

The complaint

Mr W complains that Phoenix Life Limited ("Phoenix") caused delays when transferring his pension fund have caused him financial loss, and that Phoenix did not tell him that he had options other than transferring to a specific provider.

Mr W's complaint has been brought on his behalf by a third party however for the sake of clarity, I will refer to all correspondence as having come from Mr W.

What happened

Mr W held a pension plan with Phoenix. On 3 June 2024, as Mr W was approaching his 75th birthday, Phoenix issued a retirement quote pack. This included an outline of the options available to Mr W, as well as urging him to use the services of Pension Wise and confirming that there were a number of retirement benefit options available to him from *"us or other pension providers. We strongly recommend you consider each one and we hope the information in this letter will help you understand your options."* On 17 June 2024, a further letter was issued which reminded Mr W that his plan would be disinvested when he reached age 75 and would be held in cash and outlined the changes to the tax treatment of the funds after age 75.

On 26 July, Phoenix re-sent Mr W the retirement options pack. Mr W phoned Phoenix on 26 July 2024 when his options were further explained to him.

On 1 August 2024, Mr W and his accountant, who I will refer to as Ms P, called Phoenix to explain that he wanted to access his tax free cash and that he would shop around for an annuity at a later date. In order to do this, it was explained to Mr W that he would need to transfer to a plan that allowed drawdown. The representative explained that one of the available options was to transfer to another pension provider within the Phoenix Group (who I will refer to as Provider B) who offered a drawdown option. A link was sent to Mr W following the call to arrange a transfer to Provider B in order to facilitate the immediate tax free cash required, which Mr W completed on the same day. An acknowledgement of this was sent to Mr W, which outlined the transfer process and a number of key points for considering prior to transfer.

Provider B made Phoenix aware via the Origo system that Mr W wished to transfer. The transfer summary shows that the scheduled and expected completion date for the transfer was 13 August 2024.

On 8 August 2024, a letter was sent to Provider B to confirm that the transfer payment of £139,272.05 had been made in respect of Mr W's pension.

On 16 August 2024, Mr W submitted a formal complaint to Phoenix. He said, in summary, that he was unhappy the funds had been transferred to Provider B, and that he was not informed that he could not choose a different provider.

On 23 August 2024, Phoenix responded to Mr W's complaint, which they did not uphold. They confirmed that they had told Mr W and Ms P on the phone and in the retirement options pack that it was important that they shop around for the best deal.

On 6 September 2024, Mr W contacted Phoenix. He stated that he was unhappy with the response to the complaint, and he wanted to reinstate his plan so that he could reassess his options. Mr W therefore exercised his right to cancel the transfer under the cooling off period and advised Provider B of this. Provider B contacted Phoenix to advised them of this on 6 September 2024, and on 19 September 2024, Phoenix sent the relevant details to Provider B. On 23 September 2024, Phoenix confirmed to Mr W that they had provided the required details to Provider B in order for the funds to be returned.

On 25 October 2024, the transferred funds were received back from Provider B and on 31 October 2024, Mr W's plan was reinstated.

On 1 November 2024, Phoenix wrote to Mr W to confirm that because he had reached 75 without taking pension benefits, his fund had been disinvested. The letter urged Mr W to ensure that the funds remained suitable for his circumstances and advised him that his retirement age would be deferred by one year. On 19 December, the pension was transferred to a different provider.

Following Phoenix's response to Mr W's complaint in September 2024, and because he did not agree with their decision, Mr W forwarded his complaint to this service. Having carried out an investigation, our investigator provided his view, in which he did not agree that Phoenix had caused delays that meant Mr W lost out financially, and concluded that Phoenix had provided Mr W with sufficient information to make an informed decision in relation to which provider to use in order to access his pension.

Mr W remained dissatisfied, therefore his complaint has been forwarded to me for a decision.

Provisional findings

I issued my provisional decision on 2 June 2025. It said

"Mr W's complaint comprises of two main elements – the fact he states he was not made aware that he had options other than to transfer his fund to Provider B, and the delays in him being able to access his pension funds, which he states have caused financial difficulties.

I will deal first with Mr W's assertion that he was not made aware that he did not have to transfer his funds to Provider B in order to meet his objective of accessing his tax free cash.

I have been provided with a copy of the retirement pack issued to Mr W on 26 July 2024. This stated in bold that it was important that he considered all his options and shopped around for the best deal. It explained that other providers might offer products more appropriate for his needs and circumstances. The pack also recommended using Pension Wise or seeking regulated financial advice. It included a summary of his benefits, and details of how to contact Pension Wise, a free and impartial guidance service, to help him understand his options at retirement. The pack also set out his options, including cashing in his pension, getting an income for life (an annuity) with or without accessing tax free cash, or taking a flexible income (drawdown). For each option, the pack explained how it would work, and a number of "things to think about". Illustrations for annuities were included, showing the levels of income available depending on the annuity options selected, and a quotation was provided showing the amount Mr W would receive if he "cashed in" his pension and took it as one lump sum.

Having listened to the calls between Mr W, Ms P and Phoenix, I can find no scope for doubt that Phoenix made Mr W aware of his options in relation to accessing his pension, and were clear in their explanations that he did not need to use Provider B in order to do this. At the outset of one of three calls made by Mr W and Ms P to Phoenix on 1 August 2024, the representative asked Ms P to confirm that he was on speakerphone to ensure that Mr W

could hear what was being said; Ms P confirmed that this was the case. During the call, Ms P made it clear that the key priority was accessing the maximum tax free cash as quickly as possible, and that Mr W wanted to defer the decision in relation to purchasing an annuity until "next week". During the call, the Phoenix representative set out the options available to Mr W, and explained that the only way to take the tax free cash without arranging an annuity immediately was to transfer the fund into a plan offering drawdown in the short term. He explained that the type of plan held by Mr W did not offer this option, however if Mr W wished to, he could transfer the fund to Provider B. He stated "I must point out, you don't have to use [Provider B], you could use another company of your own choice if you wanted to", to which Ms P replied "ok".

As I cannot find any evidence to support Mr W's claim that he was not made aware that he had any option but to use Provider B, I do not uphold this element of his complaint.

In relation to the delays experienced by Mr W. Phoenix have provided a timeline of events setting out when the relevant documents were issued and the calls that took place between themselves, Mr W and Provider B. Mr W instigated the transfer on 1 August 2024 by completing the transfer documentation online. Provider B contacted Phoenix on 1 August to commence the transfer process, which was completed on 8 August 2024.

Mr W did not exercise his rights to cancel under the cooling off period until 6 September 2024. Provider B made Phoenix aware of this as they required bank details and a reference in order to return the transferred funds. Phoenix have a standard timescale of 6-10 working days for this. Phoenix emailed Provider B with the required details on 19 September 2024, the tenth working day following the information request and confirmed to Mr W on 23 September 2024 that they had done so. On 24 September 2024, Provider B emailed Mr W to state that they could not proceed with the request until Phoenix agreed to receive the funds, however although this email was forwarded to Ms P and subsequently to this service, there is no evidence that Mr W or Ms P made Provider B or Phoenix aware that the required information had been sent but not received.

On 1 October 2024, Provider B contacted Phoenix by phone to request confirmation of acceptance of the returned transfer and the bank details to receive the transfer.

On 17 October 2024, Mr W contacted Phoenix to make a further complaint in relation to the delays in returning the transferred funds, and during that call, made Phoenix aware that on 3 October 2024 he had spoken to Provider B who had not received the email sent on 19 September and were still awaiting the bank details.

On 21 October 2024, Phoenix emailed the bank details again to Provider B, and followed this with a phone call to confirm receipt. On 25 October 2024 the payment was received from Provider B and Mr W's plan reinstated on 31 October 2024.

I have considered whether any of the above timeline is indicative of any errors on Phoenix's part and agree that an element of the delay can rightly be attributed to Phoenix. I can appreciate how frustrating it must have been for Mr W to be waiting for the return of the transferred funds, and have considered when the transferred pension funds would have been returned had Phoenix responded to the phone call request for information from Provider B on 1 October 2024. When Phoenix became aware on 1 October 2024 that the previous email they had sent on 19 September 2024 containing the bank details had not been received, it would have been reasonable for them to treat the case as a priority. I would therefore expect them to have operated at the lower end of their stated service levels for this type of request, which they have stated to be six working days. This would have meant that the email with bank details should have been sent to Provider B on 9 October 2024, rather than 21 October 2024 when they were actually sent. Therefore I am of the opinion that Phoenix were responsible for 12 days of delay, and should pay Mr W interest on the

transferred fund for this period. It therefore follows that I uphold this element of Mr W's complaint and require Phoenix to take the following steps below to put things right for him.

Putting things right

In order to fairly compensate Mr W for the delays caused in the reinstatement of his pension, Phoenix should pay interest at 8%pa simple from 9 October 2024 to 21 October 2024. If HM Revenue & Customs requires Phoenix to take off tax from this interest, Phoenix must give Mr W a certificate showing how much tax they've taken off if he asks for one."

Responses to my provisional decision

I have received responses from both parties in relation to my provisional decision. Phoenix have confirmed that they are happy to accept the outcome proposed in order to resolve the complaint. Mr W responded to state that some of the statements made by Phoenix were untrue and would provide additional information to support this. He also reiterated that the misleading information had caused him mental stress relating to the whereabouts of his pension. Although the investigator has attempted to obtain the aforementioned additional information from Mr W, this has not been provided, therefore I am making a final decision based on the evidence available.

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.

As no new information or evidence has been received from either party, I see no reason to change my decision. As I stated in my provisional decision, I have listened to the call recording of the relevant call with Mr W, and am satisfied that the comments made by Phoenix were clear, and not misleading. So I remain of the view I set out in my provisional decision – my findings as set out above should be considered as part of my final decision. It follows that I uphold the element of Mr W's complaint that relates to the delays in the transfer of his pension.

Putting things right

In order to fairly compensate Mr W for the delays caused in the reinstatement of his pension, Phoenix should pay interest at 8%pa simple from 9 October 2024 to 21 October 2024. If HM Revenue & Customs requires Phoenix to take off tax from this interest, Phoenix must give Mr W a certificate showing how much tax they've taken off if he asks for one.

My final decision

I uphold Mr W's complaint against Phoenix Life Limited, and they should pay interest to Mr W as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 August 2025.

Joanne Molloy
Ombudsman