

The complaint

Mr B has complained that Interactive Investor Services Limited trading as Interactive Investor caused delays in completing his pension transfer and in sending him information he'd asked for. Mr B claims that he's suffered a financial loss as a result.

What happened

Mr B held a pension plan outside the UK. In this decision I will refer to the provider of Mr B's overseas pension plan as "*Firm A*". Mr B decided that he wanted to transfer his Firm A pension plan into a pension plan held with Interactive Investor Services Limited trading as Interactive ("*Interactive*").

On 11 October 2023 Mr B sent his completed pension discharge and transfer forms to Interactive, who replied to Mr B on 18 October 2023, asking him some questions about his proposed pension transfer. Mr B replied to Interactive's questions the following day.

On 27 October 2023 Interactive contacted Mr B to raise some queries it had on his responses to its earlier questions. Mr B replied to Interactive on the same day. On 9 November 2023 Interactive received a valuation for Mr B's Firm A pension plan and on the same day it emailed Firm A to ask if it had received the transfer paperwork that Interactive had sent on 3 November.

Firm A responded to Interactive on 14 November 2023, but Interactive has said that it missed this email from Firm A, so phoned Firm A on 21 November 2023. Firm A asked Interactive to make some changes to the paperwork, which Interactive say it made, and then sent a copy of the amended paperwork to Firm A on 24 November 2023.

On 27 November 2023 Firm A emailed Interactive to say that it was still waiting on three pieces of information on Mr B's transfer. Interactive replied with this outstanding information to Firm A on the same day. However, on 28 November 2023 Firm A contacted Interactive again to ask for further information. Interactive had to contact Mr B to obtain the answers to Firm A's further questions and sent him a new pension discharge form to complete.

On 6 December 2023 Interactive sent the new pension discharge form to Firm A. Interactive then called Firm A on 14 December 2023 and was told that the transfer paperwork had been passed to its Trustees for approval, but on 27 December 2023 Firm A contacted Interactive to say that it needed Mr B's original signature on its pension discharge paperwork.

Interactive emailed Mr B the same day to ask him to send an originally signed copy of his paperwork directly to Firm A. On 10 January Interactive received an update from Firm A about Mr B's transfer. It said that it had received Mr B's pension transfer declaration and his transfer forms but was still outstanding the original signed copy of Mr B's discharge paperwork.

Interactive chased Firm A for a further update on 31 January 2024 and was told the following day that Mr B's transfer value should be paid within a week. As nothing was then received Interactive chased Firm A again on 14 February 2024 to ask where the payment was. Firm A replied to say that the transfer payment had been returned to the platform provider where Mr B held his Firm A pension investments.

On 20 February 2024 Firm A advised that it wasn't sure why the transfer payment had been returned to the platform provider but was chasing to see if the payment could now be sent to Interactive. As the payment still wasn't received, Interactive chased Firm A again on 23 January 2024. Firm A then confirmed that the transfer payment had been sent to Interactive on 23 January 2024 and on 28 January 2024 the transfer value was applied to the cash account in Mr B's Firm A pension plan.

Mr B wasn't happy about the length of time it had taken to complete his pension transfer, so he complained to Firm A about this. In response Interactive acknowledged that it hadn't amended a form on 14 November 2023 as Firm A had asked. Interactive didn't send this form to Firm A until 24 November 2023. To compensate Mr B for its error Interactive paid him £100.

Interactive also said that it was responsible for a 31-day delay in processing Mr B's pension transfer between 13 November 2023 and 27 December 2023 when it didn't provide the correct paperwork to Firm A. Interactive also hadn't asked Mr B for additional information needed for the transfer to complete. To compensate Mr B for this delay Interactive paid him £250.

Interactive further admitted that it should have been more proactive in chasing Firm A for updates on Mr B's transfer and to compensate him for this error it paid him £150.

Mr B also raised a complaint with Firm A about delays in completing his pension transfer. To help him with this this complaint, he asked Interactive on 6 April 2024 to send him copies of the correspondence it had with Firm A. Mr B didn't receive a response from Interactive following this request so on 2 July 2024 he chased Interactive for an update. Mr B didn't receive the information that he'd asked for until 1 October 2024. To compensate Mr B for its delay in sending him this information Interactive paid him £80.

Mr B wasn't happy with the response he received from Interactive to his complaint. Mr B claimed that he had wanted to repurchase a shareholding in his Interactive pension that he'd held in his Firm A pension before the transfer. However, Mr B said that the price of this shareholding had increased significantly during the time that Interactive had admitted it delayed his transfer and as a result Mr B decided that the share price was too high for him to repurchase the shareholding when his pension transfer completed.

Mr B claimed that because he couldn't repurchase this shareholding due to Interactive's errors, he'd suffered a financial loss of approximately US\$10,000 and has said that Interactive should compensate him this loss.

Interactive didn't uphold Mr B's claim that its errors had caused him a financial loss. Interactive completed a loss assessment calculation to compare the cost of purchasing the portfolio that Mr B set up in his Interactive pension once his transfer had completed, with what the cost would have been had the transfer completed 31-days earlier. Interactive said that its calculation showed that if Mr B had purchased his portfolio 31-days earlier than he did, then he would have been approximately £6,500 worse off. Interactive therefore said that Mr B hadn't suffered any financial loss because of its delays.

Mr B wasn't happy with Interactive's response to his complaint, so he brought this to the Financial Ombudsman Service. One of our Investigators reviewed Mr B's complaint. Their view was that Interactive had correctly completed a loss calculation which showed that Mr B hadn't suffered a financial loss due to its errors. Our Investigator also thought that the total compensation of £500 that Interactive had paid Mr B for the delay in completing his pension transfer, together with the payment of £80 for the delay in sending the information he'd asked for, was reasonable.

Our Investigator didn't uphold Mr B's complaint. Mr B disagreed with our Investigator's view so has asked for his complaint to be considered by 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.

Interactive has admitted that it was responsible for delays in completing Mr B's pension transfer from Firm A. Interactive has also paid Mr B compensation totalling £500 for its errors. I therefore don't think that there's any dispute between the parties in this complaint that Interactive was responsible for delays in the completion of Mr B's Firm A pension transfer. However, Mr B has claimed that these delays didn't just cause him distress and inconvenience, they also resulted in him suffering a financial loss.

Interactive completed a loss assessment calculation to determine if its errors had resulted in Mr B suffering a loss against the investments that he purchased in his Interactive pension plan once his pension transfer completed. In completing its loss assessment, Interactive calculated what the cost of buying Mr B's investment portfolio would've been if he'd completed his investment purchases 31-days earlier than he did. Interactive then calculated the actual cost of purchasing Mr B's investment portfolio on the day that the purchases were made.

Interactive has said that its loss assessment showed that Mr B was better off by approximately £6,500 because of this 31-day delay in him being able to complete his investment purchases. This was because the cost of Mr B buying the stocks within his pension portfolio was lower when Mr B completed the purchases than it would've been if he'd completed the same purchases 31-days earlier.

I've examined the loss assessment calculation completed by Interactive and am satisfied it shows that Mr B didn't suffer a financial loss in respect of the investment portfolio he purchased in his Interactive pension. I also think that Interactive's methodology used in completing its calculation is reasonable. I am therefore satisfied that Interactive's loss assessment shows that its errors didn't result in Mr B suffering a financial loss in respect of the portfolio he purchased within his Interactive pension once his pension transfer had

completed.

However, Mr B has claimed that Interactive's errors prevented him from repurchasing one of the investments he had held in his Firm A portfolio, and this resulted in him suffering a financial loss. In this decision I will call the investment that Mr B is referring to as "Shareholding 1".

I've seen a copy of a portfolio valuation for Mr B's Firm A pension plan dated 15 January 2024. My conclusion is that this document shows what investments Mr B was holding in his Firm A pension before he sold this portfolio to complete his pension transfer to Interactive. This valuation shows that Mr B held 49 shares in Shareholding 1, which are valued at £18,684.50. The valuation also shows that the total value of Mr B's Firm A pension plan on 15 January 2024 was £192,640.07. I think this meant that on 15 January 2024, Mr B held 9.7% of his total pension portfolio in Shareholding 1 ($100/192,640.07 \times 18,684.50$).

Mr B has said that it was his intention to increase his investment in Shareholding 1 in his Interactive pension once his pension transfer completed from approximately 10% of his portfolio to 30% of his portfolio. However, Mr B has said that he didn't do this because during the period that Interactive delayed his transfer the share price for Shareholding 1 rose substantially. As a result, Mr B says that he decided that purchasing any investment in Shareholding 1 at the then higher price represented too high a risk for him. Mr B therefore decided not to invest any of his Interactive pension plan in Shareholding 1 after his pension transfer completed.

Mr B has submitted his own loss assessment calculation to support his claim. I've therefore carefully studied this loss assessment. This calculation shows that on 22 January 2024, the date that Mr B claims he would have been able to repurchase 49 shares in Shareholding 1 if it hadn't been for Interactive's errors, the share price was US\$470.

Mr B's loss assessment shows that 33-days later, when Mr B says he would've been able to repurchase his 49 shares in Shareholding 1 once his pension transfer completed and cash was available, the share price had risen to US\$687. Mr B says that over this 33-day period, the share price increased by US\$217 ($US\$687 - US\$470 = US\217). Mr B has further calculated that Interactive's delays resulted in him suffering a financial loss of \$10,663 ($49 \times \$217 = \$10,663$). Mr B claims that Interactive is responsible for this loss and that it should compensate him accordingly.

I've therefore considered whether it would be fair or reasonable to hold Interactive responsible for the financial loss that Mr B is claiming. As I've said above Mr B didn't repurchase any shares in Shareholding 1 because he thought that the higher share price represented too much risk for him. I think it's reasonable to assume that this was because Mr B thought that the share price was likely to fall from this higher price, rather than rise. However, Mr B has said that the share price for Shareholding 1 continued to increase significantly in value after he'd completed his pension transfer.

In completing his loss calculation Mr B has submitted that the share price of Shareholding 1 increased by 46.17% ($100/470 \times 217$) over a 33-day period. I think it's reasonable to conclude that this was a large increase in value over a relatively short period of time. I therefore also think it's reasonable to conclude that the share price for Shareholding 1 was volatile.

When making his pension transfer, I think that Mr B could've made an "*in-specie*" transfer of his Shareholding 1 shares. This would have meant that Mr B's 49 shares in Shareholding 1 would've been transferred between Firm A and Interactive without having to be sold.

However, Mr B decided to complete his pension transfer in cash. This meant that Mr B sold down all his investment portfolio in his Firm A pension into cash before his pension transfer, and then this cash was transferred from Firm A to Interactive. In doing so I think that Mr B accepted that he would be “*out of the market*” between the dates that he sold his Firm A portfolio and when he was able to repurchase shares on completion of his pension transfer. I also think that being “*out of the market*” carried risk for Mr B.

I’ve not seen any evidence to show that Interactive told Mr B that he had to complete his pension transfer in cash. I therefore think that it was Mr B’s decision to do this. I also think that in deciding to complete his pension transfer in cash Mr B accepted the risk of being “*out of the market*” during the period from when he sold down his Firm A portfolio and when his pension transfer completed and he was able to repurchase his investments.

This meant that if a share price rose during this period, as it did for Shareholding A, then I think that Mr B took on the risk that he would lose out. I also think that it’s reasonable to conclude the risk of being “*out of the market*” increased for stocks that were volatile, such as Shareholding 1, given the potentially larger price moves that could occur within a short period of time.

However, if a share price fell when Mr B was “*out of the market*” then he would benefit. I think this is what happened with the investments that Mr B did purchase in his Interactive pension when his pension transfer had completed, as evidenced by Interactive’s loss assessment calculation which I’ve detailed above.

I’ve also considered Mr B’s stated intention to repurchase his holding in Shareholding 1 when his pension transfer completed. As I’ve said above, Mr B has said that it was his intention to increase his holding in Shareholding 1 from approximately 10% of his portfolio to 30% of his portfolio. But Mr B decided not to buy any shares in Shareholding 1 after his pension transfer completed. Therefore, not only did Mr B not increase his holding as he’d planned, but he didn’t repurchase his previous holding of 49 shares.

I’ve not seen any evidence to show that Interactive gave Mr B any advice or guidance on what investments he should or shouldn’t buy within his Interactive pension plan. I therefore think that it was Mr B’s decision not to repurchase any shares in Shareholding 1.

Mr B has said that after he’d completed his pension transfer the share price of Shareholding 1 continued to increase. Mr B had added that on 5 November 2024 the share price had increased to over US\$2,000 per share. Mr B has said that if he had bought shares in Shareholding 1 when his pension transfer completed the share price was US\$687 per share. However, Mr B wouldn’t have been able to predict precisely what the share price for Shareholding 1 would do when he purchased the investments within his Interactive pension plan.

I think it’s reasonable to assume that if Mr B had decided to repurchase his 49 shares in Shareholding 1 in his Interactive pension, then Interactive would’ve included this holding in its loss assessment calculation. I say this because Interactive included all the investments that Mr B did purchase in its loss assessment. This would then have allowed Interactive to identify if its errors had resulted in Mr B suffering a loss against an investment portfolio that which would’ve included Shareholding 1.

Interactive didn’t include Shareholding 1 in its loss assessment calculation though, as Mr B hadn’t bought any shares in this investment. Instead, Interactive only included the investments that Mr B had purchased in its loss assessment calculation, to identify if Mr B had suffered any loss on these investments.

I think this approach was reasonable, as it enabled Interactive to identify if Mr B had suffered a loss on the investments he purchased, rather than including any holding that Mr B had decided not to repurchase when his pension transfer completed. My conclusion is that it wouldn't have been reasonable to include a holding that Mr B had sold before his pension transfer and then didn't repurchase once his transfer completed, so therefore was no longer held.

Mr B has also told this Service that his new Interactive portfolio would have been different from what he set up if he'd thought it had been worthwhile repurchasing the 49 shares in Shareholding 1. Mr B has also said that because of Interactive's errors he was forced into rebalancing his Interactive portfolio excluding Shareholding 1. I've therefore also considered these claims from Mr B.

As I've said above, Mr B has provided this Service with a valuation for his Firm A pension portfolio. This valuation shows the value of Mr B's Firm A pension portfolio on 15 January 2024. Interactive has provided this Service with details of the pension portfolio that Mr B set up when his pension transfer had completed.

From these documents I can see that Mr B's Firm A pension portfolio was split between five holdings, one of which was Shareholding 1. I can also see that once Mr B's pension transfer had completed, Mr B's Interactive portfolio was split between seven different holdings. Of these seven, only one holding was also held in Mr B's Firm A portfolio, the remaining six holdings were not held in Mr B's Firm A portfolio.

Mr B also substantially increased his holding in the one investment he held in both his Firm A and Interactive pension portfolio. The valuation provided by Mr B shows that he held an investment of £18,737.93 in this holding in his Firm A pension. The valuation provided by Interactive shows that Mr B had increased his holding in this one investment to £153,498 once his pension transfer had completed.

I think it's reasonable to conclude from this information that Mr B put together a new and different portfolio once his pension transfer had completed to what he had held in his Firm A pension plan. I therefore don't think it would be reasonable to conclude that Interactive's errors forced Mr B into rebalancing his portfolio solely because he decided not to reinvest in Shareholding 1.

Whilst I appreciate that Mr B's Interactive portfolio would've been different if he had decided to invest into Shareholding 1, I think it's reasonable to conclude that Mr B made substantial changes to his Interactive portfolio from what he had invested in through his Firm A pension.

Therefore, for the reasons set out above, I conclude that, on balance, it wouldn't be reasonable or fair to hold Interactive responsible for the financial loss that Mr B claims he's suffered.

Interactive has admitted that it caused delays during the process of completing Mr B's pension transfer. To compensate Mr B for the distress and inconvenience that he suffered as a result, Interactive has paid him £500. I think that an award of this amount would be fair when the impact of Interactive's mistake caused Mr B considerable distress, upset and worry and/or significant inconvenience and disruption that needed a lot of extra effort to sort out.

I think it's reasonable to conclude that this description reflects the level of inconvenience and distress suffered by Mr B and therefore I think that the amount of compensation Interactive has paid to Mr B is fair in this case. I'm therefore not asking Interactive to pay any additional compensation to Mr B for the distress and inconvenience that he's suffered.

Mr B has also complained that Interactive delayed sending him information he'd asked for to help with a complaint he made to Firm A. Interactive admitted that there was a delay in sending Mr B this information and paid him compensation of £80 for the inconvenience he suffered, which I think was reasonable. But I haven't seen any evidence to show that Interactive's delay had any impact upon the success or otherwise of Mr B's claim against Firm A and therefore I'm not asking Interactive to do anything more in respect of this element of Mr B's complaint.

I am therefore unable to uphold Mr B's complaint.

My final decision

My final decision is that I don't uphold Mr B's complaint against Interactive Investor Services Limited trading as Interactive Investor.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 October 2025.

Ian Barton
Ombudsman