

The complaint

Mr S complains Rothesay Life Plc ('Rothesay') has unfairly removed his option to transfer his pension benefits to a new pension scheme, causing him financial loss, distress and inconvenience.

What happened

Mr S had been a member of a defined benefit ('DB') scheme. In 2015 the scheme trustees entered a buy-out arrangement with Rothesay in which Rothesay mirrored the scheme benefits for members including Mr S.

Mr S's pension has a 'normal retirement age' (i.e. the age at which he could access his pension benefits without any reduction) of 65, and Mr S reached age 65 in August 2021.

Mr S says that in 2021 he was considering transferring this pension. He and Rothesay had contact about the pension over the following years, and I think the key relevant points in this contact were as follows:

- March 2021 - Rothesay sent Mr S an estimated valuation of his pension benefits in retirement, explaining he could access them through Rothesay or transfer them to another provider. Rothesay also said, *"Please note, a transfer payment equal to the value of your policy benefits is paid at Rothesay's discretion. Our current policy is to offer transfer values to policyholders who are not already receiving payments of their benefits and are under age 65. Once your benefits have been put into payment, it will not be possible for you to transfer."*
- May 2021 - Rothesay sent Mr S another estimated valuation of his retirement pension benefits. This repeated much of its March 2021 letter but didn't include the paragraph quoted above regarding transfer values and transferring.
- June 2021 - Rothesay sent Mr S a further estimated valuation, this time including the paragraph quoted above regarding transfer values and transferring.
- February to March 2023 – Mr S asked for an updated retirement valuation because he was considering when to retire. Rothesay provided this with a covering letter that highlighted, *"Please note that you do not have an automatic right to transfer your benefits to another arrangement, transfers may be paid on a discretionary basis but Rothesay reserve the right to decline any request. Once your benefits have been put into payment, it will not be possible for you to transfer."*

Mr S asked, *"I notice you only give me 2 options, last quote also included a transfer out option, I assume this is still available and is the same as the amount for the lifetime allowance? Please confirm"*. Rothesay replied, *"a transfer payment equal to the value of your policy benefits is paid at Rothesay's discretion. Our current policy is to offer transfer values to policyholders who are not already receiving payment of their benefits and are under age 65. As you are now over 65 we will no longer offer you the option of transferring out."*

Mr S asked Rothesay to reconsider, saying he'd not taken any pension benefits and his health issues meant he wanted to secure his wife's financial future. He added that he understood he'd need advice from a financial adviser in order to transfer.

- 4 April 2023 – Rothesay wrote to Mr S about his recent request for a transfer valuation and said it would issue this soon. It also said it would enclose the forms that would need to be completed if he decided to transfer, and that he or his adviser should send details of the transfer value to his new pension scheme.
- 11 April 2023 – Rothesay said it had referred Mr S's transfer valuation request to its actuarial team.
- 21 April 2023 – Rothesay issued a transfer valuation to Mr S, saying he'd need to take financial advice before he could transfer his pension, that Rothesay would check that a transfer request met its conditions, that a transfer was at Rothesay's discretion, and its policy was *"to offer transfer values to policyholders who are not already receiving payment of their benefits and are under age 65."*
- May and June 2023 - Mr S queried the accuracy of Rothesay's calculation of the transfer valuation figures, and Rothesay replied with its actuarial team's explanation as to how they'd been calculated correctly.
- 29 November 2024 – Rothesay replied to Mr S about his request regarding a transfer valuation. It said it would issue a transfer pack including a transfer value, which would be guaranteed for six months.
- December 2024 - Rothesay replied to Mr S's request for details about his retirement options, and said his option was to access his pension directly from Rothesay. The 'Further Information' section of its letter went on to make reference to transfers when explaining about lump sum protection, giving risk warnings and allowances.

On 28 November 2024 Mr S authorised a financial adviser to contact Rothesay to ask for a transfer valuation and other information about his pension. Rothesay replied that it didn't provide transfer values to policyholders over 65. When the adviser pointed out Rothesay had provided Mr S with one the previous year, Rothesay apologised for sending that in error.

Mr S complained to Rothesay in February 2025 about no longer having the option to transfer and said its communications had confused the situation.

Rothesay apologised again for wrongly sending the April 2023 transfer value. But said it was right to no longer offer Mr S the transfer option. Because under the regulations, Mr S's statutory right to transfer expired twelve months before his normal retirement age. And while Rothesay's policy was more flexible by allowing transfers up to age 65, Mr S was past this age.

Unhappy, Mr S brought his complaint to our Service in March 2025, saying Rothesay should reinstate his transfer option using the March 2021 values, and should compensate him for his distress, inconvenience, financial adviser costs and any investment loss.

An Investigator at our Service thought Rothesay wasn't unfair to no longer offer Mr S the transfer option. He thought some of its communications should've been clearer, but it had been clear enough that transfers were at its discretion, and it hadn't explicitly told Mr S he could transfer after age 65. The Investigator thought the April 2023 transfer valuation had

incorrectly raised Mr S's expectations somewhat, compounded by Rothesay telling him its figures were correct. But he weighed this against Rothesay's clarity elsewhere and didn't think it had impacted Mr S's decisions about his pension. So he thought Rothesay's apology was enough to put right any small rise in Mr S's expectations.

Mr S disagreed. In summary, he said he'd have transferred before age 65 if he'd known the April 2023 value was sent in error, as he'd always intended to transfer. That Rothesay's March and June 2021 letters said it offered transfer values to those who were not receiving payment of their benefits and were under 65, and it was the case that he wasn't receiving pension benefits. That Rothesay's communications of May 2021, early 2023 and late 2024 misled him to believe a transfer valuation was available to him and that he still had the option to transfer, and it had never said there was a time limit for transferring. Mr S added that in 2023, he'd been disappointed with Rothesay's transfer valuations so he'd decided not to transfer in hopes values would improve, and Rothesay only offered one transfer valuation per year anyway. And that not being able to transfer this pension left a gap in his retirement finances, so Rothesay's apology wasn't enough and it should be flexible with its policy here.

As agreement couldn't be reached Mr S's complaint has come to me for a 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.

In doing so, 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 Business ('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.

Having done so, I don't think Rothesay needs to do anything more here. I realise this will be very disappointing to Mr S, but I'll explain my reasons.

It appears Mr S is mainly unhappy that Rothesay is no longer offering him the option to transfer his pension benefits to another scheme. I'm mindful that in 2015 Mr S's pension moved from being held within the DB scheme to instead become held by Rothesay, who made arrangements to mirror his DB scheme benefits. And having considered the relevant law and regulations, I'm also mindful that Mr S's statutory right to transfer had already ended by August 2020, so before he started to think seriously about transferring which Mr S has said was in 2021.

However, Rothesay has explained that its policy is more flexible with regard to transferring, as it allows the option to transfer until the policyholder reaches age 65. And I think it's important to point out here that Rothesay is entitled to choose to set a policy of its own that is more generous than the legal and/or regulatory entitlement.

I'm satisfied Rothesay made it reasonably clear to Mr S in its March and June 2021 transfer valuations that it was for Rothesay to decide whether or not to agree to a transfer request. I say this because both of these highlighted, *"Please note, a transfer payment equal to the value of your policy benefits is paid at Rothesay's discretion."* So, it's not the case that Rothesay would ever have simply agreed to any transfer request Mr S made.

The transfer valuations Rothesay sent Mr S in March and June 2021 also said, *“Our current policy is to offer transfer values to policyholders who are not already receiving payments of their benefits and are under age 65. Once your benefits have been put into payment, it will not be possible for you to transfer.”* Mr S suggests he meets this condition as he argues he’s not received pension benefits and that Rothesay never told him there was a time limit for transferring.

It may be that Rothesay could perhaps have worded this paragraph differently to be more explicit that a policyholder reaching age 65 was by itself sufficient for Rothesay to no longer offer them the option to transfer. That said, I think Rothesay’s wording here nonetheless made reasonably clear that under its policy, having the option to transfer didn’t solely depend on whether or not the policyholder was already receiving pension benefits, but also depended on whether they were under age 65.

Mr S reached age 65 in August 2021. So at that point, under Rothesay’s policy he no longer had the option to transfer his pension benefits to another scheme. And while I understand Mr S is very concerned about his own and his wife’s financial provisions, I’ve not seen anything to make me think Rothesay has treated him unfairly, unreasonably or differently to any other policyholder by no longer providing him with the option to transfer once he reached age 65.

I acknowledge that Mr S says Rothesay’s later communications with him misled him to believe he still had the option to transfer, in essence because there were times it told him it would provide the transfer valuations he’d requested and it then provided those valuations. However, I’ve seen that when Mr S specifically asked Rothesay in February 2023 whether the transfer option was still available to him, Rothesay’s reply made it very clear that his age alone meant he no longer had this option, as it said *“As you are now over 65 we will no longer offer you the option of transferring out.”* So I think Rothesay’s communications to Mr S regarding a possible transfer were reasonably clear up to this point.

That said, in March 2023 Mr S asked Rothesay to reconsider no longer offering him the option to transfer. And based on some of its communication from then on, I can understand why Mr S might have thought Rothesay had perhaps reconsidered and that a transfer was again an option for him. Because in April 2023, it told him it would issue him a transfer valuation to include the forms he’d need to complete if he decided to transfer, then it told him it had referred his transfer valuation request to its actuarial team, and it then issued that transfer valuation. And Rothesay itself accepts it shouldn’t have sent the April 2023 transfer valuation to Mr S.

Further when in May 2023 Mr A queried the accuracy of how its transfer valuation had been calculated, Rothesay missed that opportunity to clearly tell him his age meant he did not in fact have the option to transfer. And it missed a similar opportunity in November 2024, when it replied to his request for a transfer valuation by saying it would issue a transfer pack including a transfer valuation. Mr S suggests it was this correspondence that led to him contacting his financial adviser in November 2024, as he’s said he’d had *“some correspondence from Rothesay that indicated I could transfer...and [I] decided the time was right to transfer”*.

However, I’m mindful that there’s nothing in the evidence provided to make me think Rothesay said anything to Mr S that would reasonably have led him to believe he could definitely transfer his pension benefits whenever he wanted because, as I say, Rothesay was consistently clear with Mr S that any transfer would only be made at its discretion. And I note that in December 2024 Rothesay told Mr S that his option for retirement was to access his pension directly from Rothesay – it did not say he had the option to transfer. Also, I’m not persuaded Mr S was entirely convinced that Rothesay was once again offering him the

option to transfer, given he says it had only “*indicated*” this to him rather than being more definite.

Further, even if Rothesay's unclear communication from 2023 onwards did wrongly give Mr S some hope of possibly having the option to transfer once more, I'm not persuaded that such unclear communication caused him to lose out on anything he otherwise would've had. I appreciate Mr S says he'd have transferred before age 65 if he'd known the April 2023 value was sent in error because he'd always intended to transfer. But as I say, Rothesay didn't treat him unfairly or unreasonably by no longer allowing him the option to transfer when he reached age 65, so by April 2023 this option was simply no longer open to Mr S. And I can't see that Mr S took any meaningful steps towards transferring his pension before he reached age 65 – I've not seen anything to make me think he had by then received the financial advice he'd been told was necessary to transferring, or that he ever submitted a transfer request to Rothesay. Indeed, Mr S says his adviser did some initial basic work in late 2024 but this went no further after Rothesay told it in December 2024 that it didn't provide transfer valuations to policyholders over age 65; Mr S says he's not been charged for the adviser's work and understands that he'd only have been charged once the transfer was complete.

Taking everything into account, in the particular circumstances of this complaint I think Rothesay's apology is enough to put right the loss of expectation its unclear communication may have caused Mr S. I know this isn't the answer Mr S hoped for, but I'm not persuaded that Rothesay should do anything further in the particular circumstances of this complaint.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 October 2025.

Ailsa Wiltshire
Ombudsman