

The complaint

Mr J is unhappy that Origen Financial Services Limited (Origen) advised him to remain in his Defined Benefit (DB) Occupational Pension Scheme (OPS) in 2019. He believes this advice has caused him to suffer a loss.

What happened

Our investigator set out the background to this complaint, for ease of reference I have included an amended copy of this below.

Mr J held a deferred DB pension. The Trustees of the scheme offered the option of transferring out, with impartial advice paid for by employer, and provided by Origen. The Cash Equivalent Transfer Value (CETV) at the time was around £60,000. The normal retirement age of the scheme was 65, but reduced benefits could be accessed from age 55.

Mr J met with an adviser from Origen in July 2019 seeking advice as to whether or not to accept the CETV and transfer out of the DB scheme. Origen confirmed their advice in a suitability report dated 6 August 2019. This set out the following relevant details captured about Mr J's circumstances:

- Married, age 48 (wife was age 42), in good health, with one son aged 8.
- Preferred retirement age was 55 although no specific plans.
- Personal cash assets were valued around £50,000 with a further £50,000 held in the company accounts of which Mr J and his wife were Directors.
- Property held included unencumbered main residence (joint names) - £1 million– plus a rental property - £1 million – held in Mr J's sole name with a mortgage of £365,000 outstanding.
- The assumption was made, based on information provided to Origen, that neither Mr J nor his wife would be eligible for the full State Pension at age 67.
- Mr J's attitude to investment risk was adventurous.

Aside from the DB scheme, Mr J had three other money purchase pensions with a total value of around £226,000. These were invested across global and emerging market equities, as well as UK and European equities in line with Mr J's adventurous attitude to risk. Mr J had the freedom to alter the fund choices. One of these money purchase plans was a defined contribution plan (from the same employer as the DB plan) which is still active today.

A pension transfer analysis report (TVAS) was also produced. This confirmed the critical yield required to match the benefits of the DB scheme at Mr J's preferred retirement age of 55 was 11% a year, or 5.88% a year to scheme retirement age of 65.

The TVAS included an indication of what it might cost Mr J to replace the benefits if he transferred out of the DB scheme. The estimated cost was £123,810 compared to the CETV

Mr J was being offered of around £60,000.

Having considered Mr J's circumstances and objectives, Origen recommended Mr J stay within the DB scheme. Mr J accepted this advice.

The investment markets have seen substantial growth since 2019. Had Mr J transferred from the DB scheme benefits, he would have benefitted from this growth whereas Mr J believes the current transfer value of the DB scheme to be well below that in 2019 given the rise in interest rates and gilt yields. Mr J sees this as a financial loss. Mr J complained to Origen saying the advice had failed to properly consider interest rate risks, his risk profile, and potential investment growth.

Origen investigated and responded, confirming it was satisfied the advice had been correct and suitable.

Unhappy with the outcome, Mr J referred the complaint to this Service explaining that the latest transfer value provided by the DB scheme had fallen from around £60,000 in 2019 to around £25,000 in 2025. In contrast, compared to the S&P 500, Mr J said the value could have grown to around £124,000 had he transferred. Mr J felt Origen had deprived him of the opportunity to increase the value of the pension benefits and perceived this to be a financial loss of around £99,000.

Our investigator looked into matters but didn't recommend the complaint be upheld. He also noted that the most recent transfer value that Mr J had provided to say the value of the DB scheme had fallen was in fact for the DC scheme from that same employer. The investigator explained that he believed the advice given by Origen to retain the only guaranteed source of income (bar any potential state pension) that Mr J had was suitable. He said that Origen had set out that the CETV could be lower in the future due depending on market conditions. And that Mr J's complaint was based on hindsight and potential investment growth, but at the time the approved method for considering the transfer value, showed it to represent poor value for money.

Mr J wasn't happy with the investigator's view and asked for an ombudsman decision. In summary he said:

- Origen failed to provide personalised advice. Instead, it just took the FCA's generic stance. It offered no meaningful personalisation or added value.
- Origen only briefly and vaguely referenced the risk that transfer values could fall. Given interest rates were at historic lows in 2010, it should have explained the big risk of future interest rates and the negative impact this would have on his transfer value.
- Origen's advice was inconsistent with his stated adventurous risk profile.
- The transfer value (£60,000) represented approximately 25% of his pension assets. This should have prompted careful and personalised consideration, given the significance to Mr J's overall pension and retirement strategy.
- Origen's advice prioritised guaranteed income over capital growth and investment flexibility, despite Mr J's personal objectives. The risks weren't fairly presented and therefore he wasn't able to make an informed 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 taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. This includes the Principles for Businesses ('PRIN') and the Conduct of Business Sourcebook ('COBS'). And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

The applicable rules, regulations and requirements

The below is not a comprehensive list of the rules and regulations which applied at the time of the advice, but provides useful context for my assessment of Origen's actions here.

PRIN 6: A firm must pay due regard to the interests of its customers and treat them fairly.

PRIN 7: A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.

COBS 2.1.1R: A firm must act honestly, fairly and professionally in accordance with the best interests of its client (the client's best interests rule).

The provisions in COBS 9 which deal with the obligations when giving a personal recommendation and assessing suitability. And the provisions in COBS 19 which specifically relate to a DB pension transfer.

Having considered all of this and the evidence in this case, I've decided Origen acted fairly for broadly the same reasons as set out by the investigator.

As Mr J is aware, the regulator, the Financial Conduct Authority ('FCA'), states in COBS 19.1.6G that the starting assumption for a transfer from a DB scheme is that it is unsuitable.

The advice was given during the period when the Financial Ombudsman Service was publishing 'discount rates' on our website for use in loss assessments where a complaint about a past pension transfer was being upheld. Whilst businesses weren't required to refer to these rates when giving advice on pension transfers, I consider they provide a useful indication of what growth rates would have been considered reasonably achievable when the advice was given in this case.

Origen carried out a pension transfer analysis report (TVAS) as required by the regulator. This showed that at Mr J's expected retirement age of 55, the critical yield was 11.8% and at the scheme retirement age of 65, 5.88%.

This compares with the discount rate of 3.3% per year for six years to retirement in this case.

For further comparison, the regulator's upper projection rate at the time was 8%, the middle projection rate 5%, and the lower projection rate 2%. It also carried out a transfer value comparator (TVC), this showed to replace the benefits given up on a transfer it might cost Mr J £124,000, which was about £63,000 more than the transfer value being offered.

So at the time of advice, it seemed unlikely that Mr J could improve on the benefits he would be giving up in the scheme, if he was to retire at age 55. I appreciate Mr J had an adventurous attitude to risk and therefore he was more likely than a lower risk investor to attain high growth but with the yield so high, one year of poor growth could mean that

achieving the yields required could become extremely unlikely at age 55. I don't agree that the advice wasn't consistent with his risk profile, Origen considered his risk profile alongside his circumstances, the critical yields involved and his other provision and recommended he retained the scheme. A person's risk profile is just one aspect of considering whether a DB transfer is suitable.

Importantly there were further reasons given as to why the advice was suitable for Mr J's circumstances, this was the only safeguarded benefits Mr J had in retirement (bar the state pension). I note Mr J has said as this transfer value represented 25% of his retirement provision, it needed careful consideration and the insinuation is that therefore given his attitude to risk he should transfer. However, by the same token the other 75% of his funds could benefit (or not) from his attitude to risk and his wish to grow his retirement provision. I appreciate Mr J says his funds would've performed well had he transferred but this is using the benefit of hindsight that the adviser did not have. Keeping 25% of his retirement provision secure, when he still had other funds that he would put at risk to improve his benefits, strikes me as sensible advice. Furthermore, the scheme pension came with a spouse's pension attached, and Mr J's wife did not have a pension of her own. It also provided a dependant's pension and I note Mr J had a young son at the time of advice. There was also the possibility to take up an option to fund the tax-free cash from his defined contribution pension from the same employer, meaning Mr J could maximise the guaranteed inflation proof income available from the DB scheme, this option would be lost on transfer. These are all features that added merit to retaining the DB scheme.

I don't agree with Mr J that Origen didn't give personalised advice, the evidence shows they did exactly that. The adviser set out that as Mr J did not have much in the way of retirement plans as yet and hadn't an awareness of his finances needed in retirement, at least for now retaining secure benefits in retirement with inflationary increases inbuilt was the right thing to do. Mr J thinks because Origen didn't recommend a transfer it just stuck to the generic FCA guidance but again I don't agree, they considered his circumstances, attitude to risk but explained why in the circumstances it felt retaining his DB pension was suitable for him.

I also don't agree that Origen should've done more to highlight the risk of interest rates rising meaning his transfer value would decrease. It did highlight this risk sufficiently in my view, it said market conditions could mean it would be significantly lower in the future. Furthermore, making use of a high (or comparatively high) transfer value isn't usually a good reason to transfer on its own. What is important is how it aligns with a customer's circumstances and the transfer value analysis, and this is the basis Origen provided its advice. Furthermore, there was no guarantee that the transfer value offered would be higher than future offers. Origen also set out that in future, Mr J would have to pay for advice if he decided to look into transferring again. This was an almost certainty (and would've impacted any future growth potential) yet Mr J still complied with its recommendation. So I'm not convinced stronger warnings, would have made a difference to Mr J's decision in any event.

In conclusion, I think Origen provided a fair and reasonable transfer advice process that set out the key information and a suitable recommendation which allowed Mr J to make an informed decision about whether to transfer. I understand from Mr J's position, six years later and with access to all the information about growth and transfer values that wasn't available at the time, he now views that decision as a mistake. But the adviser didn't have access to this information then, had Mr J transferred and the subsequent investments had performed poorly, he may well view the advice to transfer in the opposite light. Given his circumstances and his other pension provision, which wasn't guaranteed and of course could be invested adventurously chasing higher returns, I think Origen gave him suitable advice to retain his DB pension.

My final decision

For the reasons explained, I do not uphold this complaint.

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

Simon Hollingshead
Ombudsman