

The complaint

Mr B is unhappy with advice given by Purely Financial Ltd trading as Purely Pensions (Purely Pensions) not to transfer his section 226 Retirement Annuity Contract (RAC).

What happened

I'm not going to refer to everything, just the key events. Mr B was introduced to Purely Pensions in 2024 by his financial adviser. Mr B was considering transferring his RAC which was held with a provider I'll call Provider A. The proposal was that Mr B transfer to a SIPP (self invested personal pension) with a named provider and invest in a moderately aggressive (passive) fund via an investment platform. As the RAC represented safeguarded benefits, Mr B had to take appropriate financial advice from a pension transfer specialist, which Purely Pensions is.

Purely Pensions gathered information from Mr B about his circumstances, financial position, including his pensions in payment, and objectives. Purely Pensions also looked into the benefits the RAC would provide. On 28 November 2024 Purely Pensions sent Mr B a pension review suitability report. It recorded that Mr B had told Purely Pensions that his RAC would die with him and he'd have to live well into his nineties to get a return. He wanted to transfer to a plan that would start to give him an income immediately and pay his spouse what was left on his death. However, for the reasons set out, Purely Pensions recommended that Mr B retain his benefits in the RAC. If he wanted to proceed against Purely Pensions' advice he should ask Purely Pensions to provide a financial advice declaration (FAD) form.

There was a follow up call in December 2024. Mr B said the recommendation didn't fit in with his plans. Purely Pensions' adviser said it was based on guidance from the regulator, the Financial Conduct Authority (FCA). And Mr B could still transfer if he wanted to. Mr B pointed out that some of the details on the client declaration form Purely Pensions had sent to him to sign were wrong. For example, it said the RAC provided a guaranteed index linked pension whereas it was a fixed pension for life. And there was no spouse's pension. The adviser accepted there were mistakes. Mr B also mentioned he'd contacted this service. The adviser said he'd probably need to complain to Purely Pensions first and its compliance manager would be in touch. The adviser said Purely Pensions would sign its version of the FAD and which needed to go to the scheme. I've seen that Purely Pensions completed the FAD (on 9 December 2024).

Mr B emailed Purely Pensions on 13 December 2024 explaining why he was unhappy with the advice. He felt excessive weight had been given to FCA guidelines which were in place to protect consumers, not punish them. Although he could still transfer against the advice, only a limited number of companies were prepared to do that and they were expensive.

Purely Pensions wrote to Mr B on 16 December 2025 setting out its understanding of his concerns and Purely Pensions' responses. Purely Pensions said the advice not to transfer was correct. Purely Pensions issued a final response on 10 February 2025, not upholding the complaint and maintaining that the advice to retain the RAC was suitable.

On 17 February 2025 Mr B's other adviser emailed him to say the SIPP provider had revised its terms and conditions. Essentially the SIPP provider would only accept applications from investors based in the USA (as Mr B is) if the adviser or appointed investment manager is SEC (US Securities and Exchange Commission) registered. The adviser said an addendum to Purely Pensions' suitability report was required as the SIPP provider wouldn't accept or process an application if the solution outlined in the report didn't match what was actually set up on transfer. The adviser added that Purely Pensions had advised that Mr B had complained and further work for him wouldn't be conducted until the complaints were concluded. So Mr B's transfer couldn't be completed until then.

On the complaint form he submitted to us Mr B said he was unhappy that he needed to *'jump through so many hoops and spend so much money'* to gain access to a pension he'd been paying into for 40 years. He referred to what he'd been told by his other adviser – that as he had safeguarded benefits, before transferring he'd need to obtain regulated advice from a pension transfer specialist and Purely Pensions would be used. An upfront advice fee of £3,500 had been charged. Purely Pensions would sign a FAD, even if the advice was negative, if Mr B still wanted to proceed with a transfer on an insistent basis. And the SIPP provider would accept the transfer on an insistent client basis.

One of our investigators looked into the complaint but he didn't uphold it. He said Purely Pensions' conclusion, that the transfer wasn't in Mr B's best interest, was reasonable. The investigator discussed his view with Mr B. Amongst other things, Mr B said he was paying Purely Pensions to give him good financial advice. He didn't agree that retaining his RAC (which would be lost on his death and which wasn't providing a good return) was the best financial advice. Proceeding as an insistent client wasn't open to him. An amendment to Purely Pensions' report was needed and, because he'd made a complaint, Purely Pensions was refusing to provide that. Mr B also said that Provider A had indicated that some options might no longer be available to him. He was concerned that he might not even be able to get his money from Provider A. He didn't think further complaints against the other companies involved would get him anywhere.

As agreement couldn't be reached, the complaint was referred to me to decide.

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.

First, I'd like to reassure Mr B that I've considered the complaint afresh. Ours is a two stage process and, if the complaint can't be resolved by the investigator and is referred to an ombudsman, they'll consider everything again. I've done that but I agree with the conclusions reached by the investigator. I know Mr B will be very disappointed. He clearly feels very strongly that he's been badly let down by Purely Pensions and possibly other financial firms too. I do understand his unhappiness at not being able to access his RAC in the way he'd like. But I don't think Purely Pensions has done anything wrong here.

As the investigator emphasised, our focus is on Purely Pensions' part in the matter and if its advice was suitable, which Mr B maintains it wasn't. He's also disappointed that Purely Pensions wouldn't provide an addendum to its suitability report. He's suggested Purely Pensions wasn't prepared to assist him further because he'd made a complaint. However, I'd agree with the investigator that those issues are outside the scope of this complaint.

And, again as the investigator has explained, we're not looking at any other party's involvement – such as Mr B's other adviser, the intended new SIPP provider or Provider A. I note here what Mr B has said about Provider A having indicated that some options may no

longer be available. I haven't looked into that. If Mr B considers Provider A is treating him unfairly then he'll need to raise that with Provider A. But I'd echo what the investigator said about Mr B's pension fund with Provider A not having been lost, even if Mr B is unable to access it in the way he'd like.

Mr B's RAC represents safeguarded benefits. Section 48 of the Pension Schemes Act 2015 requires pension scheme members who have subsisting rights in respect of safeguarded benefits worth more than £30,000 (as is the case here) to take appropriate independent advice from an FCA authorised adviser before:

- converting safeguarded benefits into flexible benefits
- using a transfer payment in respect of safeguarded benefits to acquire flexible benefits under another scheme
- being paid an "uncrystallised funds pension lump sum" (UFPLS) in respect of their safeguarded benefits

The pension scheme trustees or managers (Provider A is the manager of Mr B's RAC) are responsible for checking the member has received the appropriate advice before allowing a transfer to proceed. The advice must be provided by a firm whose FCA permissions include advising on pension transfers. The primary aim of section 48 is to ensure that pension scheme members are aware of the valuable guarantees offered by safeguarded benefits before deciding to exchange them for more flexible but potentially less secure benefits and where the income isn't guaranteed. The FCA acknowledges that some consumers who are required to take advice may decide to disregard that advice. A client who wishes to take a different course of action to what's been recommended is an insistent client.

As I've said, the central issue is whether Purely Pensions' recommendation that Mr B shouldn't transfer his RAC was suitable. I think his expectations about that were managed. He was told from the outset that the FCA's starting position was that a transfer wouldn't be suitable and the likelihood was that Purely Pensions' advice would be that he shouldn't transfer. For example, I've seen a 'New Client Guide Defined Benefit Pension Reviews Information Pack'. On page 4 it said, under 'Terms of Engagement', that, in line with the current regulatory position, Purely Pensions starts any assessment of a safeguarded benefit pension with the view that a transfer will not be in the best interests of most clients. And I think Purely Pensions' adviser made the position clear to Mr B during the telephone calls.

I know Mr B feels very strongly that Purely Pensions' advice wasn't suitable. He may feel that the FCA's guidance is too prescriptive and an individual's choices about what to do with their own money should carry more weight.

But we'd expect firms to comply with relevant regulations and guidance. Here the regulatory starting point – COBS (Conduct of Business Sourcebook – set out in the FCA's Handbook) 19.1.6G (2) – is an assumption that transferring won't be in the consumer's interest. So Purely Pensions was correct in starting from that position. But that isn't the inevitable outcome. COBS 19.1.6G (3) provides that a firm can consider a transfer to be suitable if it can clearly demonstrate, on contemporary evidence, that the transfer is in the retail client's best interests. And COBS 19.1.6G (4) sets out factors that a firm should take into account in demonstrating suitability.

Purely Pensions' suitability report set out why it was unable to recommend that Mr B transfer. I think the reasons given are valid. I don't think Purely Pensions simply reached the view it did because the regulatory guidance suggested that would be the likely outcome. I think it's clear that consideration was given to why Mr B wanted to transfer.

But, essentially the transfer wasn't financially viable, given that, to provide the same level of benefits, there was a shortfall of £14,574.78 in the transfer value offered by Provider A. Although Mr B wanted his pension benefits to endure after his death, the spouse's benefits his existing annuities would provide would be sufficient to meet his wife's needs and Mr B (and his wife) would benefit from the higher income during his lifetime. He didn't need to transfer to achieve flexibility to vary and control his retirement income, given his cash funds and his existing drawdown arrangement. The RAC would compliment his existing strategy and reduce the amount he'd need to withdraw from his other assets, so preserving their value and the benefits on death. Mr B's reasons for wanting to transfer were understandable but were preferences rather than needs. His retirement goals and objectives could be achieved by retaining the RAC and the valuable guaranteed income it provided.

I understand that Mr B's position is difficult. He may feel he's spent a lot of money on a transfer which ultimately couldn't go ahead. But I think Purely Pensions did the work that it was contracted to do and to a reasonable standard. In saying that I note there were some inaccuracies in the suitability report which Mr B pointed out to Purely Pensions' adviser who acknowledged the errors. But I don't see those would've made a difference to the outcome and Purely Pensions' advice.

And I don't think it was Purely Pensions' fault that the transfer didn't proceed.

It seems there are several issues. First, the requirement under section 48 is to obtain advice, which may or may not be in favour of transferring. So, in theory at least, if advice is obtained and the FAD is signed to satisfy the RAC manager (Provider A) that the necessary advice has been given, then the transfer can proceed on an insistent client basis. Purely Pensions wouldn't assist with that. The New Client Guide I've referred to above said, in various places, that Purely Pensions didn't deal with insistent clients. But Purely Pensions did sign the FAD which should've enabled Mr B to proceed as an insistent client.

But, unfortunately, because the SIPP provider's criteria had changed, that meant Mr B would need to invest differently. So the advice given by Purely Pensions didn't match the new solution proposed. I don't see that the change in the SIPP provider's stance was anything to do with Purely Pensions.

I'm also aware that some SIPP providers won't accept a transfer on an insistent client basis. So Mr B's options, in terms of sourcing a new provider, might be limited. And he'll presumably have to pay for further advice as to the suitability of any new transfer as the original proposal is no longer open to him.

I also think it might be the case that there are some complications arising because Mr B lives in the USA. But I don't see that Purely Pensions is responsible for those problems.

I do have considerable sympathy for Mr B and the position he finds himself in. But, for the reasons I've explained, I'm unable to uphold his complaint.

My final decision

I don't uphold the complaint and I'm not making any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 September 2025.

Lesley Stead
Ombudsman