

## **The complaint**

Mr B 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 B and his husband both held pensions with SJP. They live overseas. He decided to transfer his SJP pension to a SIPP, which is an international pension plan administered in the UK.

On 9 May 2023 SJP confirmed that the transfer value was £170,114.44. 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 B and the receiving scheme to complete.

Mr B electronically signed a declaration on 28 May 2023.

The receiving scheme prepared a letter dated 7 August 2023. It provided the following:

- 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 B'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 B's passport.

Although it is not completely clear, the records suggests that SJP may have received some (if not all) of the above information on 10 August 2023, as that's a date noted at the bottom of certain documents.

SJP then wrote to Mr B on 22 August 2023. It said it had a responsibility to look out for signs of a pension scam and, in certain circumstances, can prevent a transfer from going ahead. It said that if Mr B had any concerns, he was encouraged to seek guidance from MoneyHelper. However, if he wished to continue with the transfer, he'd need to complete an enclosed questionnaire.

According to other information I've seen in connection with Mr B's husband's transfer, SJP contacted the dedicated SJP partner overseeing the account to explain that a two-factor authentication was required.

SJP's subsequent responses to the Financial Ombudsman Service suggest it also told the receiving scheme about the requirement for the two-factor authentication around the same time. And when the receiving scheme chased SJP for updates between around September and November 2023.

The dedicated partner wasn't apparently directly involved in the transfer process, so SJP suggested that contact was made with Mr B (and his husband) directly. SJP then wrote to Mr B's husband 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-factor authentication hadn't been completed. I don't know if letters were also sent directly to Mr B, as I haven't been given copies.

SJP indicated that the two-factor authentication process was completed on 29 November 2023 and the transfer progressed from that point.

SJP appears to have written to Mr B on 5 December 2023 about pension scams and asked him to complete a questionnaire.

In another letter sent to Mr B on 28 December 2023, SJP said that having reviewed the information he provided (which appears to have been received the day before), it felt there was a risk of a scam. It therefore told Mr B that he'd need to make an appointment with MoneyHelper. Mr B attended an appointment on 12 February 2024.

Along with his husband, Mr B made a joint complaint to the Financial Ombudsman Service in March 2024.

It appears that in response to concerns made by Mr B's husband in relation to their respective transfers, SJP sent a response on 26 April 2024. As far as I can tell, this was also intended to cover events to do with Mr B's transfer. It said:

#### Two-factor authentication

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

#### Red flagging the transfer

Changes in regulations in November 2021 meant that additional due diligence needed to be performed. Based on answers Mr B 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 B 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.

SJP's transfer team received 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 £201,184.25 in settlement of Mr B's retirement account.

There were some issues causing the receiving scheme to contact SJP on 21 June and a couple of times during July 2024. During the later calls the receiving scheme indicated it was still awaiting confirmation of the transfer out, even though SJP's records suggest (as indicated above) that confirmation of payment was sent on 14 June 2024.

SJP wrote to Mr B on 14 August 2024 in response to some concerns raised. It said it received his MoneyHelper unique reference number on 3 June 2024 (as indicated above, it appears the reference was actually received on 31 May 2024) and at that time its standard turnaround time was 14 working days. Funds were then released to the receiving scheme on 14 June 2024 with a confirmation letter being prepared and sent on the same day (it appears the receiving scheme didn't receive it). A further copy was sent to the receiving scheme on 26 July 2024.

Although Mr B's complaint was submitted at the same time as his husband's, we told him that his complaint would be assessed separately. The complaint was allocated to one of our Investigators. Having reviewed all of the evidence, the Investigator concluded that SJP wasn't responsible for all of the delays that Mr B experienced. However, she felt that SJP ought to have been clearer, in its earlier communications, about why it was concerned about the transfer. She noted that clear explanations weren't given until 26 April 2024. And had those been given sooner, she felt Mr B would have provided his unique reference number sooner (given that he'd already attended a MoneyHelper appointment in February 2024) and the transfer would have gone ahead much earlier. Therefore, she felt Mr B may have suffered a loss as a result of SJP's delays. She set out what SJP needed to do to put things right. She also recognised that SJP had caused Mr B worry and frustration, so she recommended that it should pay compensation of £350 to recognise that. SJP accepted the Investigator's assessment, but Mr B's husband made comments, which were intended to act as responses to both complaints. Those were:

- Mr B and his husband are not financial services providers. Therefore, it was unreasonable of SJP to expect them 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 them in explaining what was required.
- In Mr B's case, the transfer questionnaire was sent before the two-factor authentication process was completed.
- SJP profited from fees and commission by holding onto funds for longer than was appropriate – aside from the financial loss suffered between the potential dates of transfer.
- Compensation of £350 equated to below the minimum wage if divided by the number of hours spent fighting SJP to effect the transfer over a ten-month period.

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

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

- It told the specific partner involved in Mr B and his husband's accounts around 26 August 2023 that the two-factor authentication had to be completed before it could take further steps concerning the transfer. It also suggested that contact was made with its administration team in the event of any difficulties. It was around this time that the partner suggested Mr B and his husband should be contacted directly – so this is what prompted a series of letters to be sent.
- It appeared to accept that it should also have sent a docuSign guide to the receiving scheme.

The Investigator shared SJP's response. However, she maintained that the compensation recommended was reasonable. As no agreement could be reached, the matter was referred to me to decide.

### **My provisional decision**

I sent Mr B and SJP my provisional decision 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 B and his husband. 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 B 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 (via his husband) with other findings made. I've taken account of these developments when preparing this decision.*

*Although I've addressed Mr B's and his husband's complaints separately – as they each have their own pension policies – I've had to rely on some of the evidence associated with Mr B's husband's case when reaching my findings concerning Mr B's complaint. That's because I haven't received all of the evidence I might have expected in Mr B's case. However, it's evident that Mr B and his husband submitted their transfers in tandem and Mr B's husband has clearly been pursuing matters and complaints for both of them. That includes providing responses to this Service.*

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

*Mr B thinks it's unreasonable of SJP to expect him to sort out the two-factor authentication himself – especially as he's not a financial services provider. He also feels it had ample opportunity to explain the steps needed to the receiving scheme. Mr B was clearly expecting SJP to do more to assist him during the process. I understand his position.*

*From what I've seen, it appears that SJP first mentioned the two-factor authentication to the specific partner who was overseeing Mr B's account. That happened around 26 August 2023 within a few days of SJP receiving Mr B's transfer forms. I'm satisfied there was no delay there. The partner suggested that contact should be made with Mr B (and his husband) directly, as it wasn't involved in the transfer process. I can see that SJP then wrote to Mr B's husband 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 him to contact his dedicated partner or its client services team if he had any questions. It's not clear if similar letters were sent directly to Mr B.*

*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 B'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 B (even if only via his husband) on the terms it did. And given that the process SJP was trying to complete was geared towards safeguarding Mr B's pension, I think it was reasonable for it to write, 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. It appears Mr B and his husband didn't receive SJP's letters. I've thought about whether SJP's actions went far enough here.*

*I don't know why the letters weren't received – 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 B to the fact that SJP had written 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 B makes (via his husband) 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 B. Although SJP said it sent a more detailed communication to Mr B than his husband along with a guide about completing the two-factor authentication, it does seem to accept that it could have done more here. For instance, it said it could perhaps have sent the guide relating to the two-factor authentication to the receiving scheme at the same time.*

*It appears that the guide and email communication intended for Mr B were sent to the partner after it said it wasn't involved in the transfer. I can't therefore be certain that Mr B received those. 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 B 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 B 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 (sent via Mr B's husband if not to Mr B himself) it explained what it needed and why - and it offered assistance if he needed it. The fact that those letters weren't received isn't something that SJP can be held responsible for. And whilst I fully understand Mr B's concern and frustration, I can't fairly say SJP is accountable for the delay between August and December 2023. 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 B's transfer request***

*As Mr B 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 B 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 – especially when it came to the two-factor authentication process. I've already said why I don't agree SJP was responsible for that period of delay.*

*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.*

*In any event, I don't think there was an undue delay here in the way SJP went about things once the two-factor verification process was completed. Within a week or so, SJP appears to have asked Mr B 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 B 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.*

*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 December 2023 letter, SJP indicated it had concerns about the transfer, meaning it felt his pension might be at risk of a scam. And it said that if Mr B 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.*

*I'm not persuaded, based on what SJP said, that Mr B would have understood why he had to obtain MoneyHelper guidance. Nor am I satisfied that its 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 B 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 B later) because he didn't actually provide his MoneyHelper unique reference number to SJP until late May 2024. And it's clear that Mr B 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 28 December 2023, 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 28 December 2023 and 26 April 2024 when SJP gave Mr B an appropriate explanation that allowed him to proceed with the transfer.*

*It took Mr B 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 B a similar explanation on 28 December 2023, 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 B could have been in a position to confirm things on or around 1 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 15 February 2024. Therefore, I think SJP is responsible for an overall delay between 15 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 B's husband made on his behalf. 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 B'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 B didn't agree with the level of compensation our Investigator recommended - £350, not least because it didn't adequately cover the time spent pursuing things with SJP. 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 two-factor authentication guide to the receiving scheme. I do appreciate Mr B's strength of feeling and I can see why he might think these events warrant more compensation – especially in light of SJP's more recent responses.*

*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 B 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 B 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 B's time. And whilst I agree with Mr B that SJP does now appear to accept that it could have done certain things earlier, if I were to award a greater level of compensation, I'd need to be satisfied that these things had a greater impact than our Investigator has so far recognised. I don't think they did.*

*As I explained earlier in this decision, it was still open to the receiving scheme to seek assistance from SJP if it wasn't sure how to complete the two-factor authentication process. So, I don't think this shortcoming caused a greater impact on Mr B.*

*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 late December 2023 to April 2024. And I think Mr B 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. This was a significant decision for Mr B, so I'd have expected SJP to give clear reasoning about its concerns earlier on. 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 B likely suffered”.*

## **Responses to my provisional decision**

SJP accepted my provisional decision. It said its usual method of calculating redress would be to request certificates showing the investments actually made rather than using a benchmark.

Mr B made the following comments via a response from his husband: He 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 the 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 said he couldn't do anything about the receiving scheme not understanding how the two-factor authentication process 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 B 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 B 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 is necessary or appropriate.

In my provisional decision, I touched on some of the benefits that Mr B 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 fitting 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 B'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 B 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 B's complaint.

As I said, throughout his complaint, Mr B'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 B 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. 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 additional administration required would likely have come at some cost to SJP.

My role is to determine what impact the delays had on Mr B — 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 B 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 B'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 B'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 the two-factor authentication works.

I don't agree that the process had nothing to do with Mr B. It was a process intended to provide an additional security layer – and ultimately protect Mr B's pension. And aside from the fact that SJP sent several letters to his husband (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 B'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 for that. 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. For instance, it could have communicated with Mr B via different means in addition to writing to him (via his husband) on multiple occasions. But again, there was no requirement for it to, especially as it appears to have followed its usual processes. In any event, overall, I'm satisfied that SJP took reasonable steps to try to ensure the two-factor authentication 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 and December 2023).

Mr B 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 B. But I'll repeat 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 delay between late December 2023 and April 2024. And having considered Mr B'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 B 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 B made. So, I've amended the redress methodology below to account for that.

### **Putting things right**

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

Step 1 - Compare the actual value of Mr B'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 B's pension as at the date of my final decision as though it was transferred on 15 February 2024 as it should have been.

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

For the purposes of the above calculation, SJP should use information about the investments Mr B actually made.

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

However, it's possible that as Mr B'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 B directly as a lump sum making a notional deduction for income tax that would have otherwise been paid.
- If Mr B 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 B'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 B's acceptance of my final decision.
- SJP should explain its calculations in a clear format.
- As I explained above, SJP's shortcomings clearly caused Mr B some emotional distress. To recognise this, I direct SJP to pay Mr B compensation of £350 (if it hasn't already done so).

### **My final decision**

I uphold this complaint. I require St James's Place UK Plc to take the action set out under the heading of 'Putting things right' above.

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

Amanda Scott  
**Ombudsman**