

## The complaint

Mr W says that Phoenix Life Limited trading as Standard Life (Standard Life) caused a delay to the transfer of his self-invested personal pension (SIPP) from its investment platform to a new platform using a financial adviser. He complains about the impact of the delays on his retirement planning and the potential financial loss he has suffered.

## What happened

Mr W held a SIPP which was held on the Standard Life investment platform. In July 2024 he wanted to transfer the funds to a new platform and his adviser, who going forward would be responsible for a new investment strategy, sent the relevant paperwork which was received by Standard Life on 26 July 2024. Initially there was a pause on the transfer while Mr W's adviser considered if some of the assets should be transferred in-specie, but the instruction continued on 15 August 2024.

By October 2024, after some initial queries around the transfer, it was accepted by the new provider. Standard Life said the transfer was complex as Mr W's funds were held under discretionary investment management, and some assets needed to be sold, re registered or converted.

The transfer didn't complete until 10 February 2025, but Mr W had already complained about the length of time it had taken and said he'd suffered a financial loss as a result.

Standard Life accepted the transfer had taken many months to complete but, noting its complexity and the many parties involved, didn't think it had caused any avoidable delays through its actions.

Mr W brought his complaint to us where one of our investigators looked into the matter. He said:

- Standard Life seemingly caused a delay of 33 working days between 22 August and 7 October 2024 because of a lack of communication with the new platform and also by providing an incorrect valuation.
- It also caused a further 15 working day delay because of its slow response to the new platform's request for a settlement date in October 2024.
- This was a total of 48 working days and meant the transfer should have completed on 6 December 2024.
- Standard Life should calculate the current position of Mr W's SIPP had the transfer completed by 6 December 2024 – but as some assets were transferred in-specie there wouldn't be a financial loss to those. However, it should also calculate the value of the investments that were sold, had they been sold 48 days earlier. Any loss should be paid to Mr W. Also for those investments that were sold to cash Standard Life should ask the new provider if they would have provided greater returns under the new investment strategy to see if Mr W would have achieved any gains, but if

they remained in cash Standard Life should add interest to the cash, at the rate of 8% simple, from the transfer date of 6 December 2024.

- Standard Life should also pay Mr W £400 for the distress and inconvenience caused to his retirement planning.

Mr W agreed with the outcome although he felt he should be awarded a higher level of compensation of up to £750.

The investigator subsequently revised his view of the compensation award to better reflect the impact on Mr W. He thought it should now be £600.

Standard Life said it largely accepted the redress formula but noted that there was period of two days when it was waiting for password to obtain some correct valuations. So it thought the actual delay should be 46 working days. It also noted that when Mr W's assets were sold to cash, they attracted interest at 5%. Finally it thought that the award for the distress and inconvenience caused – which it thought was initially fair – was now outside of our normal suggested guidelines.

So the investigator set out a final, definitive, but slightly adjusted redress formula and revised the compensation award back to £400. Standard Life accepted this and said it would calculate the redress when required. But Mr W thought that Standard Life should pay the £600 compensation that the investigator subsequently recommended. He said that he had suffered significant stress and anxiety because of Standard Life's failure to transfer his investments – as well further distress caused by its failure to respond to his complaint in a timely manner.

Mr W asked for his complaint to be referred to an ombudsman – so it's been passed to me to review.

### **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.

And having done so, I've reached the same conclusion as that set out in the investigator's final assessment. I imagine Mr W will be disappointed with this outcome in respect of his request for greater compensation to be awarded for the impact the matter had on him. But I think the final figure that was arrived at is appropriate in these circumstances. I'll set out my findings around the whole complaint below.

#### **The delays in transferring the funds**

I've been provided with a comprehensive timeline of events from Standard Life as well as other evidence from Mr W and other parties involved in the transfer process. I won't set out the timeline again as this has been done previously and is accepted by all the parties involved. But based on that evidence, the investigator found that there were two periods of avoidable delays attributed to Standard Life which meant this transfer could have completed some 46 working days before it did.

The first delay was from 22 August to 20 October 2024 (27 working days) during which time Standard Life didn't provide a valuation of the plan in a timely manner. The second was from 16 October to 19 November 2024 (19 working days) when Standard Life failed to pick up a request to progress the transfer – including confirmation of a settlement date proposed by the new provider. I've looked carefully at the information I've been provided with and I agree, allowing instead for a period of five working days as a standard service level to complete the

actions that had been delayed as set out above, that the overall level of delay that ought to be attributed to Standard Life was 46 working days.

I note that Standard Life and Mr W have accepted the investigator's findings around the delays, and have also broadly agreed how this should be put right – so as I've reached the same conclusion I'll set out what Standard Life should do below.

I have also looked at the rest of the transfer process and I've seen nothing to support the idea that Standard Life caused any further delays outside of those noted above. There were some complexities with this transfer such as the involvement of a discretionary investment manager who was responsible for selling some assets, and also the need to re-register and in some cases "convert" other assets. So taken overall, I don't think Standard Life was responsible for any further avoidable delays during throughout the process.

### The compensation award

Mr W, as well as Standard Life, accepts the redress methodology set out by the investigator for the delays that occurred here. But what he doesn't accept is the level of compensatory payment that was suggested for the disruption to his retirement planning. Initially the investigator recommended £400, but on review he revised this to £600, before eventually he decided that £400 was indeed appropriate and fair and reasonable according to our guidelines.

Mr W however thought we should award £750, which he thought was the maximum award for the impact from this type of error as set out in our guidelines on our website. He thought that we should at least determine that the £600 previously suggested was more appropriate. He told us that being age 62 when the process started, he had decided to retire at age 64. So the delays that occurred here seriously disrupted his retirement planning as his adviser wasn't able to provide the financial planning he required until the transfer completed. In addition he said the matter had caused him unnecessary "*significant*" stress and worry, and required significant effort on his part to resolve – not least because of the way Standard Life dealt with (and rejected) his complaint.

I've considered this matter carefully. It's important to note that we're not here to fine or punish a business. Our role is to make an award that recognises the impact Standard Life's delays had on Mr W. There's no doubt that Standard Life did cause delays here – that's been agreed and accepted by all sides. And the redress that's already been agreed and which I'll set out again below should put Mr W as close as possible to the position he'd now be in had the transfer completed as it should have done. So the only further consideration here is what compensation might be appropriate for the impact the matter had on Mr W.

I don't take lightly the stress and concern Mr W would have suffered while he was waiting for the transfer to complete over a period of some months – which was extended beyond what could be considered a normal timescale because of the delays. I've learnt from his submissions about the additional distress and inconvenience he suffered from the way his complaint was dealt with, requiring extra effort and time in bringing it to us. And because it was Mr W's adviser that arranged the transfer this supports the idea that his adviser was involved in a wider retirement planning exercise at that time – prior to Mr W's retirement.

I've taken all of this into consideration, and I agree that it represents impact which caused considerable distress, upset and worry over some months – and required extra effort to sort out.

Our general guidelines would suggest a payment of between £300 and £750 is appropriate for this level of impact. But, when taking all the circumstances into consideration, I think that the initial recommendation of £400 is fair and reasonable within this range. I appreciate Mr W thinks it should be higher – at least the figure that was set out within the investigator's revised assessment. But I've decided that £400 is appropriate here, and represents the amount that I would have recommended if no award had previously been suggested. I think it's a fair and reasonable sum for the impact on Mr W in the circumstances of his complaint.

### **Putting things right**

In order to put Mr W back into the position he would now be in had there been no avoidable delays Standard Life should, as at the date of this final decision:

Calculate what the value of the sold down assets would have been, had they been sold 46 working days earlier. If they would have achieved a higher price, then Standard Life should pay Mr W the difference. If the sale resulted in a higher value then there would be no loss.

If after the transfer Mr W has remained invested in cash, then Standard Life should calculate if he has lost out on any growth as a result of the delays. If Mr W's cash has attracted interest in the receiving scheme then Standard Life should calculate if there have been any losses and pay them to him. However, as the cash was attracting interest whilst held with Standard Life, then any gains made prior to the transfer should be offset against any potential losses.

If Mr W invested the cash after the transfer then Standard Life needs to work out if he has suffered any losses by investing 46 days later than he did.

If the purchase value of the investments were lower when the transfer should have taken place, then Mr W has suffered a loss and Standard Life should calculate the difference and pay this to him. Standard Life should also calculate any gains that would have occurred as a result of the investment having been purchased earlier.

If the value of the investments were higher, then there would be no loss and no calculation would be required.

If any losses have been realised, then these should be paid into Mr W's SIPP where possible. If this isn't possible or has protection or allowance implications, it should be paid directly to Mr W as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

Typically, 25% of the loss could have been taken as tax-free cash and 75% would have been taxed according to his likely income tax rate in retirement – presumed to be 20%. This income tax rate was set out in the investigators assessment and I've seen nothing from Mr W to challenge that assumption. So, making a notional deduction of 15% overall from the loss adequately reflects this.

The remainder of Mr W's assets were transferred *in-specie*, so there would be no financial loss to consider for that part of the transfer.

In addition Standard Life should pay Mr W £400 for the impact this matter had on him and his retirement planning.

### **My final decision**

I uphold Mr W's complaint against Phoenix Life Limited trading as Standard Life. It should pay Mr W fair redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 27 November 2025.

Keith Lawrence  
**Ombudsman**