

The complaint

Ms K complains that Quai Investment Services Limited trading as Intelligent Money (“Quai”) failed to carry out administrative activities on her pension in a timely manner. Specifically she complains that income payments she had requested were delayed, and that Quai failed to complete the transfer of her pension savings to a new provider for an extended period of time.

What happened

Ms K held pension savings on the Intelligent Money platform. On 28 May 2024 that platform became the responsibility of Quai. But Quai is not responsible for matters that occurred before that date. So, as our investigator has explained to Ms K, in this decision I can only deal with events that took place after 28 May 2024.

Ms K had previously set up quarterly income payments to be made to her from her pension savings. She had instructed that £4,500 should be paid to her each quarter on the 3rd of the relevant months. Ms K says that her income payments in June and December 2024 were delayed. She says she received them on 5 July and 31 January respectively (although the final income payment was ultimately made by her new pension provider).

Ms K decided to move her pension savings to a new provider that I will call R. A transfer request was sent by R to Intelligent Money using the automated Origo Options system on 24 April. That request contained an incorrect national insurance number for Ms K, but R wasn’t notified of the discrepancy until 19 June. R corrected the error on 28 June meaning the transfer could proceed. But Ms K’s transfer wasn’t completed by Quai until 4 December.

Ms K’s complaint has been assessed by one of our investigators. She thought that Quai was responsible for the delays to the income payments that Ms K was due to receive in June and December 2024. And she thought that Quai had failed to complete the transfer of Ms K’s pension savings to the new provider in a reasonable period of time. So the investigator asked Quai to pay Ms K some compensation for each of the delays.

Ms K said that she didn’t accept the investigator’s findings – in particular she thought that the compensation being proposed was too little. Quai told us that it would be calculating the compensation that would need to be paid. But subsequently it has failed to make any further comment on the investigator’s findings. 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. If Ms K accepts my decision it is legally binding on both parties.

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 Ms K and by Quai. 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.

By way of background, I think it would be appropriate to reflect on some information that Quai has provided about factors that have impacted its ability to deal with matters such as those that form the basis of this complaint. Intelligent Money Limited previously managed Ms K's pension savings. That firm was acquired by Quai in May 2024 and subsequently entered into administration. So, the changes in ownership were happening around the same time as Ms K's problems were happening. Quai says that it was overwhelmed by the number of requests it received and kept its regulator up to date about the problems it was facing.

The background that Quai has provided gives some degree of explanation for the problems that Ms K has faced. But it by no means excuses those delays. I think Ms K had a reasonable expectation that her regular income would be paid on time, and that her transfer would be dealt with promptly. But I agree with our investigator that Quai should not be held responsible for matters that happened before it acquired the new business – its liability shouldn't start until 28 May 2024.

In January 2023 Ms K submitted an instruction that regular income should be paid from her pension savings. She asked to receive £4,500 each quarter, with payments being made on the 3rd of the month. Whilst I accept that some changes were made to Ms K's pension plan by Intelligent Money before Quai took over, I don't think those changes gave Ms K any reason to think that her income instruction was no longer valid. So it was reasonable for her to expect the income payments to continue be made every three months.

I think it would be right that I reflect on when those payments should be received by Ms K. The payments are sent by the normal banking system. So it is quite normal that they might take up to three working days to be received. So a payment made by Quai on the 3rd of the month might not reach Ms K's bank account until three working days later. I don't consider that to create a delay that I should consider here.

But Ms K's June 2024 payment wasn't received into her account until 5 July. And it seems that date was only achieved by extensive chasing from Ms K and manual intervention from her client manager at Quai. It appears both parties were on notice that there might be a problem following delays to an ad-hoc income payment made earlier in May. But even that chasing failed to prevent a long delay in the payment being received by Ms K.

So whilst what I have set out earlier potentially explains why the delay might have occurred (although I'd generally expect income payments to be a largely automated process) it doesn't excuse it. Ms K went without her money for a period of 29 days. In line with our normal expectations Quai should pay interest to Ms K for that period to reflect the time she was without the money.

Ms K's December payment was deducted from her pension savings but wasn't paid to her. The payment was due around the time that Quai finally transferred her pension savings to the new provider. Quai appears to have decided not to make the payment and instead transferred its value, together with the remainder of Ms K's pension savings to R. There was then an extended delay whilst the set up and investment of Ms K's new pension plan was completed meaning that her income payment wasn't received until 31 January.

Later in this decision I will go on to explain why I think the transfer of Ms K's pension savings should have completed much earlier. And that would have meant that R was able to make Ms K's income payment on time in December. Since I will decide that Quai was responsible for the delay to the transfer of Ms K's pension savings, I think it reasonable to conclude that makes it responsible for the delay to the December income payment. So in respect of this payment I will direct it to pay Ms K interest for a period of 56 days

A transfer request was sent by R to Intelligent Money using the automated Origo Options system on 24 April. I accept that happened before Quai took over responsibility for Ms K's pension savings. But, as I will now go on to explain, I think that the point at which the transfer should have completed (and so compensation becomes due) is the date at which Quai's liability begins.

The request that was sent by R contained an incorrect national insurance number for Ms K. I would generally expect the processing of that request to start no more than five working days after receipt. But R wasn't notified of the discrepancy until 19 June (38 working days later). R corrected the error on 28 June meaning the transfer could proceed. I think it would again be reasonable for the corrected transfer instruction to have been processed within a further five working days and the funds to have been received by R no more than five working days after that.

So, allowing for the delay caused by the correction of the error in the national insurance number, I think Ms K's transfer should have completed no more than 22 working days after it was received. That means I think that the transfer should have completed by 28 May. That coincidentally is also the date that Quai says it became responsible for Ms K's pension savings.

But Ms K's transfer wasn't completed by Quai until 4 December. So there was a period of time when she might have lost out on investment returns given the potential for different investment strategies being applied to her savings with Intelligent Money and R. So as I will set out below I think Quai needs to calculate whether the delay to the transfer has caused Ms K to lose out, and if so it should pay her some compensation.

There is little doubt that all the problems that Ms K has faced with her pension savings have caused her considerable distress and inconvenience. But when considering the compensation that should be paid to her I need to be mindful of the part that Quai, rather than Intelligent Money Limited, played in those problems. It seems that some changes made before Quai took over responsibility might have been the root cause of the delay to the June income payment (and I note the September payment was paid on time). And the delay to the transfer was initially caused by processing failures that occurred before the point at which Quai became responsible.

So, I think the recommendation that our investigator has made here – that Quai should pay Ms K £250 for the distress and inconvenience she has been caused by Quai – is fair and reasonable in all the circumstances. I accept that Ms K has suffered to a greater extent than might be suggested by that level of compensation. But I'm satisfied that many of those problems are not because of something that Quai did wrong.

I appreciate that parts of this decision will be disappointing for Ms K. The problems she has told us about with her pension appear to have been greater than those I have reflected in this decision. But as our investigator has explained, any complaint that Ms K wants to make about what happened before Quai took over in May 2024 will need to be directed to the Financial Services Compensation Scheme given that Intelligent Money Limited is no longer trading.

Putting things right

I am satisfied that it would be reasonable for Quai to pay compensation to Ms K for the delays to the income payments she was due to receive in June and December 2024. So, it should pay simple interest to Ms K, at a rate of 8% per annum, on the net amount of each payment. Interest should be paid for;

- 29 days in respect of the payment due on 3 June 2024
- 56 days in respect of the payment due on 3 December 2024.

HM Revenue & Customs requires Quai to take off tax from this interest. Quai must give Ms K a certificate showing how much tax it's taken off if she asks for one.

As I have set out above, Ms K's pension transfer was unreasonably delayed. So Quai needs to work out whether the delay caused any loss to Ms K by following the steps set out below;

- Quai should liaise with R to establish the notional value of Ms K's pension savings had they been invested (following the same approach as that ultimately taken by Ms K) on 28 May 2024 rather than the actual date later in the year.
- Should the notional value be greater than the actual value (after allowing for any income payments made including those in June and September 2024) then Ms K has suffered a loss. Quai should pay Ms K compensation equal to the difference in the values.

Quai should pay any compensation into Ms K's pension plan with R. The amount paid should allow for the effect of charges and any available tax relief. Compensation should not be paid into the pension plan if it would conflict with any existing protection or allowance.

If Quai is unable to pay the total amount into Ms K's pension plan, it should pay that amount direct to her. But had it been possible to pay into the plan, it would have provided a taxable income. Therefore, the total amount should be reduced to notionally allow for any income tax that would otherwise have been paid. This is an adjustment to ensure the compensation is a fair amount – it isn't a payment of tax to HMRC, so Ms K won't be able to reclaim any of the reduction.

The notional allowance should be calculated using Ms K's expected marginal rate of tax at her selected retirement age. I think it reasonable to assume that Ms K is likely to be a basic rate taxpayer at the selected retirement age, so the reduction should equal the current basic rate of tax. However, as Ms K would have been able to take a tax-free lump sum, the reduction should be applied to 75% of the compensation.

The compensation should be paid to Ms K within 28 days of Quai being notified of her acceptance of this final decision. Should the compensation not have been paid by that date Quai should add simple interest at a rate of 8% per annum to the compensation amount from the date of my final decision to the date of settlement. As noted above HM Revenue & Customs requires Quai to take off tax from this interest.

Quai must give Ms K a certificate showing how much tax it's taken off if she asks for one.

- Quai should pay Ms K £250 for the distress and inconvenience she has been caused.

My final decision

My final decision is that I uphold Ms K's complaint and direct Quai Investment Services Limited trading as Intelligent Money to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 18 August 2025.

Paul Reilly
Ombudsman