

## **The complaint**

Mr B complains that Suffolk Life Pensions Limited trading as Curtis Banks Pensions delayed the transfer of his Self-Invested Personal Pension (SIPP) to another provider.

## **What happened**

Mr B had a SIPP with a provider I'll refer to as P. Suffolk Life was appointed as administrator of the SIPP and was responsible for the day to day operation of the SIPP. The assets within the SIPP were invested in a Self-Invested Fund.

Mr B appointed an investment manager to make investment decisions on his behalf and the investment manager was also authorised to give Suffolk Life investment instructions on his behalf.

Mr B says Suffolk Life received instructions to transfer his SIPP to the new provider on 19 December 2023. He says it only forwarded this request to the investment manager on 4 January 2024. The stock in his SIPP was sold over the next few days but he says that the cash was not transferred to P until 29 January 2024 and the new SIPP provider only received the funds on 13 February 2024. He says he lost out on investment growth during this period. He complained to Suffolk Life about what had happened.

Suffolk Life investigated his complaint. It said it was informed by P on 4 January 2024 that Mr B had requested a full cash transfer out to another provider. Suffolk Life contacted the investment manager on the same date and instructed it to fully surrender the stock in Mr B's SIPP.

The stock was sold over the period between 5 and 8 January 2024 and the bulk of the cash was paid into the Suffolk Life account on 12 January 2024. There were some additional cash payments after that date up to 18 January 2024.

Suffolk Life said it hadn't reconciled the account at that time because the investment manager had incorrectly reported to it that one asset had been switched rather than sold.

P contacted Suffolk Life on 26 January 2024 for an update on the transfer request and it was only then when the discrepancy was identified. The investment manager confirmed the sale of the asset had actually been sold immediately following the switch. Suffolk Life said it could only then be satisfied that the old plan had definitely been closed. It reconciled the account and to expedite matters it transferred the cash to P on 29 January 2024, via CHAPS at no expense to the SIPP.

Suffolk Life said it was partially upholding the complaint because delays had been caused by the incorrect information being received from the investment manager. It said this error was only identified when P chased it for an update. Suffolk Life did not offer any compensation for what had happened.

Mr B complained to our service. Our investigator looked into his complaint. He said he couldn't fairly say that Suffolk Life caused the delay during the period between 19 December

2023 and 4 January 2024 because Suffolk Life didn't receive the encashment request until 4 January 2024. He noted that the encashment process was completed on 12 January and the funds transferred to Suffolk Life at that date. However it hadn't done anything with the funds until after P contacted it on 26 January. So he thought Suffolk Life had caused an undue delay, of five working days, during this period. It should have sent the funds to P by 19 January 2024. He didn't think it was reasonable for Suffolk Life to have waited ten working days before checking with the investment manager why the payment hadn't been confirmed. He thought Suffolk Life should carry out a loss calculation to work out what growth Mr B would have achieved if his pension had been invested with the new provider five working days earlier and pay this amount to him.

Mr B didn't agree. He said that his complaint related to the whole process of the transfer and he thought that Suffolk Life as the administrator should be responsible for the overall delay in the transfer – which he said was around five weeks.

Our investigator thought about what Mr B said. He clarified that as Mr B's funds should have been transferred on 19 January 2024 instead of 29 January 2024, the loss calculation should be worked out for ten days rather than five working days.

Suffolk Life also disagreed with what our investigator said. It said it had not caused the delay outlined by our investigator or that financial loss would be applicable. It said that the investment manager ought to have made it aware when the funds would be sent. It hadn't done that. Infact it had supplied erroneous information when it said that one remaining asset still needed to be sold.

Our investigator looked into everything again. He changed his view. He said that the investment manager had an active relationship with Mr B and it failed to notify Suffolk Life that the transfer had completed. He didn't think it was fair in these circumstances to hold Suffolk Life responsible for the delay.

Mr B didn't accept what our investigator said. He said there was an over-engineered process and at the end of the day the transfer had taken too long to be completed.

Our investigator considered again what Mr B said. He said he'd now come to the view that there had been 5 working days of undue delays caused by Suffolk Life. He didn't think it was reasonable for Suffolk Life to have waited ten working days to query the fact it hadn't received a confirmation from the investment manager. So he thought Suffolk Life should have sent the funds to P by 19 January 2024 instead of 29 January 2024. He said Suffolk Life should carry out a loss calculation to work out what growth Mr B would have achieved in his new policy during this time and pay this amount to Mr B.

Suffolk Life didn't agree. So, the complaint was passed to me to decide. I issued a provisional decision in which I said:

***What I've provisionally 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.*

*At the outset, I'd just point out that in this decision I'm only considering the complaint which has been made against Suffolk Life. I am conscious that there were other parties involved in the transfer of Mr B's pension but, although I will refer to Suffolk Life's interactions with those other parties, in this decision I will restrict my considerations to the complaint about Suffolk Life.*

### *The terms and conditions*

*Mr B has commented on the fact that in his view the administration of his SIPP was "over complicated" and involved several companies – the provider (P), the administrator (Suffolk Life) and the investment manager (Q). I've looked further at the arrangements and at the terms and conditions which applied.*

*Mr B had a SIPP option under a personal pension plan provided by P. This option allowed him to choose and manage his own investments under the scheme. Suffolk Life was the administrator of the SIPP – responsible for the day to day operations and also for dealing directly with Mr B. The terms and conditions between Mr B and P provided as follows:*

*"in many cases where the member gives us (P) instructions... the instruction will in practice be given to Suffolk Life as our administrator.*

*In this context references to "we" "us" and Our" in the terms and conditions include Suffolk Life as the administrator."*

*Under the terms and conditions Mr B could appoint an investment manager to make investment decisions on his behalf and to give P and /or Suffolk Life investment instructions. Q was appointed as the investment manager.*

*Where an investment manager was appointed, the terms of appointment had to be acceptable to Suffolk Life and this included a requirement that the investment manager would report transactions to Suffolk Life in a timely manner and in a suitable format. The investment manager was also responsible, among other things, for accounting to Suffolk Life regularly for all transactions and interest in relation to the relevant investments in a form acceptable to it.*

*The terms and conditions also provided that Mr B could apply to transfer out to another pension scheme. For cash transfers-out until all investments had been realised, the proceeds of selling each investment to provide a cash transfer out would be held in the bank account. Once the proceeds of all investments were held in the bank account and all units of funds had been sold the transfer-out would be paid as a single cash sum to the receiving scheme.*

### *The chronology of events*

*On 4 January 2024 P instructed Suffolk Life in relation to the transfer request. It sent an email to say:*

*"We have received a request to transfer Mr B's Self Invested Fund to a new provider. Can you please process and empty the pot and send us usual files and cash payment."*

*Mr B says that the initial transfer instruction was sent on or about 19 December 2023. I'm unable to comment on why that instruction wasn't sent to Suffolk Life until 4 January 2024. However, I don't think it's fair or reasonable to hold Suffolk Life responsible for not actioning the request prior to the date when it received it – which was 4 January 2024.*

*Suffolk Life immediately instructed the investment manager to fully surrender the holdings in Mr B's SIPP and over the course of the next few days that was what happened. The bulk of the cash was transferred to Suffolk Life's account on 12 January 2024. Subsequently there were three further payments of outstanding dividends which were paid on 16 January 2024, 18 January 2024 and 24 January 2024.*

*Suffolk Life didn't take any further action after it received the initial cash payment. It says the reason for that was because the investment manager failed to tell it that the payments had been made. And furthermore the electronic feed from the investment manager indicated that one asset had been switched rather than sold. I'll comment further about this below since it appears to lie at the crux of the complaint about Suffolk Life.*

*Nothing further happened until P contacted Suffolk Life on 26 January 2024 and asked for an update on the transfer. Suffolk Life then contacted the investment manager to investigate further and the discrepancy was identified. Suffolk Life was then able to reconcile the SIPP account and send the proceeds to P via CHAPS payment on 29 January 2024. P transferred the funds to the new SIPP provider on 13 February 2024 and the new provider invested the funds the next day.*

#### *Application of the Transfer and Re-registration Industry Group (TRIG) Framework*

*In June 2018, the TRIG Framework was published followed an industry wide initiative to establish best practice in transfers and re-registration of customer assets. TRIG's goal was to improve customer experience. And although the framework doesn't have any regulatory or legislative status it is widely recognised as setting out what providers are expected to deliver to customers in relation to the timeliness of transfers and re-registrations, and communications during the process. So, I think it is fair and reasonable to apply the TRIG framework when reviewing what happened here.*

*At this stage, I'd just reiterate that in this decision I'm only looking at the complaint about Suffolk Life. I am conscious that there were other parties involved in the transfer process but any complaint about those other parties will need to be looked at separately.*

*TRIG sets out that the industry should aim towards an end to end standard timescale for as many transfers as possible. For cash transfers between two counterparties TRIG believes that an end to end good practice timescale should be ten business days, including BACS timescales. Where there are multiple counterparties then a step by step standard can be applied – with each step taking two business days plus the date of receipt. In this case there were multiple counterparties, so I've looked at the TRIG step by step approach when considering what happened.*

*Suffolk Life became involved in the process on 4 January 2024 when it received the request from P to process the transfer request, sell the assets and send the cash to P. As I've mentioned above I don't think it's fair or reasonable to have expected Suffolk Life to take any action prior to the date when it received the request.*

*Having looked at the chronology of events, I'm persuaded that Suffolk Life acted on the instruction as soon as it received it. It instructed the investment manager to sell the assets and I can see that by 12 January the bulk of the cash was transferred by the investment manager into Suffolk Life's account. That was six business days after it had received the transfer request from P. However Suffolk Life didn't transfer the cash to P until 29 January 2024 – and that was only after P contacted it about the matter.*

*Suffolk Life says that the fault lies with the investment manager. It failed to notify Suffolk Life that the sale of the assets had been completed. Suffolk Life says that the investment manager was required to do this and it has pointed to the instructions that it sent to the investment manager. It also says the information supplied by the investment manager was incorrect – it indicated that one of the assets had been switched but not sold. Suffolk Life has pointed out that there can be many reasons why an asset can't be sold for a period of time. So, it wouldn't reconcile the account until it was confirmed closed.*

*I've thought carefully about what Suffolk Life has said here, but I'm not persuaded, on balance, it did everything it could reasonably have been expected to do during the period between 12 January 2024 and 26 January 2024 to expedite the transfer. When reaching that view I've taken into account the TRIG framework and the expectations that it set out – especially where there are several parties involved in the process.*

*TRIG states that organisations should adopt a maximum standard of two business days, plus date of receipt, to complete each step in the process. Where there is a cash transfer between two counterparties then the standard should be ten business days to complete the transfer. Where there are multiple counterparties involved, one organisation will not be accountable for the underperformance of counterparties that are outside of their control.*

*However the role of each counterparty needs to be considered within the overall context of the TRIG framework. The background to the TRIG framework states:*

*“When moving investments, assets and entitlements between institutions, people have a legitimate right to expect the industry to execute their instructions in a timely and efficient manner. Furthermore, customers' service expectations are increasing due to the relative simplicity of switching in other markets. Slow transfers can cause detriment to customers; and the actions of one party can reduce the efficiency of all parties in the chain.”*

*It's important, given the overall goal of the TRIG framework for each counterparty within the process to work together with the other parties involved and do everything it reasonably can, to ensure that customer expectations regarding achieving timely and efficient transfers are met.*

*When reaching my view that Suffolk Life could've done more here, I've also taken into account the fact that Suffolk Life was aware of and had confirmed that the terms of appointment of the investment manager were acceptable to it. Those terms required the investment manager to report transactions to Suffolk Life in a timely manner and in a suitable format.*

*So, in line with the terms of the appointment, I think it's fair and reasonable to have expected Suffolk Life to contact the investment manager much earlier than 26 January 2024 to have checked the position regarding the sale of the assets. It should have been aware that a significant amount of cash had already been received from the sale of the assets on 12 January 2024. And, when it did check the position with the investment manager the discrepancy was quickly identified and the matter resolved.*

*Having considered everything here, and bearing in mind the goal of the TRIG framework, I think it's fair and reasonable to expect Suffolk Life to have contacted the investment manager within two business days of receipt of the bulk of the cash (that would've been 16 January 2024) – to ask for an update and to query the information that appeared on the electronic feed it had received. I say that even though Suffolk Life had instructed the investment manager to send it confirmation once the sale had been completed. Given that it had received the bulk of the cash, I'm not persuaded it was fair and reasonable for Suffolk Life to have taken no action to enquire why there was a delay – or to query why the electronic feed suggested one asset had been switched when the instruction had been to sell all of the assets. Infact, Suffolk Life only raised the query with the investment manager after P contacted it.*

*If Suffolk Life had contacted the investment manager on 16 January 2024 the transfer of the cash to P could've happened the next business day. And, assuming that P would still have taken 12 business days to complete the transfer to the new provider, that means I've provisionally decided the transfer could've completed on 2 February 2024.*

### ***What needs to be done to put things right?***

*When thinking about what needs to be done to put things right our Rules provide that we can make a money award for such amount as we consider to be fair compensation for one or more of the following:*

- financial loss (including consequential or prospective loss);*
- pain or suffering;*
- damage to reputation;*
- distress or inconvenience*

*whether or not a court would award compensation.*

*There is further information available on our website setting out what our service takes into account when deciding what amount of compensation would be fair overall to put right the impact a mistake or as here, a delay, has on a complainant.*

### ***Financial Loss***

*My aim is that Mr B should be put as closely as possible into the position he would probably now be in if the transfer of his SIPP had not been unduly delayed.*

*I think Mr B would still have invested in the same way as he subsequently did – but he would have done so at an earlier date. So to put things right, I've provisionally decided that Suffolk Life should carry out a financial loss assessment as set out below:*

- Obtain the notional value of Mr B's pension from the new provider on the basis that the cash would have been received by the new provider on 2 February 2024 and invested on 5 February 2024 in the same way as it was subsequently invested (Value A).
- Obtain the current value of Mr B's pension (Value B).
- If Value B is greater than Value A no redress for financial loss is payable.
- If Value A is greater than Value B the difference (the Financial Loss) should if possible be paid into Mr B's pension plan and should allow for the effect of charges and any available tax relief.
- If Suffolk Life is unable to pay the compensation into Mr B's pension plan, it should pay the amount of the Financial Loss direct to him. But had it been possible to pay into the pension, it would have provided a taxable income. Therefore the compensation 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 Mr B won't be able to reclaim any of the reduction after compensation is paid.
- The notional allowance should be calculated using Mr B's actual or expected marginal rate of tax at his selected retirement age.
- It's reasonable to assume that Mr B is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mr B would have been able to take a tax free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.
- If either Suffolk Life or Mr B dispute that this is a reasonable assumption, they must let us know as soon as possible so that the assumption can be clarified and Mr B receives appropriate compensation. It won't be possible for us to amend this assumption once any final decision has been issued on the complaint.

#### Distress and Inconvenience

Mr B has been caused distress and inconvenience as a result of what happened here. Both Mr B and his financial adviser had to spend time and effort contacting each of the counterparties involved to try to understand why there was such a long delay in the transfer.

Suffolk Life is the administrator of the Scheme – so it was responsible for the day to day operation of the SIPP and would've been Mr B's first point of contact as regards administrative matters. After he complained, it said it was partially upholding the complaint because delays had been caused by the incorrect information being received from the investment manager. However, it didn't offer any apology nor did it offer him any compensation.

*Having thought about everything including our guidelines for awards for distress and inconvenience, I think it's fair and reasonable to require Suffolk Life to pay Mr B £150 by way of compensation for distress and inconvenience. So my provisional decision is that Suffolk Life should pay Mr B £150 for the distress and inconvenience he experienced here.*

### ***My provisional decision***

*For the reasons given above I intend to uphold this complaint about Suffolk Life Pensions Limited trading as Curtis Banks Pensions and I intend to require it to take the actions set out above to resolve this complaint.*

Mr B said he accepted the provisional decision.

Suffolk Life did not accept the provisional decision. By way of summary it said:

- The investment manager (Q) should have provided Suffolk Life with confirmation that the funds were sent and should have provided an accurate data feed. Q had not done this. Suffolk Life should not be responsible for Q's failure.
- Suffolk Life was heavily reliant on trusting the live data feeds. There were many reasons why the asset might not have been sold and that was why Suffolk Life required confirmation from Q.
- Suffolk Life did not have a "step" in its process to chase a third party for information. It was unaware the information Q had provided was incorrect. Suffolk Life wouldn't have had reason to believe the information it had been provided with was wrong at the point in time set out in the provisional decision.
- TRIG stated that organisations should not be accountable for the underperformance of counterparties that are outside of their control.

So, I need to issue my decision.

### **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.

I've thought about Suffolk Life's responses to my provisional decision. It has reiterated the arguments it had previously made and which I had considered in my provisional decision. However, it hasn't raised any new arguments or provided any new information which causes me to change my view about how this complaint should be resolved. I'll explain why.

In my provisional decision, I considered the fact that Q had not confirmed that the funds were sent and it hadn't provided accurate information in the live data feed. However, having done so, I wasn't persuaded Suffolk Life had done everything it could reasonably have been expected to do between 12 January 2024 and 26 January 2024 to expedite the transfer. I have not changed my view about that nor the reasons for my view, as set out in the provisional decision.

Suffolk Life says there is no "step" in the process which requires it to chase a third party for information and it shouldn't be responsible for the underperformance of a third party. However, the TRIG Framework does set expectations not just about how long an organisation should take to complete each step but also how long the transfer process should take overall. The overall goal of the TRIG Framework makes clear its purpose is that transfers should be completed in a timely and efficient manner. That means where there are multiple counterparties, as was the case here, there is an expectation that they should work together to ensure timely transfers.



In my provisional decision, I said I thought it was fair and reasonable to have expected Suffolk Life to contact the investment manager much earlier than 26 January 2024 to have checked the position regarding the sale of the assets. I have not changed that view.

The bulk of the cash was transferred to Suffolk Life on 12 January 2024. It says it didn't do anything at that time because it was reliant on a confirmation being sent by Q and it was also reliant on the information in the live data feed. However, as I pointed out in my provisional decision, I thought it was fair and reasonable to have expected Suffolk Life to have queried the information in the live feed – given that the bulk of the cash had already been received and the information in the live data feed suggested one asset had been switched when the instruction had been to sell all of the assets. In these circumstances, I thought it was fair and reasonable to expect Suffolk Life to have contacted Q within two business days of receipt of the bulk of the cash to ask for an update and to query the information in the live data feed.

I've not been provided with any new information or arguments that causes me to change that view. So, I remain of the view that if Suffolk Life had contacted Q on 16 January 2024 the transfer of the cash to P could've happened the next business day – and the transfer could've completed on 2 February 2024.

### **My final decision**

For the reasons set out above, I uphold this complaint about Suffolk Life Pensions Limited trading as Curtis Banks Pensions. I now require it to take the following actions:

1. Suffolk Life should carry out a financial loss assessment as set out below:
  - Obtain the notional value of Mr B's pension from the new provider on the basis that the cash would have been received by the new provider on 2 February 2024 and invested on 5 February 2024 in the same way as it was subsequently invested (Value A).
  - Obtain the current value of Mr B's pension (Value B).
  - If Value B is greater than Value A no redress for financial loss is payable.
  - If Value A is greater than Value B the difference (the Financial Loss) should if possible be paid into Mr B's pension plan and should allow for the effect of charges and any available tax relief.
  - If Suffolk Life is unable to pay the compensation into Mr B's pension plan, it should pay the amount of the Financial Loss direct to him. But had it been possible to pay into the pension, it would have provided a taxable income. Therefore the compensation 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 Mr B won't be able to reclaim any of the reduction after compensation is paid.
  - The notional allowance should be calculated using Mr B's actual or expected marginal rate of tax at his selected retirement age.
  - It's reasonable to assume that Mr B is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mr B would have been able to take a tax free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.

2. Pay Mr B £150 for the distress and inconvenience he experienced as a result of what happened here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 July 2025.

Irene Martin  
**Ombudsman**