DRN-5639839

The complaint

In 1993 Mr H was advised by United Friendly Insurance, now The Royal London Mutual Insurance Society Limited ('Royal London'), to transfer his Defined Benefits Pension ('DBP') to a personal pension. In 1999 he had the transfer assessed under United Friendly's pension review exercise, as part of the industry wide pension reviews at the time, and the outcome confirmed that he had suffered no loss from the transfer, because the review showed he was better off in the personal pension.

Mr H says he was compelled, in 2024, to complain about unsuitability of the transfer after learning that former colleagues who retained the DBP had pensions with more valuable benefits than his. He believes he has suffered a loss from the DBP transfer.

Royal London disputes the complaint and stands by the 1999 review outcome. It also says the 2024 complaint is out of time.

What happened

One of our investigators looked into the matter and concluded that the complaint is not out of time, but it lacks merit and should not be upheld.

With regards to our jurisdiction (and Royal London's argument that the complaint is out of time) she addressed the three years time limit (starting from when Mr H ought reasonably to have been aware of cause for complaint) on which the argument is based.

Royal London says the 1999 pension review was/is the point at which he ought reasonably to have become aware of cause for complaint, so his 2024 complaint is out of time (more than three years after that awareness). The investigator disagreed. She noted that the wording and effect of the 1999 pension review outcome amounted to an assurance to Mr H that he was better off as a result of the transfer from the DBP to the personal pension, so thereafter he had no cause to believe something was wrong in the transfer.

However, in terms of the substance of his complaint, the investigator mainly said –

- The loss calculation conducted in the 1999 review essentially says the issue about whether the transfer was mis-sold has been accepted, so there is no need to cover this aspect again.
- The calculation was required to use reasoning and methodology set by the regulator at the time. Evidence of the review's documentation shows that relevant information about Mr H and about the pension schemes was taken into account, and nothing in the calculation suggests there was an error. Furthermore, Mr H has not been able to provide any evidence of an error.
- The industry wide review was intended to draw a line under any mis-selling issues in the pension transfers it covered. Some of the assumptions used in the methodology at the time (for example, investment returns and annuity rates) have not turned out, in reality, as expected. Some of the previous redress calculations in some cases have not matched the relevant occupational schemes' benefits at retirement dates. However, this alone is not ground to recalculate redress. Where there is an error in a

previous calculation (or where it was not in line with the methodology set by the regulator) a recalculation could happen, but this does not apply to Mr H's case.

Royal London does not appear to have responded to the investigator's view, but Mr H did. He did not accept the view, and he asked for an Ombudsman's decision. He says he still feels he was mis-sold the transfer.

The matter was referred to an Ombudsman.

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.

Jurisdiction

Royal London has not rejected the investigator's view on our jurisdiction, but it has not accepted it, so I consider that the matter should be addressed in this decision.

The regulator's *Handbook* contains the rules on the time limits for complaints. They are set out in the Dispute Resolution ('DISP') section of the Handbook. DISP 2.8.2 R says –

"*The Ombudsman cannot consider a complaint if the complainant refers it to the Financial Ombudsman Service:*

(1) more than six months after the date on which the respondent sent the complainant its final response, redress determination or summary resolution communication; or

(2) more than:
(a) six years after the event complained of; or (if later)

(b) three years from the date on which the complainant became aware (or ought reasonably to have become aware) that he had cause for complaint;

unless the complainant referred the complaint to the respondent or to the Ombudsman within that period and has a written acknowledgement or some other record of the complaint having been received …"

Therefore, we cannot consider a complaint referred more than six years after the complaint event or, if later, more than three years after the complainant knew or ought reasonably to have known there was cause for complaint.

In Mr H's case, his 2024 complaint happened more than six years after the 1993 transfer advice, so it is clearly outside the six years time limit. As the investigator noted, Royal London's assertion that the complaint is time barred relates only to the three years time limit. In this respect, the relevant consideration is whether (or not) Mr H knew or ought reasonably to have known, after receiving the November 1999 pension review outcome, that he had cause for complaint about the pension transfer.

The investigator commented that the pension review outcome suggested an acceptance of the issue about whether the transfer was mis-sold. An outcome that confirms a loss calculation could indeed be viewed as one that accepts there has been a wrongdoing for which loss has been considered (and calculated). Had there not been an acceptance of mis-selling (or unsuitability), it is arguable that the review would instead have concluded on the finding that the transfer was not mis-sold. Nevertheless, and despite its loss assessment, it should also be noted that the review outcome letter did not explicitly concede unsuitability of

the transfer.

In any case, and at the time, the loss calculation/assessment outcome would have been at the fore of Mr H's consideration. From his perspective, it would have constituted the solution to any mis-selling that had been identified (in the context of the potential for a mis-sale that the review's existence would have suggested to him).

In terms of his consideration of the loss assessment outcome, he was told he was better off with the personal pension, and his explanation is that he relied on that outcome until he later had cause to doubt it. In his 2024 complaint referral he said –

"*Royal London's close letter suggests I should have complained when I was sent their review letter in 1999 but why would I have complained when their review suggested I was better off with the transfer. It is only recently I have discovered that it was a dismal decision to transfer my pension as I now realise I would have been in receipt of pension payments from the age of 60 and the pension pot, at the time of my complaint was maybe half what it ought to be, and now is still just two thirds what is ought to be*"

In a telephone conversation with us he also explained that his recent awareness of cause for complaint arose from learning that former colleagues who had retained the DBP have transfer values for their pensions that are much higher than his.

I consider that Mr H reasonably relied on the 1999 pension review outcome and believed he was better off in the transfer, until the recent events he has described which made him think otherwise. I have not seen evidence that those events happened earlier than he has described – around 2024 – so his complaint in the same year happened within three years of when he knew or ought reasonably to have known he had cause for complaint about. On this basis, his complaint is not out of time, and we can address its merits.

Merits

In asking for an Ombudsman's decision, Mr H said he has done so because he still believes the transfer was mis-sold to him. In other correspondence with us, he also mentioned the idea of taking specialist pension advice on the pension review outcome.

Overall, I am satisfied that Mr H is sufficiently aware that his case has gone past the question of whether (or not) the 1993 transfer was unsuitable for, or mis-sold to, him, and that, instead, the complaint now poses the question of whether (or not) the 1999 pension review loss assessment should be reviewed (and a new assessment conducted). As I said above, the review outcome does not explicitly concede that the transfer was unsuitable, but such a concession could be viewed by Mr H as implicit – for the reasons addressed above. Furthermore, redress for the transfer is what the review considered in its loss assessment, and that (the loss assessment) is where the parties disagree, so the loss assessment is where the complaint exists.

The investigator explained, in her view, that our service cannot perform the functions of an actuary. I echo that point. We are not equipped to do that, so it is not in my remit to conduct a thorough check of the 1999 review loss calculation/assessment in Mr H's case, or to deliver a finding that guarantees the calculation's accuracy (or otherwise).

In cases like Mr H's the common expectation is that the complainant would identify where an error in the loss calculation (or overall assessment) is believed to exist, which, depending on the circumstances, we could then consider.

As far as I am aware he has not done this. His claim is that he discovered comparators who

retained the DBP with more valuable pensions than his, hence his belief that the assessment was wrong – but no specific part of the assessment has been identified by him as erroneous. In this respect, it might be worth saying that if a specific error had been identified our consideration of the complaint might have to revisit the matter of jurisdiction, because the questions that arise would be about when he became aware of the error and when he ought reasonably to have become aware of the error, in comparison to when he complained. However, as no specific error has been highlighted, this need not be considered further.

Detailed documentation related to the assessment has been disclosed. This includes information on the methodology used and information on the assumptions applied in the assessment. We have not been directed to question any part(s) of this information and the overall approach used in the assessment appears to have been in line with what was expected by the regulator at the time. The assessment would probably have been subjected to supervision and sampling by the regulator at the time, so it is unlikely to be materially incorrect.

The key assumptions used in the exercise were shared with Mr H in an appendix to the November 1999 outcome letter, and he was invited to declare if any of them were wrong – if so, there was an offer to revise the assessment using any corrected information provided. It does not appear that he declared any inaccuracies in the assumptions at the time.

Overall and on balance, I can find no grounds to say the 1999 loss assessment was/is wrong, so I do not uphold Mr H's complaint. I understand the strength of his feeling that he has incurred a loss in the transfer in comparison to those he knows who retained the DBP. As the investigator explained, some of the calculation assumptions (like future investment returns and annuity rates) used in the industry wide pension reviews at the time have not turned out as expected. If, as it might be the case, this applies to Mr H and if it is the reason why, in his comparisons, his pension compares less favourably to his former colleagues' DBPs that is unfortunate, but it does not automatically mean the 1999 assessment was wrong.

My final decision

I do not uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 December 2025.

Roy Kuku
Ombudsman