

The complaint

Mr S complains that Punter Southall SIPP Limited (“PSSL”) made errors when it transferred some pension savings to another firm. As a result Mr S says that he is being asked to pay some administration fees to PSSL that wouldn’t have been due had the transfer completed in a more timely manner.

What happened

Mr S has been assisted in making the transfer, and in making this complaint, by his firm of financial advisors. Mr S himself had few dealings with the transfer itself, with communication generally taking place between PSSL, the receiving scheme that I will call Q, and his financial advisor that I will call X.

Mr S held pension savings with PSSL in a self-invested pension plan (“SIPP”). He says that he largely held the SIPP to allow him to hold a property investment as part of his pension savings. But in mid-2023 Mr S decided that he would not longer need the SIPP with PSSL and asked his financial advisor to start the process of moving all his pension savings to a collective retirement account with Q.

Mr S’ financial advisor started discussions with PSSL about the transfer in June 2023. But it seems that those communications were somewhat confused suggesting at first that Mr S’ pension investments should be consolidated in a new account with PSSL. That account was under the control of Q but remained as part of his PSSL SIPP. But it was later confirmed that Mr S actually wanted his SIPP closed and his pension savings transferred to Q’s own pension product. But it doesn’t seem that, for some considerable time, PSSL received the transfer instructions on the correct forms that it required to start the process.

Mr S held a mixture of crystallised and uncrystallised pension funds with PSSL. In line with PSSL’s normal process he would crystallise a portion of his pension savings each year with the resulting pension commencement lump sum (“PCLS” – otherwise known as tax free cash) being held within the SIPP and used to pay tax-free income to Mr S each month. The last time a PCLS was generated was in June 2023 but the monthly payments stopped the following month meaning that at the time of the transfer Mr S had around £35,495 of PCLS awaiting withdrawal.

In December 2023 PSSL received the forms it required for transfer of Mr S’ pension savings. The nature of the transfer had been constructed following discussions between Mr S’ financial advisor and Q – something that PSSL says it had no awareness of. PSSL says that it was not responsible for ensuring that the outstanding PCLS had been withdrawn before the transfer – it says that was the responsibility of Mr S’ financial advisor. So it sent the remaining balance of Mr S’ pension savings to Q in response to its transfer request.

PSSL says it later became aware that monthly PCLS withdrawals had been made by Q against Mr S’ pension savings following the movement to the new account in July 2023. It questioned with Q how those payments could be made since it hadn’t confirmed the nature of the funds in the account. And it later identified that the remaining £35,495 of PCLS funds that it held shouldn’t have been transferred in December 2023.

PSSL says that it worked with Q, and Mr S' financial advisor, to correct the problems with the transfer. It received back the £35,495 of PCLS funds so they could later be paid to Mr S. And Q revised Mr S' pension holdings to correctly reflect the split between crystallised and uncrystallised funds. But PSSL also reminded Mr S that it still required him to pay the fees that were outstanding before it could close his SIPP. It said that he needed to pay a total of £1,523.44. Mr S complained that those fees had only become due because of the errors PSSL had made in the transfer so he asked that they be waived.

PSSL didn't agree with Mr S' complaint. It said it had always acted in good faith and in line with the instructions it had received from X and Q on Mr S' behalf. It said any administration errors had originated from X rather than PSSL. So it thought it was reasonable to request that its normal administration charges be paid. Unhappy with that response Mr S asked us to look at his complaint.

Mr S' complaint has been assessed by one of our investigators. He didn't think PSSL had received a clear instruction for the transfer of the funds until relatively late in the process. And even at that time he thought that there was a lack of clarity in the intended destination of the transferred funds and how the remaining PCLS should be treated. So the investigator didn't think PSSL was responsible for any issues that arose.

Mr S 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 S and by PSSL. 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 number of parties involved in this transfer has resulted in some complexity. And due to what appears to have been muddled communication between the parties that has caused some outcomes to be different to those that were intended or expected. But this decision is solely concerned with the actions of PSSL. So whilst I will naturally comment on what the other regulated firms did during the transfer I do so without any implication of fault.

Mr S held his pension savings in a SIPP administered by PSSL. Those funds were held partly in a property investment Mr S held with other parties, and in an investment account that was controlled by Q. It seems that the intention was for Mr S to relinquish his property investment, meaning he no longer needed the SIPP with PSSL, and move all his pension savings into a new plan provided by Q.

In order to transfer pension savings to another provider, and to ensure that no fraudulent activity is taking place, PSSSL understandably needed Mr S' authority for the transfer. It used specific forms to capture instructions of that nature to ensure that no misunderstandings occurred. And without the completion of those forms it would not be unreasonable for PSSSL to not complete any transfer. Whilst a proposed move was first requested by email by Mr S' financial advisor in July 2023, PSSSL didn't receive the correct paperwork until December 2023. And even then, it seems the instructions were not as clear as they might have been regarding the outstanding PCLS monies.

When Mr S' financial advisor first got in touch with PSSSL, and didn't provide the forms for an external transfer, it wasn't unreasonable for PSSSL to treat the request as simply being for the opening of a new account on its platform. It seems that is what it did. And as a result of that change Q appears to have taken on the responsibility of paying the monthly PCLS to Mr S by crystallising some pension savings each month, rather than using the PCLS monies that were already held in the SIPP. PSSSL has explained why that approach might have been problematic – and it is reassuring to see that any errors it caused have now been corrected meaning Mr S' pension savings are now properly categorised.

It doesn't seem that PSSSL was privy to the ongoing discussions between X and Q about the intended transfer of Mr S' pension savings. So it could only execute the request that it received in December 2023 for their transfer. That request was for a full transfer of Mr S' pension savings, and in cash. It seems that is exactly what PSSSL transferred to Q.

But as I've previously explained, within Mr S' pension savings was an element of PCLS that was awaiting payment to him. Regulations would suggest that it was PSSSL's responsibility to pay those funds to Mr S from within the SIPP he held with the firm. And payments of that nature would need to be requested either by Mr S or his financial advisor. So that money needed to either be paid to Mr S before the transfer was made, or retained within his SIPP. Retaining the funds though would prevent its closure.

So whilst it would be reasonable to argue that PSSSL shouldn't have sent the PCLS monies to Q when it completed the transfer, I don't think that it was PSSSL's responsibility to identify that exception to the instruction it had received. It should have either received a qualified transfer request, or the payment of the PCLS monies to Mr S should have been arranged beforehand. So I don't think PSSSL is responsible for the transfer needing some correction.

I am pleased to see that Q, X, and PSSSL have been able to work together to ensure that the transfer of Mr S' pension savings has now been correctly concluded. I entirely accept that has required some work from each of those parties to put things right. I think what is most important is that it seems that the correction activities have ensured that Mr S hasn't lost out and is in the position he would have been had nothing gone wrong. I don't doubt that the whole process has been upsetting for Mr S and caused him some inconvenience. But I'm not persuaded that is because of something that PSSSL has done wrong.

So that then just leaves the fees that PSSSL has asked Mr S to pay in order for it to complete the closure of his SIPP. It doesn't seem that Mr S disputes that those fees are a reflection of those he agreed with the firm when he opened the SIPP. Instead he is saying that the closure of the SIPP was delayed by errors caused by PSSSL and that the fees would not otherwise have been due, or should be waived as an apology.

But I don't agree. As I have set out above, I don't think PSSSL was at fault for how the transfer progressed. So I think that Mr S should be expected to pay the agreed fees for his SIPP. And I'm not persuaded that the SIPP remained open longer than it should have because of any delays in closing down the property investment. The remaining funds from

that investment were sent to Q around the same time as the overall transfer finally took place.

I appreciate how disappointing this decision will be for Mr S. But I am satisfied that PSSL acted correctly and in line with the instructions it received from Q and his financial advisor regarding the management and transfer of his pension savings. So I don't think it unreasonable that PSSL should require the payment of the administration fees that had been agreed for the operation of the SIPP.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Punter Southall SIPP Limited.

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

Paul Reilly
Ombudsman