarantee. This is even before considering possible avoidable delays by TWM before 20 April. They were acting for Mr C and it was their duty to reasonably ensure the deadline would be met. On balance I think it's their failings which caused the deadline to be missed.

### **Responses to my provisional decision and what I decided**

Mr C accepted my provisional decision. TWM disagreed with my finding and sent a detailed response which I have read and considered in full. However, I remain of the view for the reasons I set out in my provisional decision that the complaint should be upheld.

TWM has raised concerns that I would have been influenced in my decision by the investigator who has access to emails that are sent in relation to this case. As explained to TWM previously there is one complaint file which both the ombudsman and investigator have access to. This is the same for every complaint at this service. I strongly reject the unfounded allegation that I allow my independent judgement as an ombudsman to be influenced by an investigator or any other colleague for that matter.

As an ombudsman I independently reviewed this case afresh. I came to a different conclusion to other colleagues at this service on whether I thought TWM had received the email of 20 April. I think this demonstrates that I'm not bound or influenced by previous opinions and that I didn't just take Prudential's version of events for granted and blindly accepted what they told me as TWM alleges.

TWM say if previous colleagues at this service had reached the same view that the email of 20 April was never received, then the complaint against TWM would never have been raised. However, as I explained previously, I think the matter is finely balanced and so different views can be reached on this issue.

I acknowledge that TWM doesn't like the fact that I queried what happened before 20 April and feels this is a 'fishing exercise to manufacture a reason to uphold this complaint'. Again I strongly object to these unsubstantiated allegations. I looked at this complaint impartially and I simply disagree that any potential delays before 20 April are irrelevant. However, in any event, my decision hasn't relied on factoring in potential earlier delays by TWM.

TWM say they didn't check on the application as they had designated contacts at Prudential who they would be in contact with a few times a week. TWM was told to contact them if they had any problems and that they would get notification of all TWM's cases when they were submitted and track them. If there was a problem, they would notify TWM. The reason TWM got this service was due to the level of business submitted to Prudential. They had similar arrangements with other providers. As TWM never got a notification from Prudential, it was reasonable to assume there were no issues. TWM say it's highly likely the certified bank statement was sent to these contacts to ensure it would be picked up and that TWM's secretary without doubt would have spoken to the designated contacts about this.

I note that this is the first time TWM mentions these designated contacts at Prudential. When they responded to Mr C's complaint in a letter to him on 8 August 2023, they said even though they did everything possible to get the bank statement to Prudential on 29 April, Prudential's normal admin system would normally take 3-4 days for this to be processed. A direct communication to designated contacts wasn't mentioned. And in the complaint TWM raised with Prudential no contact with these individuals was mentioned either. We also specifically asked TWM with email of 11 November 2024 whether there was any contact with Prudential after 20 April and specifically whether TWM contacted Prudential on 29/30 April after the bank statement was sent. The question was ignored. TWM now says their secretary definitely would have spoken with those contacts, but there is no evidence this is the case. Even if I accept TWM relied on some oversight from designated contacts, that would make it even more likely in my view that if TWM had contacted these individuals on the 29 April the deadline could have been met.

TWM reiterated that they thought it was unreasonable for Prudential to hold off sending the transfer request until they received the bank statement from Mr C. However, my view remains unchanged that Prudential was entitled to have full documents before they proceeded.

TWM also reject my finding that it took them eight working days to provide the bank statement requested on 28 April as they remain adamant they returned it on 29 April. However, for reasons given in the provisional decision I remain of the view that on balance this wasn't returned until 10 May.

TWM queries why I commented on their adviser fees and whether I'm suggesting that the bigger the fee is the better the service a client should receive from TWM. They comment that their fees reflect the risk they take and that their fees are appropriate and below market average. And that all their clients receive the same level of service no matter what fees they pay. TWM has misunderstood the point I was making. I'm not commenting on the appropriateness of their fees. However, the fact that TWM was Mr C's adviser and was paying them a fee for their advice and arrangement of the transfer in my view put higher obligations on TWM to ensure they took reasonable steps to check the transfer was going ahead without issues.

My view remains that it's fair and reasonable for TWM to cover Mr C's losses here.

### **Putting things right**

I invited both parties to let me know if they challenged or had any comments on any of the

assumptions used in my redress proposals. As I received no further comments on the redress I set out in my provisional decision, I see no reason to change it and have set it out again below:

As a result of missing the deadline Mr C received a lower transfer value. He also missed out on returns on this additional sum in his pension.

I require TWM to do the following:

- Compare Mr C's actual pension value at the date of this final decision with what it would have been worth at the date of this final decision if he had secured the higher transfer value of £299,776.82 (notional value).
- It should be assumed that he would have invested this sum in the same way as he did when he actually transferred. Any withdrawals Mr C made from his pension should be assumed with the same value and date when calculating the notional value.
- The date the transfer should have completed should be determined as follows: the same time it took the DB scheme to release the funds after receiving the second set of paperwork should be applied from the 13 May 2022 (when they received the discharge forms the first time).
- If the actual value is lower than the notional value, TWM should pay Mr C the difference.

The compensation amount should if possible be paid into Mr C's pension plan. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

- If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mr C as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.
- If Mr C has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to their likely income tax rate in retirement – presumed to be 20%. So making a notional reduction of 15% overall from the loss adequately reflects this.
- TWM should pay Mr C an additional £250 which he had to pay for a new transfer value from the DB scheme.

### **My final decision**

I uphold this complaint and require Truscott Wealth Management Limited to calculate and pay Mr C redress as set out above.

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

Nina Walter  
**Ombudsman**