

The complaint

Mr C complains about the way St James's Place UK Plc (SJP) handled his request to transfer his SJP pension to a self-invested personal pension (SIPP).

What happened

Mr C held a pension with SJP. He lives overseas.

He decided to transfer his SJP pension to a SIPP, which is an international pension plan administered in the UK.

On 12 May 2023 SJP confirmed that the transfer value was £285,101.51. It said valuations were not guaranteed and the actual sum payable would be based on unit prices on the day after receipt of the required documentation. It enclosed forms/declarations for Mr C and the receiving scheme to complete.

Mr C electronically signed a declaration on 26 May 2023 indicating that he wanted to transfer the funds in his SJP pension to the SIPP.

The receiving scheme trustee prepared a letter to SJP dated 5 June 2023. It explained Mr C's intention to transfer his SJP pension to a SIPP. It provided, amongst other things:

- The name of the scheme administrator along with its companies house and FCA registration numbers.
- Details of the scheme trustee and its Financial Conduct Authority (FCA) reference number.
- The receiving scheme name; pension scheme tax reference number and its scheme reference number with The Pensions Regulator (TPR).
- Mr C's receiving scheme member number.
- The trust deed dated 24 January 2017 together with a deed of amendment dated 20 August 2020.
- The scheme registration date – 27 January 2017.
- A certified copy of Mr C's passport.

It appears that SJP received all of the above information (including the letter dated 5 June 2023) on 22 August 2023. A few days later, it contacted Mr C's dedicated SJP partner to explain that a two-part authentication was required. Its subsequent responses to this Service suggest it also told the receiving scheme about the requirement around the same time and when that scheme got in touch thereafter to chase updates on the transfer.

The SJP partner wasn't apparently directly involved in the transfer process, so it suggested that contact was made with Mr C directly. SJP then wrote to Mr C about this on at least four occasions from around 2 September 2023 onwards. Its letters explained that it was unable to complete the transfer request, as the two-part authentication hadn't been completed.

SJP said it received the two-part authentication from Mr C on 29 November 2023 and the transfer progressed from that point.

It wrote to Mr C on 5 December 2023 about pension scams and asked him to complete a questionnaire.

Mr C's response, which appears to have been received around 27 December 2023, included the following:

- He'd been approached about the possibility of transferring his pension via an online platform.
- He wasn't expecting to be approached.
- The person making the approach wasn't known to him and he hadn't given prior consent to be contacted.
- He'd searched for information of his own accord after the first contact was made.
- The person advising him was based overseas.
- He was aware how his money would be invested and what the charges would be.

Mr C raised concerns with SJP. In a response sent on 4 January 2024, SJP said:

- It received his signed claim form and other information on 22 August 2023. But, as his electronic signature hadn't met its requirements, it couldn't proceed.
- It reminded Mr C about the process set out in its initial letter of 2 September 2023 and three further letters sent between 23 September 2023 and 13 November 2023.
- As Mr C lives overseas, it accepted it might have been better if it had emailed its letters to him – even though its usual process was to contact clients by post. It said it had given feedback to the business area concerned, with a view to changing this process if possible.
- It confirmed that Mr C's completed questionnaire was received on 27 December 2023 and was currently being reviewed.

SJP had some concerns about the transfer. In a letter sent on 11 January 2024, it said that it was unable to satisfy the legislative requirements concerning Mr C's transfer request, meaning it felt his pension might be at risk of a scam. Therefore, if Mr C wanted to transfer, despite its concerns, he'd need to contact MoneyHelper for guidance. Once he'd taken guidance, he'd need to send SJP the unique reference number he was given, so that it could process the transfer. The transfer would then be made entirely at Mr C's own personal risk, so he and his beneficiaries would have no future claim on his current pension scheme. SJP also recommended that Mr C seek independent financial advice from a FCA regulated adviser if he was intent on transferring.

Mr C attended a MoneyHelper appointment around 12 February 2024. However, he didn't immediately supply the unique reference number to SJP.

SJP wrote to Mr C again on 16 February 2024 citing similar responses to those given in its letter of 11 January 2024. It recognised Mr C's frustration during the transfer process. However, it said it only asks for information when it deems it necessary to complete a transfer request. It appears to have sent similar letters on 28 March 2024 and 8 April 2024. It again mentioned seeking MoneyHelper guidance.

Mr C initially complained to the Financial Ombudsman Service in March 2024.

SJP sent a further response on 26 April 2024. It said:

Two-factor authentication

Several requests were made for this process to be completed. And despite Mr C's suggestion, it had seen nothing to suggest that several attempts had been made by the receiving scheme to submit the required authentication on his behalf.

Red flagging the transfer

Changes in regulations in November 2021 meant that additional due diligence needed to be performed. Based on answers Mr C had given, SJP felt a red flag had been triggered – specifically in relation to unsolicited contact regarding a pension transfer, which constitutes direct marketing.

In addition, there was an amber flag due to overseas investments. At that point, SJP asked Mr C to seek guidance from MoneyHelper. Whilst it recognised this caused a further delay, it was satisfied it acted in line with the regulations. It also didn't think this was something that could have been identified sooner.

SJP didn't agree that it had sowed fear or doubt as far as the transfer was concerned. Again, it said it was following the regulations.

Mr C appears to have supplied the MoneyHelper unique reference on or around 31 May 2024. That allowed the transfer to go ahead.

On 14 June 2024 SJP wrote to the receiving scheme. It confirmed it had sent £326,851.94 in settlement of Mr C's retirement account. It sent a similar letter to Mr C the same day.

There was further correspondence between Mr C and SJP. In a letter dated 14 August 2024 it explained, amongst other things, that it received Mr C's unique MoneyHelper reference on 31 May 2024. And at the time, its standard turnaround time was 14 working days. That meant funds were released to the receiving scheme on 14 June 2024.

The complaint was allocated to one of our Investigators. Having reviewed all of the evidence, the Investigator didn't agree that SJP was responsible for all of the delays that occurred. In particular, she said SJP wasn't responsible for the delays up to January 2024, as she felt it acted reasonably up to that point. However, from that point onwards, she felt that SJP didn't communicate clearly enough with Mr C. Specifically, she felt that it should have made it much clearer what it was concerned about, so that Mr C could make an informed decision about his transfer. Despite SJP's shortcomings, the Investigator noted that Mr C still proceeded in arranging a MoneyHelper appointment, which took place in February 2024. But it was not until late April 2024 that SJP gave Mr C clear reasons why it was concerned about the transfer. This prompted Mr C to send his MoneyHelper unique reference number to SJP in late May 2024. So, noting that Mr C sent this information once he'd received clarification about why SJP was concerned, the Investigator was of the opinion that had SJP responded sooner, Mr C would likely have responded sooner and the transfer would have completed earlier – likely in late February 2024. The Investigator set out the steps that SJP needed to take to work out if Mr C had suffered a financial loss. She also recommended that it pay Mr C compensation of £350 in respect of the worry caused by its lack of early, clear communication about its concerns.

SJP accepted the Investigator's assessment, but Mr C didn't. He made a number of points in response. Those were:

- He's not a financial services provider. Therefore, he felt it unreasonable of SJP to expect him to sort out the two-factor authentication – especially when it had ample opportunity to explain the steps needed to the receiving scheme. He added that he didn't think SJP was solely to blame, but he clearly didn't think it had done enough to assist him in explaining what was required.
- In his husband's case, the questionnaire was sent before the two-factor authentication was resolved. As far as Mr C was concerned, the receipt of the two-factor authentication did nothing more than trigger the compulsory questionnaire to be issued.
- SJP profited from fees and commission by holding onto his funds longer than was appropriate – aside from the financial loss he suffered between the potential dates of transfer.

- Compensation of £350 equated to below the minimum wage if divided by the number of hours he spent fighting SJP to effect the transfer over a ten-month period.

Our Investigator asked SJP for its comments in response to the points Mr C made. She also referred Mr C to our website for information about our compensation awards. He subsequently explained that he thought compensation of £1,500 was appropriate in his particular circumstances.

In response to the wider points that Mr C made, SJP confirmed the following:

- It told the specific partner involved in Mr C's account around 26 August 2023 that the two-factor authentication was needed. It also suggested that contact was made with the administration team in the event of any difficulties. It was around this time that the partner suggested Mr C should be contacted directly – and this is what prompted a series of letters to be sent.
- SJP appeared to accept that it should have sent a docusign guide in Mr C's case as it did in relation to his husband's case (it seems this was sent to the dedicated SJP partner to pass on) as well as to the receiving scheme. It also acknowledged it could perhaps have sent a questionnaire to Mr C sooner.

The Investigator put SJP's response to Mr C. However, she maintained that the compensation recommended was reasonable. Mr C didn't comment specifically about the docusign guide, but he continued to dispute the compensation amount recommended – not least because as far as he was concerned, SJP had accepted it delayed things by over four months (between August and December 2023). He asked an Ombudsman to consider the matter afresh. It's been passed to me to decide.

My provisional decision

I sent SJP and Mr C my provisional findings on 28 March 2025. I've included the relevant extracts below.

"I understand that the events concerning this transfer have been a source of great worry and frustration for Mr C. He clearly believes that SJP introduced delay tactics and tried to instil fear and doubt concerning the transfer. It's also evident that since Mr C first made his complaint to us, events have moved on in the sense that some of the things he was seeking to resolve his complaint (such as an explanation about why SJP 'red flagged' the transfer) have been provided. And whilst it appears he accepts some of what our Investigator said, he's taken issue with other findings made. I've taken account of these developments when preparing this decision.

I also note that Mr C and his husband have made very similar complaints about transfer requests to SJP submitted around the same time. I'm only addressing Mr C's complaint in this decision. I'll address his husband's complaint under separate cover.

Did SJP act fairly and reasonably as far as the two-factor authentication is concerned?

Amongst his comments Mr C said he's not a financial services provider, so he thinks it's unreasonable of SJP to expect him to sort out the two-factor authentication himself. Especially when he feels it had ample opportunity to explain the steps needed to the receiving scheme. Whilst Mr C isn't suggesting that SJP is solely to blame, he was clearly expecting it to do more to assist him during the process. I understand Mr C's position.

From what I've seen, it appears that SJP first mentioned the two-factor authentication to the specific partner who was overseeing Mr C's account. That happened around 26 August 2023 within a few days of SJP receiving Mr C's transfer forms. I'm satisfied there was no delay there. The partner suggested that contact should be made with Mr C directly, as it wasn't involved in the transfer process. I can see that SJP then wrote to Mr C on at least four occasions from 2 September 2023 onwards. In each of its letters it explained that it had been unable to confirm that its requirements concerning the two-factor authentication had been met, meaning it couldn't proceed. It also invited Mr C to contact his dedicated partner or its client services team if he had any questions.

I've thought about all of this.

I'll say first that it's not for me to tell SJP how to conduct its day-to-day business. That said, I do find its rationale for using a two-factor authentication entirely reasonable. In the wake of increasing frauds and scams in everyday life, it seems entirely sensible that SJP would want to try and safeguard an important asset like Mr C's pension as far as it was able to. Therefore, I can see why it would want to exercise caution before releasing information or taking other action in respect of a pension transfer.

Based on what the dedicated partner said, I think it was reasonable for SJP to contact Mr C on the terms it did. And given that the process SJP was trying to complete was geared towards safeguarding Mr C's pension, I think it was reasonable for it to write to Mr C, as that's often seen as a safer method of communicating. In any event, that's clearly SJP's standard approach, so I don't think there was anything untoward in the way it went about things here.

However, there were clearly issues. Despite sending three or four letters of a similar nature in total, SJP didn't receive a response. Mr C says that's because he didn't receive SJP's letters. I've thought about whether SJP's actions went far enough here.

I don't know why Mr C didn't receive any of these specific letters – especially as it looks like they were correctly addressed. And arguably, even though the letters were sent to an overseas address, you'd still expect at least some to have been received, even if not all. But I don't think that's an issue that SJP can be held responsible for.

Whilst SJP's general approach was clearly to request information in writing, in the specific circumstances described here, I agree that SJP could perhaps have made contact by other means. That might have sped things up and alerted Mr C to the fact that SJP had written to him on a few different occasions. I don't think SJP needed to say too much in its communication – to avoid inadvertently disclosing information before the relevant security steps had been completed – but I think it might have been a pragmatic next step to take nonetheless. However, I also have to keep in mind that there was no requirement for it to do so.

One of the points Mr C makes is that SJP could at least have contacted the receiving scheme in an effort to speed things up or explain that the two-factor authentication needed to be followed. There's evidence to show that SJP did at least tell the receiving scheme what was holding things up when it called to chase progress. I don't know if that information was relayed to Mr C. On reflection, SJP does seem to accept that it could perhaps have done more here. For instance, it said it sent a more detailed communication to the dedicated partner concerning Mr C's husband's transfer, along with a guide relating to the two-factor authentication process. It also accepts that it could perhaps have sent the guide to the receiving scheme at the same time.

Whilst not completely clear, it appears that the guide and other responses were sent to the partner after it said it wasn't involved in the transfer. Mr C hasn't specifically commented on whether he saw the guide and I can't be certain that it was passed on by the dedicated partner overseeing his and his husband's account. But as he was clearly keen to progress his transfer, I think it's reasonable to assume, on balance, that he'd have been in touch with SJP sooner if he had done. As it turned out, Mr C didn't complete the two-factor authentication until the end of November 2023. Notwithstanding SJP's response that it could also have sent the guide to the receiving scheme, as I've mentioned, there's evidence to show it told the receiving scheme about the two-factor authentication process whenever it called for updates. On that basis, I'm satisfied that SJP did at least tell the receiving scheme what was required (even if it didn't send the guide). So presumably that scheme could also have asked for more information/assistance if it wasn't sure what to do.

The key question I have to consider here is whether SJP is responsible for this period of delay. And on balance, I don't think it is. Whilst clearly, as I've said, it could have done more – such as communicating with Mr C by different means – there was no requirement to do so. And I don't think there was anything wrong with SJP following its usual processes. I'm satisfied that in a series of letters it explained what it needed and why - and it offered Mr C assistance if he needed it. The fact that Mr C didn't receive those letters isn't something that SJP can be held responsible for. And whilst I fully understand Mr C's concern and frustration, I can't fairly say SJP is accountable for the delay between August and around 11 January 2024. Not least because, as I'll touch on again shortly, I'm satisfied it dealt with the next steps promptly once the two-factor authentication was completed.

The applicable regulations and guidance in place at the time of Mr C's transfer request

As Mr C is aware, The Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 were introduced in November 2021. The Pensions Regulator (TPR) then issued new guidance alongside that, which pension providers need to follow when assessing and processing transfer requests.

This guidance was developed in the wake of an increasing number of scams – including where members transferred to schemes where they ended up in tax avoidance or investment scams. If a provider fails to take appropriate steps before authorising a transfer, they could well be in breach of the regulations and held liable for any subsequent losses the policyholder incurs. These responsibilities go hand in hand with other regulatory and general responsibilities providers like SJP have.

Did SJP act fairly and reasonably when assessing the transfer?

Mr C doesn't seem to be suggesting that it was unreasonable for SJP to carry out additional due diligence checks per se. But, he does clearly feel that it could have taken certain steps more diligently and otherwise acted in a more efficient and fair way.

For instance, he says that once the two-factor authentication process was completed, all that happened was that SJP sent him a questionnaire to complete. Based on the answers he gave, SJP then told him he needed to seek MoneyHelper guidance. Mr C argues that as he provided no new information as part of the two-factor authentication process, SJP could quite easily have sent him the questionnaire at the outset – particularly as it sent his husband a questionnaire at a much earlier stage. He makes the point that had steps been taken in parallel, he'd likely have already received the unique MoneyHelper reference number sooner and been in a position to transfer by the end of November 2023.

I note Mr C's point. But for the reasons I'll outline, I'm not persuaded by it. First, I've seen no persuasive evidence to show that issuing the questionnaire earlier had a positive impact in Mr C's husband's case in terms of things progressing more quickly. It's probably also worth saying here that until SJP was satisfied that the two-factor authentication process had been completed correctly, realistically I don't think it was in a position to do much to progress the transfer, or know whether it was likely to agree it. Indeed, SJP has explained that the two-factor authentication is encrypted to make it a fully secure system to prove that signers are who they say they are at the time of signing. It's gone as far as saying that it will not conduct any business until the two-factor authentication is confirmed.

Whilst I accept that doesn't explain why it issued a questionnaire at an earlier point in Mr C's husband's case (and SJP hasn't given a clear indication why that happened) even if it had done the same in Mr C's case, I'm not persuaded that SJP would have been in a position to complete the transfer in late November 2023 as Mr C suggested. I think there were other important steps it needed to take first. That included properly assessing the information provided in order to decide what other questions needed to be answered, or information was needed.

In any event, I don't think there was an undue delay here in the way SJP went about things. Within a week or so of the two-factor authentication being completed, SJP asked Mr C for further information about his transfer. It then assessed the response that it received towards the end of December 2023. And it clearly felt that certain red and amber flags were present based on the information Mr C had given. These are the types of situations where a policyholder would almost certainly be required to seek MoneyHelper guidance, or in the case of a red flag, may even cause a provider like SJP to refuse the transfer entirely. That's because, where it identifies a risk, a provider is required to respond to it.

I can see that SJP then wrote to Mr C on 11 January 2024 to explain that it had concerns and to advise him that he'd need to seek MoneyHelper guidance. I'm satisfied that it acted in line with the spirit of the guidance here at least. I'm also satisfied that it followed things up within a reasonable timeframe by writing to Mr C on 11 January 2024.

However, for the reasons I'll now outline, I don't think SJP acted fairly and reasonably overall, or in respect of some other aspects of the guidance. And I think that had a knock-on effect in terms of how quickly things progressed thereafter. I'll explain why.

TPR guidance says:

"Effective communication with the member is important so that they understand why they have to obtain guidance and to manage their expectations. You should explain, in writing, what the amber flags are intended to achieve and then inform the member that you have assessed that one or more of the flags are present in their application".

In its letter, SJP said that it was unable to satisfy the legislative requirements concerning Mr C's transfer request, meaning it felt his pension might be at risk of a scam. And it said that if Mr C wanted to transfer, despite its concerns, he'd need to contact MoneyHelper for guidance. Once he'd done that, he'd then need to send SJP the unique reference number he was given, so that it could process the transfer. However, it said that would happen entirely at Mr C's own personal risk and that he and his beneficiaries would have no future claim on his current pension scheme. It also recommended that Mr C seek independent financial advice from a FCA regulated adviser if he was intent on transferring.

I'm not persuaded, based on what SJP said, that Mr C would have understood why he had to obtain MoneyHelper guidance. Nor am I satisfied that his expectations were properly managed. Here, I'd have expected SJP to say much more about the nature of its concerns.

The fact it didn't do so means I can't fairly say SJP met the obligations I've set out above. And whilst Mr C did seek MoneyHelper guidance in the meantime, it's evident that he had concerns (I'll come back to the impact of SJP's inadequate communication on Mr C later) because he didn't actually provide his MoneyHelper unique reference number to SJP until late May 2024. And it's clear that Mr C only felt able to proceed once SJP had given him a clear explanation about its concerns in a letter dated 26 April 2024. Evidently, he felt more assured and able to make an informed decision about whether to go ahead with the transfer. Arguably, had a similar explanation been given in SJP's letter of 11 January 2024, it seems reasonable to assume that the process would have been completed much sooner. Taking all of this into account, it follows that I'm of the opinion that SJP is responsible for the delays that happened between 11 January 2024 and 26 April 2024 when SJP gave Mr C an appropriate explanation that allowed him to proceed with the transfer.

It took Mr C about five weeks (from 26 April 2024 until 31 May 2024) to provide his unique MoneyHelper reference number and confirm to SJP that he wanted to go ahead with the transfer (I imagine he was weighing up his options in the meantime). It's reasonable to assume therefore that had SJP given Mr C a similar explanation on 11 January 2024 as it gave him on 26 April 2024, it would have taken about the same amount of time for him to attend his MoneyHelper appointment and confirm his intentions. Allowing about five weeks for those things to happen, I think, on balance, Mr C could have been in a position to confirm things on or around 15 February 2024. Allowing a further two weeks for SJP to complete its final steps and transfer the funds (as it did in June 2024), I think it could have completed the process on or around 29 February 2024. Therefore, I think SJP is responsible for an overall delay between 29 February 2024 and 14 June 2024. I've set out below what SJP needs to do now to put things right.

For completeness, I'll address another point that Mr C has made. He says that SJP profited from fees and commission by holding onto his money longer than it should have done – and that it should not be able to benefit from this. I've said earlier in this decision that SJP was required, by law, to ensure that it took all reasonable steps to safeguard Mr C's pension by completing the checks required of it. In fulfilling those responsibilities, that also means it's required to delay, or even refuse a transfer, if it identifies risks. That naturally means that it may hold onto funds for longer than is expected. But in appropriate circumstances and for reasons along the lines that I've set out, I don't think there is anything wrong with that.

Does SJP need to do anything more now?

Mr C didn't agree with the level of compensation our Investigator recommended - £350 – as he said that's below the minimum wage if divided between the hours he spent fighting SJP to effect the transfer over a ten-month period. And he definitely doesn't think it's enough now given that SJP accepts that it caused certain delays – for instance by not sending the questionnaire at the same time as it was sent to Mr C's husband. I do appreciate Mr C's strength of feeling and I can see why he might think these events warrant more compensation.

It's worth saying that my role isn't to punish or fine SJP for anything that has gone wrong. It's to try to put consumers like Mr C back into the position they'd have been in – or as close to that position as possible – but for any delays or shortcomings on SJP's part. In other words, I won't award compensation simply because something has gone wrong – I'll think about whether there has been some financial detriment – such as an overall financial loss. And I'll also think about any wider impact such as worry, inconvenience or frustration. Any compensation I award in respect of the impact of a business' mistakes or delays isn't about recompense for the time it took Mr C to pursue his complaint. I think it's reasonable for a consumer to pursue their complaint and deal with a financial business in the usual way. So, generally speaking, I wouldn't seek to compensate for Mr C's time.

And whilst I agree with Mr C that SJP does now appear to accept that it could have sent him a questionnaire sooner, if I were to award a greater level of compensation, I'd need to be satisfied that the particular shortcoming Mr C has referred to (the delayed questionnaire) had a greater impact than our Investigator has so far recognised. I don't think it did. As I explained earlier in this decision, even if SJP had sent it sooner, I think it was still limited in what it could do to progress the transfer, as the two factor-authentication hadn't been completed. And as I also said, I don't think there was an undue delay in SJP sending the questionnaire once the two-factor authentication had been completed. So, I don't think this issue caused a greater impact on Mr C.

More broadly, I have to consider the impact of the delays that I feel SJP is responsible for – not the time things took overall. As I said, I think SJP was responsible for delays from January to April 2024. And I think Mr C would have been impacted by that. Not only in terms of his inevitable frustration that things were taking longer than he might expect. But I think there would have been added worry caused by SJP's failure to clearly communicate with him about its concerns until towards the end of April 2024. However, having given this careful thought, I think compensation of £350 fairly recognises the impact of those things. So, that's the amount I'm intending to say SJP needs to pay (if it hasn't already done so) to recognise the impact of the shortcomings I've identified regarding its handling of the transfer process. In addition, as I've set out below, SJP needs to recognise the financial loss that Mr C likely suffered.

Responses to my provisional decision

SJP accepted my provisional decision but felt it would be fairer and more accurate to calculate Mr C's financial loss based on his actual investment certificate.

Mr C thinks I've missed the point of his complaint. He provided the following additional comments in response:

- SJP is incentivised to delay transfers as it earns money on the funds held under its management.
- He doesn't feel that £350 compensation is in line with compensation guidelines given the level of suffering he's endured.
- The two-factor authentication had nothing to do with him – it was between SJP and the receiving scheme. So, he doesn't feel he should be punished for their inability to talk to each other. And, even if he'd received SJP's letters, he says he couldn't do anything about the receiving scheme not understanding how the two-factor authentication works.

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.

Again, I recognise that Mr C has very strong feelings about SJP's handling of his pension transfer request. When suggesting that I've missed the point of his complaint, it seems Mr C is alluding to, amongst other things, his concern that SJP is incentivised to delay transfers because there's a financial interest to it by holding onto funds for longer than it's necessary or appropriate.

In my provisional decision, I touched on some of the benefits that Mr C felt SJP stood to gain from by deploying delay “*tactics*” (such as holding onto funds for longer than is necessary or appropriate). And I said that, in appropriate circumstances, it might be reasonable for SJP to

hold onto funds for longer than is expected – for instance when it's taking action in line with its regulatory obligations. Mr C's comments in response to my provisional decision go even further. He says SJP is "*incentivised*" to delay transfers.

It's not completely clear whether Mr C is saying that SJP intentionally delays transfers due to the financial benefits it stands to gain. Or, despite any delays it causes, it still benefits, as the funds are held under its management for longer than might otherwise have been the case. I accept that I didn't make a specific finding about that in my provisional decision, but I don't agree that means I've missed the point of Mr C's complaint.

As I said, throughout his complaint, Mr C's alluded to the benefits to SJP when delaying a transfer. In order to reach my decision I'm not required to prove the motivation behind a particular action/inaction. I just need to determine whether the respondent business acted fairly and reasonably in the particular circumstances of the complaint I'm considering. It's worth saying though that if Mr C is suggesting that SJP deliberately delays transfers (it's not clear that's what he's *actually* saying) that would almost certainly fall foul of the regulator's principles as set out in the FCA Handbook. And I'm sure it's something the regulator would take a keen interest in. However, I've seen no evidence that SJP intentionally incentivised its staff to cause delays in Mr C's case. I do accept though that the upshot of a delay is that a business may end up holding on to funds for longer than is expected. That said, I do need to keep in mind that SJP would still have certain legal and regulatory responsibilities for the funds and any administration required would likely have come at some cost to SJP.

My role is to determine what impact the delays had on Mr C — financially or otherwise. And I'll then award redress aimed at putting things right for him (which will also take account of any differences in fees paid to SJP versus the receiving scheme during the period of delay). Whilst I didn't agree with Mr C about the extent of the delays he feels SJP is responsible for, that doesn't mean that it didn't cause delays along the way. I've given careful thought to whether any of the additional comments Mr C's given me would cause me to change what I said in my provisional decision. And, on balance, I don't think they do.

Mr C's again described SJP's insistence on him completing the two-factor authentication. He says this had nothing to do with him – it was between SJP and the receiving scheme. So, he doesn't feel he should be punished for their inability to talk to each other. And, he says that even if he'd received SJP's letters, he couldn't do anything about the receiving scheme not understanding how two-factor authentication works.

I don't agree that the process had nothing to do with Mr C. It was a process intended to provide an additional security layer – and ultimately protect Mr C's pension. And aside from the fact that SJP sent several letters to him (which in itself shows that it was keen to progress things) it also told the receiving scheme about the need to complete the two-factor authentication process whenever it called for an update. I take Mr C's point that even if he'd received SJP's letters, he couldn't do anything about the fact the receiving scheme didn't understand the two-factor authentication process. But that shouldn't mean that SJP bears the responsibility. And my role is to decide whether SJP – not the receiving scheme - acted fairly and reasonably. Again, as I said in my provisional decision, on reflection, there were perhaps other steps SJP could have taken in addition to those I've mentioned. But overall, I'm satisfied that SJP took reasonable steps to try to ensure this process was completed, including relaying information to the receiving scheme about what was holding things up. So, I remain of the opinion that SJP's not responsible for the delays during the earlier period (between about August 2023 and January 2024).

Mr C maintains that £350 compensation doesn't reflect the level of emotional distress he suffered. And neither does he feel a payment at that level is in keeping with the guidelines.

Again, there's no doubt that this matter has had a significant impact on Mr C. But I need to say again, that any award I make is intended to reflect the impact of the delays I feel SJP is responsible for – not for the whole period of delay. I've already explained in my provisional decision why I believe SJP is responsible for a period of delay between 29 February 2024 and 14 June 2024. And having considered Mr C's points very carefully, nothing he's said would cause me to change my opinion about that. Therefore, I'm satisfied that a compensation payment of £350 fairly reflects the adverse impact and emotional distress that Mr C suffered as a result of SJP's delays. An award at this level would typically be made where the impact of a delay has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months. I'm satisfied that fits the circumstances here.

Finally, I agree that it's reasonable for SJP to base its calculations on the actual investments that Mr C made. So, I've amended the redress methodology below to account for that.

Putting things right

St James's Place UK plc should take the following steps to put things right for Mr C:

Step 1 - Compare the actual value of Mr C's pension up to the date of my final decision since it was transferred on 14 June 2024.

Step 2 – Compare the value in step 1 above with the notional value of Mr C's pension as at the date of my final decision as though it was transferred on 29 February 2024 as it should have been.

Step 3 – If the value in step 1 is lower than step 2, then Mr C has suffered a loss that needs to be recognised.

For the purposes of the above calculation, SJP should use the information Mr C has now provided about the investments he actually made.

If step 3 above identifies that Mr C has suffered a loss, SJP should pay that amount as a 'top up' payment to Mr C's receiving scheme.

However, it's possible that as Mr C's new pension scheme is administered in the UK, the UK tax authorities may still seek to apply the relevant UK tax rules. So, in the event that happens, the following adjustments should apply:

- The payment into the pension plan should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension if it would conflict with any existing protection or allowance.
- If payment into the plan isn't possible due to protection or allowance issues, it should be paid to Mr C directly as a lump sum making a notional deduction for income tax that would otherwise have been paid.
- If Mr C hasn't taken any tax-free cash from his pension, 25% of the loss would be tax free and 75% would be taxed according to Mr C's likely income tax rate in retirement – presumed to be 20%. So, making a notional deduction of 15% overall from the loss adequately reflects this.

In addition:

8% simple interest per year should be added from the date of my final decision to the date of settlement if compensation is not paid within 28 days of SJP being notified of Mr C's acceptance of my final decision.

- SJP should explain its calculations in a clear format.
- As noted above, SJP's shortcomings clearly caused Mr C some distress. To recognise this, SJP should pay Mr C compensation of £350 (if it hasn't already done so).

My final decision

I uphold this complaint. St James's Place UK Plc needs to take the steps I've set out above under "*Putting Things Right*".

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

Amanda Scott
Ombudsman