

The complaint

Mr T complains that Harbour Rock Capital Limited ('HR') gave him unsuitable advice and didn't follow a fair insistent client process in relation to the transfer of his occupational defined benefit ('DB') pension to a self-invested personal pension ('SIPP') with provider 'Firm A' so that he could release those pension monies as one lump sum.

Mr T was originally dealing with a business which is now known as HR. As HR is now responsible for answering this complaint, I'll keep things consistent by referring mainly to HR.

Mr T has a professional representative but for simplicity I'll refer to all actions and submissions as Mr T's.

What happened

Mr T says he approached HR about his retirement options following a recommendation from a friend.

HR gathered information about Mr T's circumstances and objectives, including from fact finding calls that took place between them in June 2022. The information gathered included that:

- Mr T was age 59, married and with no dependants. His health was good; he took blood pressure and diabetes medication, but these conditions were well-controlled.
- Mr T and his wife were both employed. He earned around £31,000 a year, giving him £1,936 net each month. They didn't currently have any disposable monthly income, but each month they saved £450 and also had £365 of non-essential spending and so would find it 'easy' to reduce their monthly expenses.
- Their home was worth £150,000 and had an outstanding mortgage of £30,000 for which they repaid £500 a month, with five years left on the term. Mr T also had a personal loan balance of £4,000 with two years left on the term, for which he repaid £181 a month.
- Mr T had total savings of £15,000. He and his wife had joint life insurance which was expected to run for another five years. They both expected to receive a state pension. And Mr T's wife also had her own occupational pension.
- Mr T was an active member of his employer's occupational DB scheme. Its indicative cash equivalent transfer value ('CETV') at that time was £78,256 (25% of which could be taken as tax free cash, 'TFC') and both Mr T and his employer were contributing to it. Mr T told HR that one of his colleagues had transferred out of this DB scheme and then opted back into it, and so he also intended to opt back into it. HR said the scheme had confirmed he could opt back in.
- In 2017, Mr T had cashed in another pension he held, with a value of £41,000. Mr T

told HR he had used these monies to take all his grandchildren on holiday.

- Mr T expected to retire at age 67 as he enjoyed his job. But he wanted to access all of his DB pension monies now because his objectives were to pay off his mortgage (about £30,000), make some home improvements (about £15,000), and for him and his wife to go on holiday (about 5,000).
- With no mortgage left to repay, he thought he'd need retirement income of £725 a month for his share of his and his wife's joint expenses.

During the fact-finding calls, HR's agent asked Mr T what he was looking to do with his DB pension. He replied that he was "*looking to take it all out*" in order to pay off the mortgage, carry out home improvements of converting the garage to living space and the bath to a walk-in shower, and taking a "*dream cruise*" holiday with his wife. Mr T explained that he wanted to do these things now because he and his wife were turning 60, and he'd lost two brothers and his parents when they were relatively young. So he said he wanted to do these things while he was fit and healthy, as he didn't know how things would be when he reached retirement, or if he'd even reach it. He explained that he wanted to clear the mortgage in case anything happened to either him or his wife, that they wanted more space without having to move, and they didn't want to slip in the bath as Mr T's parents had done. Mr T expected these objectives to cost a total of about £50,000, and said he'd probably put what was left of his released DB pension monies into his savings.

In these calls, HR's agent asked Mr T if he'd thought about achieving these objectives by overpaying his mortgage or using his savings. But Mr T said he wanted the mortgage gone, didn't like taking loans, and that his savings were what he put aside each month for his yearly bills and emergencies. That the £500 a month he'd no longer need to pay towards the mortgage would instead be put into his savings. And Mr T said he didn't have any other assets he could use to raise the necessary funds. When HR asked, Mr T said he was not at all concerned about no longer having these pension monies in the future, as he said his circumstances meant he'd still be very comfortable even without them and his parents had been very happy with only the state pension.

In these calls, HR's agent went on to explain to Mr T the benefits available through his DB pension, including his employer's contributions, death in service benefits and a guaranteed income in retirement. She explained that the DB scheme offered a transfer value, which would allow Mr T to do something different with his pension, but he'd be giving up its benefits and that there was a risk he'd end up with much less pension. She confirmed the indicative transfer value and that, if accepted, 25% of this would be tax free but explained to Mr T that he'd likely pay higher rate tax on the rest. She also explained that all the information would now be passed to an adviser at HR so they could make their recommendation for Mr T. The agent explained that this advice would be short-form, (i.e. abridged advice) that Mr T didn't need to pay for, but that it was his choice whether to accept the advice and transfer his DB pension, so if he didn't accept the short-form advice he could ask HR for full advice for which it would charge him a fee.

On 8 June 2022, HR provided Mr T with abridged advice regarding his DB pension. Abridged advice allows consumers to access DB transfer advice in a short form for a lower cost than full advice, and can result in two outcomes - a personal recommendation to the consumer not to transfer their pension; or informing the consumer that it is unclear whether or not they would benefit from a transfer based on the information collected during the abridged advice process, and so if they wish the consumer can proceed to full advice at a cost.

HR's abridged advice report recommended that he stay in his DB scheme because he would lose valuable guaranteed benefits, would pay higher rate income tax on a large portion of his

proposed withdrawal, and he could meet his objectives in other ways such as using savings or borrowing. But the report went on to say he couldn't transfer his DB pension unless he took its full advice at a cost of £5,195 and that the outcome of this advice could still be a recommendation to stay in his DB scheme – but that *“In this instance [HR] would still facilitate the transfer against our advice, if you were to insist.”*

Mr T did not accept this recommendation and obtained full advice from HR.

On 22 June 2022 HR wrote to Mr T with its full advice, set out in its 'Pension Review Report'. Its cover letter referred Mr T to the enclosed advice, 'options' form and 'insistent client declaration', and went on to say, *“The options form is for you to complete to let us know if you wish to follow our recommendation.*

If you wish to continue to transfer your pension and proceed against our advice, then please also complete the insistent client declaration to state in your words why you do not wish to follow our advice and that you understand the valuable benefits you would be giving up by going ahead.”

HR's June 2022 advice report said it *“strongly”* recommended that he didn't transfer his DB scheme pension because he'd lose valuable guaranteed benefits, would have less retirement income, would be pushed into a higher tax bracket, and he had alternative ways through which to meet his objectives such as using his savings and/or borrowing. The report set out in more detail the benefits he'd be giving up by transferring, including losing the employer contributions currently being paid into his DB pension. And it set out the risks, financial implications, advantages and disadvantages of transferring and of not transferring. The report also explained that transferring meant the same retirement income would cost him £95,800 more.

The report then said (with original emphasis), ***“What happens if you still want to go ahead and transfer against our advice?”***

*If you decide you still want to go ahead and do not wish to follow our recommendation, we would need to treat you as an **insistent client** for the remainder of your pension review. We appreciate that 'insistent client' is a bit impersonal. It is a phrase all financial advisers must use to describe a client who instructs them to continue even though it is against their advice.*

If you instruct us to continue, a member of our pension review team will call you to ensure you understand the reasons for our recommendation and what proceeding against our advice may mean for your future.”

The 'options' form that HR had enclosed set out two options for Mr T to pick from. The first was to accept HR's recommendation to leave his DB benefits where they were. And the second was to *“Disregard our recommendation and continue as an insistent client”* in order to transfer and release the entire proceeds of his DB pension as a lump sum.

On 27 June 2022, Mr T signed the options form in which he'd ticked the boxes that said the following (with original emphasis),

- ***“Option 2: Disregard our recommendation and continue as an insistent client***

*I understand your recommendation not to proceed; however, I still want to continue **against your advice** so that I can release the entire proceeds of my pension as a lump sum.*

Important: *If you tick this option, a member of our pension review team will call you once we have received your completed forms to confirm your understanding of the reasons we have recommended not to proceed and the risks of continuing against our advice.”*

- *“I understand [HR’s] recommendation is not to proceed. By disregarding this recommendation and instructing [HR] to continue with the transfer, I understand I will be going against [HR’s] advice and I am therefore an insistent client.”*
- **“Loss of Benefits**

I confirm that I have read and understood the benefits I will be giving up by proceeding which are stated in my letter. I am aware that I will be giving up the following benefits:

- **Guaranteed income for life** from age 67 with my [DB] scheme which will increase each year to protect against inflation and includes provision for my spouse if I were to pass away:
 - Full guaranteed income of **£5,922** per annum or
 - Reduced guaranteed income of **£3,807** per annum and tax-free lump sum of **£25,382** and
 - **31.47%** of my full guaranteed income will continue to be paid to my spouse when I die.
- **Employer contributions** that are being paid into my [DB] scheme pending opting back into the scheme.
- A **Death in Service** policy that applies to my [DB] scheme, this will lapse pending opting back into the scheme.

In the ‘in your own words’ section of the options form, Mr T wrote that he wanted to proceed against HR’s recommendation because *“I wish to pay off my mortgage, so that neither of us will have to worry if anything was to happen to either of us.*

I also want to do some home improvements i.e. walk in shower so means total bathroom refurbishment.

I would also like to go on a holiday of a life time, while I can enjoy it before I get to[o] old.

I will also be selling my diesel car and putting money towards a petrol vehicle, and any left will put into savings account along with the money I save from mortgage payments.”

HR called Mr T on 12 July 2022 to ask Mr T about his understanding of its recommendation and the reasons for that, and his understanding of his DB pension and what he’d decided to do. Mr T explained that he understood HR had recommended he not transfer his DB pension and why, but that he’d decided to take his DB pension anyway, and described how much he intended to take and that this was the whole pension. Mr T said he understood that HR had looked at ‘the financial side for when he retired’, but Mr T personally was looking at the now. And he and his wife would both be age 60 soon and he wanted to pay off the mortgage so they had peace of mind should anything happen. Mr T and HR discussed the tax he’d probably pay due to accessing this entire pension. And at HR’s request, Mr T described the benefits of his DB scheme – that it had death in service benefits, that it was a very good pension because it would provide more than he’d paid in and would pay him an income until he died. Mr T added that a reason he’d decided to transfer his DB pension was because if he passed away soon after retiring, his wife would only get a portion of what he’d paid in so they may as repay their mortgage and not have the worry of that. So HR explained to Mr T

that it would treat him as an insistent client and provide him with further advice in light of that.

On 19 July 2022 Mr T signed a 'client declaration' that said, *"I am aware that you have recommended I do not proceed. However, I wish to disregard your recommendation and as a result I understand that you will treat me as an insistent client. As an insistent client I want to proceed against your advice and transfer my pension to release my entire pension as a lump sum (of which £19,564.08 will be tax free) to help reduce my mortgage, make home improvements, go on holiday and putting [sic] into savings."*

and that

"I confirm that I have read and understood the benefits I will be giving up by proceeding which are stated in my suitability report. I am aware I will be giving up the following benefits:

- *Guaranteed income for life from age 67 with my [DB] scheme which includes provision for my spouse if I were to pass away:
 - o *Full guaranteed income of £5,922 per annum or*
 - o *Reduced guaranteed income of £3,807 per annum and tax-free lump sum of £25,382 and*
 - o *A spouse pension of 31.47% of my full guaranteed income payable in retirement.**
- *A Death in Service policy that applies to my [DB] scheme, this will lapse pending opting back into the scheme.*
- *Employer contributions that are being paid into my [DB] scheme pending opting back into the scheme."*

HR issued a further advice report for Mr T in its 'Pension Review Report' of 13 July 2022. This said:

"Our recommendation

We have already recommended that you do not proceed with releasing your [DB] pension as a lump sum payment and instead leave your pension funds where they are. However, you have decided to disregard this recommendation and are aware that as a result we must now treat you as an insistent client.

As an insistent client you want to proceed with releasing your entire pension even though it is against our advice.

Therefore, as you have confirmed you wish to proceed, we recommend you transfer your [DB] plan to an [Firm A] plan so that you can proceed with releasing your entire pension savings against our advice.

When recommending not to proceed, we have taken into account that:

- *You have said your debt is manageable.*
- *Taking into account your financial plans and provisions for retirement, we do not believe the reason for the withdrawal justifies the loss of guarantees that your current pension scheme offers.*
- *By releasing this amount, you will be pushed into a higher tax bracket.*

- *You will be losing valuable guaranteed benefits by proceeding.*
- *You could meet your objectives through alternative methods such as using savings and / or borrowing.*
- *The cash value required to purchase a like for like income as your [DB] scheme on the open market is significantly higher than the transfer value offered.*

We advise that you opt back into your [DB] scheme to continue to benefit from employer contributions. Our recommendation for your pension is based on the fact that you follow this advice. To opt back in, have a chat with your manager or your HR department.”

The report went on to reiterate that it had already recommended not to transfer, and said,

“I have considered a lot of important factors when making my recommendation including why you need this money, your current circumstances, the specific terms of your current scheme and whether there is another viable way for you to raise the money you need.

I strongly recommend that you do not proceed for the reasons stated in this suitability report. However, you have confirmed you want to proceed with releasing your entire pension savings as a lump sum payment. I have therefore recommended transferring to a new scheme which will enable to you to meet this objective, albeit against our advice.

Your [DB] plan has some valuable guarantees, which you will lose if you proceed against my advice.

I do not believe the need you have for this money outweighs what you would be giving up and therefore it would not be in your best interests to proceed.

I am advising on the best way to withdraw all your pension savings. And if this is what you ultimately do, there will be no savings left to reinvest. That is why I have not considered your workplace pension scheme as a possible home for these savings.”

The report went on to reiterate what Mr T would be giving up by transferring and releasing his DB pension monies, include a guaranteed and increasing income for life, spouse's pension, employer contributions and death in service. It also explained again, with graphs, that the same retirement income would cost him £95,800 more by transferring. And it set out the risks involved in taking his entire DB pension as a lump sum, including that doing so would totally erode the value of this pension and so it wouldn't provide him with any retirement income, as it would no longer exist, and also that he might exceed his money purchase annual allowance.

Mr T's DB scheme was asked to provide a guaranteed cash equivalent transfer value ('CETV'). There followed correspondence in which forms and identification were sent and resent between Mr T, HR, the DB scheme and/or Firm A. And the DB scheme explained to Mr T and HR in March 2023 that it couldn't currently calculate the CETV as it was waiting for the Government to provide updated transfer factors.

However, the CETV was provided in July 2023. It was £103,430, so significantly higher than the previous indicative value. HR completed an updated transfer analysis based on this CETV and told Mr T that transferring meant the same retirement income would cost him £13,000. HR also reviewed its 2022 advice and told Mr T it still strongly recommended that he not transfer. But it added that as he'd confirmed he wished to proceed against its advice,

it recommended he continue to release his DB pension as a lump sum to meet his objectives, of which £25,857 would be TFC and £77,572 would be taxable.

On 14 August 2023, Mr T signed to confirm his decision to still go ahead with the DB transfer as an insistent client against HR's recommendation, so the relevant paperwork was completed. In November 2023, the transfer of Mr T's DB pension monies was completed and he was able to access his transferred monies as a lump sum.

In January 2025, Mr T complained to HR that its advice had been unsuitable and he'd not genuinely been an insistent client, and so he'd lost valuable guaranteed benefits. He said, in summary, that:

- He'd trusted HR but it hadn't informed him of the advantages and disadvantages of transferring and had provided advice which was not sound.
- He'd only had telephone conversations with HR which were short and not in-depth. And it didn't ensure he'd understood the transfer or the documents he was provided with – he was simply sent forms to sign and return. So HR hadn't given him enough information to make an informed decision.
- He'd not been aware of his DB pension's benefits and HR didn't explain the implications and risks of transferring in enough detail; he wouldn't have gone ahead if it had. And the declarations he'd signed didn't establish his understanding of the risks involved or negate HR's responsibility to ensure he understood what would be lost and to act in his best interests.
- HR failed to correctly establish his objectives and consider his future retirement needs and planning. He'd only wanted to explore what pension options were available; he hadn't been looking to take any risks with his pension or to transfer it, but for the advice HR gave him. He'd not needed to access this pension, so HR shouldn't have treated his wants as needs, and he still had over £30,000 of the released DB monies left in his savings. And HR hadn't explored alternatives with him; it should have explored the option of early retirement from his DB scheme as this would have allowed him to obtain a TFC lump sum and retain his guaranteed benefits. Instead, he transferred based on the advice HR gave him.
- He'd not known he was being treated as an insistent client and HR had never explained what that meant.

As HR didn't provide a final response to this complaint within the relevant timescale, Mr T came to the Financial Ombudsman Service in March 2025.

HR then provided its final response. It didn't uphold Mr T's complaint, arguing that he'd been set on transferring in order to release his DB pension's entire value despite repeatedly being advised not to and being informed of the risks and downsides. And it had ensured Mr T was in an informed position when it arranged the transaction on an insistent client basis.

Our Investigator thought Mr T's complaint shouldn't be upheld. She said HR had repeatedly advised him not to transfer and explained what he would lose by doing so. And while she thought its insistent client process should've been better, even if it had been flawless Mr T would still have transferred anyway given his pursuit of the transfer process, his objectives, that he was aware transferring would likely impact his retirement income but still wanted to go ahead anyway, and that he'd previously been willing to cash in another pension he'd held.

Mr T disagreed and provided further comments. His new comments were in summary that:

- It was recorded that a central objective was to pay off his mortgage so he and wife didn't need to worry about that if either of them passed away. But HR should have realised not only that their joint life insurance already addressed this need but also that they were already easily repaying this mortgage, and so that there was no justification for giving up safeguarded pension benefits. This undermined that he'd made an informed choice to proceed as an insistent client. HR facilitated the transfer and release despite knowing its rationale was weak.
- Our Investigator accepted HR had prematurely introduced him to the idea of being an insistent client. So HR had pre-framed his journey to make it easier for him to reject its advice without proper reflection.
- If he'd been genuinely determined to proceed in 2022, the process would have completed that year. But instead there was around twelve months between the declarations he signed in June/July 2022 and the new CETV in July 2023. Such a long pause was inconsistent with someone insisting at the time of the advice. And it wasn't clear how many times HR had contacted him in that pause and whether the momentum then came from him or HR.
- HR should have revisited the fact-find in 2023, including his objectives and risk tolerance. Proceeding based on information from 2022 wasn't compliant with the Regulator's requirements.

Our Investigator didn't change their opinion. She said paying off the mortgage hadn't been Mr T's only objective. That Mr T would have told HR about the joint life insurance in place to repay the mortgage, so she didn't agree he'd been uninformed when deciding to proceed against advice. She agreed the recorded objectives weren't necessities, but still thought Mr T would still have proceeded regardless. And said it hadn't been Mr T who'd initiated the long pause, as his DB scheme hadn't been able to provide transfer values for a time, but once the transfer could go ahead, then it did – so Mr T's determination to proceed hadn't wavered.

Mr T still disagreed. He reiterated that his objectives had been non-essential, did not justify the transfer, and should have been properly tested rather than accepted at face value. He wasn't entirely sure why he'd accessed a previous pension in 2017 but thought some of it would've been used to pay for his father's funeral, which would have been exceptional, emotional and potentially urgent circumstances. And in any case, it wasn't clear what type of pension that had been, but if it didn't include safeguarded benefits then it wasn't an appropriate comparison.

As agreement couldn't be reached, this 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.

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 HR'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.

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. So, HR should have only considered a transfer if it could clearly demonstrate, on contemporary evidence, that the transfer was in Mr T's best interests.

I've carefully considered all of Mr T submissions in this complaint and it is clear that his view is that transferring and releasing all of his DB scheme pension was not suitable for him. For clarity, HR repeatedly recommended to Mr T that he not transfer as it was not suitable for him, but he opted to proceed anyway as an insistent client. I'll come back to the process by which Mr T was classed as an insistent client. But on the point of whether a transfer was suitable, I agree it wasn't, but I don't see the need to address this in detail as both parties broadly agree on this point.

But in brief, HR told Mr T in its abridged advice of June 2022, its advice report of June 2022 and its advice report of July 2022 that it strongly recommended he did not transfer his DB pension in order to release it. The reasons given through these reports for why it didn't think a transfer was in Mr T's interests were broadly that:

- He would lose valuable guaranteed benefits.
- He would pay higher rate income tax on a significant portion of his proposed pension lump sum withdrawal.
- He could meet his objectives through alternative methods such as using savings or borrowing.
- Given his financial plans and retirement provisions, the reason for the withdrawal didn't justify the loss of guaranteed benefits.
- The cash value required to purchase a like for like income as his DB pension on the open market was significantly higher than the transfer value offered

I agree with these reasons why not transferring was suitable for Mr T. However, HR provided the opportunity for Mr T to disregard this advice and transfer as an insistent client. So, I've gone on to consider the process HR followed and whether it was fair for it to treat Mr T as an insistent client.

Since 2018, COBS 9.5A includes additional guidance on insistent clients. It defines who is an insistent client and it sets out three key steps for advisers to take.

1. Where a firm proceeds to execute a transaction for an insistent client which is not in accordance with the personal recommendation given by the firm, the firm should communicate to the insistent client, in a way which is clear, fair and not misleading, and having regard to the information needs of the insistent client so that the client is able to understand, the information set out in (2).
2. The information which the firm should communicate to the insistent client is:
 - a) that the firm has not recommended the transaction and that it will not be in accordance with the firm's personal recommendation;
 - b) the reasons why the transaction will not be in accordance with the firm's personal recommendation;
 - c) the risks of the transaction proposed by the insistent client; and
 - d) the reasons why the firm did not recommend that transaction to the client.

Acknowledgement from the insistent client - COBS 9.5A.4

1. The firm should obtain from the insistent client an acknowledgement that:
 - (i) the transaction is not in accordance with the firm's personal recommendation; and
 - (ii) the transaction is being carried out at the request of the client.
2. Where possible, the acknowledgment should be in the client's own words.

Mr T says HR pre-framed his whole advice journey to make it easier for him to reject its advice without proper reflection, despite the presumption of unsuitability at COBS 19.1.6G. And that it never explained to him what it meant for him to be treated as an insistent client. Based on the documentary evidence, I think HR made it reasonably clear to Mr T that it was treating him as an insistent client and what that meant. However, I do think there were shortcomings in HR's advice and in how it treated Mr T as an insistent client – that is, one who wanted to act against the advice given. But I also think that, even if HR had done everything it should have done, Mr T would still in any case have gone ahead with the transfer and release of his DB pension benefits to the SIPP. I'll explain my reasons.

It was in its first fact finding call with Mr T, so before it had even given him any advice, that HR introduced the idea of acting against its adviser's recommendation; it told Mr T it was his choice whether to accept the abridged advice and transfer his DB pension, so if he didn't accept the advice he could ask HR for full advice. And when it sent Mr T its abridged advice report recommending that he not transfer, the report also said that he couldn't transfer his DB pension unless he took its full advice at a cost of £5,195 and that the outcome of this advice could still be a recommendation to stay in his DB scheme, but that it would still facilitate the transfer against its advice, if Mr T were to insist.

HR didn't need to introduce this idea so early, because it wasn't yet known whether Mr T would accept its abridged advice or not. But more importantly, it was inappropriate for HR to introduce it as an option so early, as doing so risked giving Mr T the incorrect impression that HR's advice was merely a formality and had little importance since he could just choose to transfer anyway. So HR undermined its own advice even as it was presented. Further, the cover letter for the full advice report it sent to Mr T in June 2022 again told Mr T that he had

the option to disregard its recommendation not to transfer. Again, I think it was inappropriate for HR to undermine the advice it was presenting, particularly as transferring anyway was presented as one of two options available to Mr T.

HR's role was to provide advice to Mr T about what was in his best interests. And it believed that a transfer was not in his best interests. With that in mind I think a far more appropriate process, which would've demonstrated HR's approach was geared towards Mr T making an informed, considered decision, would've been to provide a detailed assessment of the reasons why he shouldn't be transferring, and allow him to consider this on his own – i.e. to not introduce the idea of acting against its recommendation at this stage. Mr T could then have gone back to HR if he still wished to proceed. But instead HR's process seems to instead have been designed to promote to Mr T that it would always facilitate the transfer for him.

Overall, I think HR made it altogether far too easy for Mr T to agree that he was an 'insistent client' rather than allowing him the opportunity to make an informed decision. So, I think there were significant issues and failings in the process that HR followed, and I don't think its advice process demonstrated communicating with Mr T in a way which was clear, fair and not misleading, because HR undermined its own advice even as it gave it.

But it does not automatically follow that Mr T would have been in a different position if not for HR's failings. So, I've thought carefully about what I think would likely have happened if HR had followed a more appropriate process.

During his complaint, Mr T said he was recommended to HR by a friend and that he'd only wanted to explore what his pensions options were. So it was Mr T who approached HR and, having listened carefully to the fact-finding calls between him and HR in June 2022, I've heard that he told HR from the start that he was looking to release and access his entire DB pension as a lump sum with the aim of paying off his mortgage, carrying out home improvement and taking a significant holiday.

The outstanding mortgage balance was £30,000. I accept Mr T was already comfortably repaying this and that it appears he and his wife also had joint life insurance which would cover the mortgage in the event of either of their deaths. So I accept that using his pension monies to pay off his mortgage were, like the home improvements and holiday Mr T wanted, not by any means absolute necessities. Further, I note Mr T says HR should've explored alternatives with him, in particular that of accessing his DB pension earlier than its normal retirement age, which was age 67.

However, I've heard that HR did explore some alternatives with Mr T. In its fact find calls with him, it suggested he make mortgage overpayments or use his savings. And its June and July 2022 advice reports said that one of the reasons it had recommended he not transfer was because he could meet his objectives through alternative methods such as using savings and/or borrowing. But in the fact find call, Mr T responded to HR's suggestion by saying he wanted the mortgage gone, didn't like taking loans, and that he needed his savings. So I think Mr T himself discounted these alternative ways of achieving what he wanted to do.

Based on publicly available scheme information, I see that Mr T's DB scheme did allow early access but would have applied an actuarial reduction of about 10% to the TFC lump sum for taking it about six or seven years earlier than the normal retirement age. So I don't think the TFC lump sum available under this would have been enough for Mr T, given the sums he was looking for. Because even without such an actuarial reduction, he could only take 25% of the pension's value as TFC yet he was looking for at least £50,000. And as I say, Mr T told HR he didn't want to take on any additional borrowing or use any of his savings. So

even if this option had been more fully presented and explored with Mr T, I think it's more likely than not that he wouldn't have accepted it.

Based on the contemporaneous evidence, I think Mr T was from the start looking to release his entire DB pension now in order to do the things he wanted to do. Having considered HR's communication with Mr T, including the calls, I don't think it challenged Mr T's thinking as it should, and the process HR followed made it too easy for Mr T to see himself as an insistent client from the start. But had HR been more detailed and done more to test how insistent Mr T really was, I don't think it would've changed things here. Mr T would likely have been better off in retirement if he remained in the DB scheme, but he clearly felt he had strong reasons as to why the transfer and release made sense for him in his particular circumstances.

I think HR made it reasonably clear to Mr T what he would lose and risk by transferring. But in his communications with HR, Mr T was consistent that he wanted to access his entire pension as a lump sum now in order to pay off the mortgage, carry out home improvements and have a significant holiday so that he and his wife could sooner lose the worry of paying their mortgage and could enjoy the home improvements and holiday while they were still able to. And Mr T repeated this when he wrote in his own words why he wanted to transfer against HR's advice. I know Mr T now argues that he didn't understand what he would lose in transferring, but he signed to say he understood what he'd be giving up, and I've not seen that Mr T asked HR for any clarification about that at any point.

I've not seen that there was any reason specific to Mr T that meant his life expectancy would in fact be shorter than otherwise expected. But from what he told HR, it's clear that his family history led him to think there was a strong possibility he wouldn't reach the usual life expectancy or possibly even retirement age, that he wanted to enjoy things while he was able to, and that he thought his circumstances were such that he would in any case be comfortable in retirement even without this pension. So I think Mr T felt at that time that it was more important to have the peace of mind from having his mortgage paid off sooner rather than later, and to be able to enjoy his pension monies while he could, than to save for the future.

Mr T says that given the long pause in the transfer process, it may have been HR who was pushing for the transfer and release. And that HR should have revisited the fact-find in 2023 rather than proceeding based on information from 2022. The advice and insistent client process did take place over an extended period, but I've seen that HR revisited its transfer analysis and advice with Mr T in 2023 and there's nothing to make me think that new fact-finding in 2023 would have changed anything here. I've also seen that much of the time was taken by various paperwork needing to be completed and/or sent, and by the DB scheme not being able to calculate the CETV for some months. I've not seen anything to make me think HR was pushing this process despite reluctance from Mr T. Instead, I think Mr T had sufficient time to consider his options and to stop the transfer and release at various points if he'd wanted to. Yet he continued, even when in 2023 HR reiterated that its advice was still not to transfer – despite the CETV having increased significantly, which I think likely only made the transfer and release more attractive to Mr T.

Having considered all the available evidence, I'm satisfied Mr T would've wanted to proceed with the transfer and release regardless of any flaws in HR's advice and insistent client process. I think he entered into the advice process with a clear goal in mind and with an idea of what he could achieve by transferring. It seems the prospect of having a large lump sum that would enable him to do the things he wanted sooner rather than later was a considerable motivating factor for him, and he appeared resistant to any other ideas. And he couldn't have received the same size of lump sum payment by staying in the DB scheme. So, I don't think any further clarity or detail in HR's advice or it employing a more robust insistent client process would have resulted in Mr T acting differently. So I don't think he's lost out because of any flaws in HR's advice process. So while I realise this will be a disappointment to Mr T, I'm not upholding his complaint.

My final decision

For the reasons set out, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 12 February 2026.

Ailsa Wiltshire
Ombudsman