

## **The complaint**

Mr R complains that James Hay Administration Company Limited (James Hay) gave him incorrect information and caused delays.

## **What happened**

James Hay was the administrator of Mr R's SIPP (self invested personal pension). Mr R's complaint made to James Hay in August 2024 centred on three issues: The interest rate paid on a fixed term deposit account (the Cash Panel Account); delays in 2023 in dealing with the liquidation of assets held with Mr R's former investment manager; and delays in transferring Mr R's SIPP to a new provider in 2024.

In its final response dated 26 November 2024 James Hay upheld the complaint about the interest rate. James Hay agreed that Mr R had been given the incorrect impression that the interest rate would apply for the six month term of the investment, rather than it being the annual equivalent rate (AER). James Hay said it wasn't responsible for any delays in liquidating assets held with the former investment manager. James Hay also acknowledged that the delay in completing the transfer to the new SIPP provider could've caused detriment and asked Mr R for details of any losses incurred with evidence. James Hay offered £500 by way of apology for distress and inconvenience.

Mr R remained unhappy and there were some further exchanges. He accepted the payment of £500 on the basis he could still refer his complaint to us, which he did.

One of our investigators looked into what had happened. He issued a detailed view on 4 August 2025. He said James Hay had given incorrect information about the interest rate for the Cash Panel Account and had delayed the transfer to the new SIPP provider. He didn't agree that James Hay had delayed the liquidation of funds from the investment manager or that James Hay should make up any loss in respect of the Cash Panel Account. The investigator considered what James Hay had offered to do to put things right was fair.

Mr R didn't accept that outcome. The investigator confirmed he considered James Hay's offer of £500 was fair and in line with our guidelines and taking into account the impact of the mistakes. He explained that our awards for distress and inconvenience are modest and not intended as a fine or to punish the business concerned. He pointed out that James Hay also recognised that they'd delayed in dealing with the transfer in August 2024 and so they'd offered to undertake a loss assessment to make sure Mr R hadn't been financially disadvantaged. The investigator also discussed his findings with Mr R over the telephone.

Mr R produced a letter dated 7 February 2024 which he didn't think we'd seen before and which he said confirmed the interest rate agreed. The investigator responded to say he had seen the letter previously and it hadn't changed his view.

As agreement couldn't be reached the complaint has been referred to me to decide.

## **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'm only dealing with Mr R's complaint about James Hay. I understand he's made another complaint about his former investment manager which is being dealt with separately. I've reviewed the complaint against James Hay afresh. I've considered all the information that's been provided. But I'm not going to mention everything, just what I consider is central to my findings.

Having done so, I agree with the views reached by the investigator and the reasons he gave. I know Mr R will be disappointed. It's clear that he's very unhappy with his dealings with James Hay.

On the first aspect of Mr R's complaint, although the process of selling down the funds and transferring them to James Hay took longer than Mr R would've liked, from what I've seen, James Hay didn't cause any material delays. I take into account that the process of liquidating the funds was largely in the investment manager's hands. And the suspended funds caused complications. The process was also undertaken over the holiday period, which added to the time taken.

On the second issue, James Hay did give Mr R incorrect information several times about the applicable interest rate for the Cash Panel Account.

And, on the third point, James Hay also accepted that Mr R's transfer to the new provider should've been completed earlier. I agree with the reasons the investigator gave as to why 3 September 2024 was a fair date to use.

I also agree with the investigator that what James Hay offered to put things right for Mr R was fair and reasonable in the circumstances of this complaint. I know Mr R strongly disagrees. I think his main reason centres on the interest rate for the Cash Panel Account. He understood it would be 4.96% (which I think was a reduction from the 5.02% rate which had been available earlier) for the six month investment period. It was in fact the AER so the interest paid was about half (and I think there were some fees deducted too) of what Mr R had been expecting to get.

He's pointed to COBS 4.2.1R (1) which says a firm must ensure that a communication is fair, clear and not misleading. I agree that's relevant here. But I don't think there's any dispute that Mr R was given incorrect or misleading information. James Hay accepts there were two telephone calls in which Mr R was given the incorrect impression that the specified interest rate would apply for the fixed investment term of six months, rather than it being an AER. And the investigator found there'd been further instances. Mr R has pointed, in particular, to the letter dated 7 February 2024. It does state the six month investment term and the interest rate shown is 4.96%. But it doesn't specify that was the rate for the six months and so it's not inconsistent with 4.96% being the AER. So I don't think it adds much and, in any event, my starting point is that I agree with Mr R that he was misled.

In the circumstances I do understand why he considers that James Hay should pay him compensation in line with the interest rate he thought, based on what James Hay had said, he'd be getting. But our general approach – which is consistent with the legal position – is that giving incorrect information doesn't, of itself, create an entitlement to any benefits which, in error, have been stated to be payable. Mr R's entitlement is as per the Cash Panel Account terms and conditions. So, even though James Hay gave incorrect information as to

the applicable interest rate, I'm not going to say that James Hay should pay Mr R the difference between the interest that was paid and what he was expecting to get.

Instead, where incorrect information has been given, we'll look at whether the consumer would've acted differently, had they been given the correct information and if, as a result, they'd have ended up in a better financial position. We reach our conclusions about that sort of issue on the balance of probabilities, that is what we think is more likely to have happened, based on the available evidence and the wider circumstances.

Here Mr R has said he could've left the money in cash in the SIPP instead of putting it in a fixed term deposit for six months and, as he'd gained more confidence, he could've made different investments which would've made money as, at the time, investment conditions were good. I can see why Mr R may feel there was little point in investing in the Cash Panel Account. So it may be that he'd have just left his money in cash in the SIPP. In that scenario he's not lost out financially because he'd have just got a similar rate of interest to what was actually paid.

It's more difficult to be persuaded that he'd have invested the money differently and, if so, to decide, without the benefit of hindsight, what investments he may have made. But we can, if we're satisfied a consumer would've done something different, make an award based on a benchmark or index. So I'm not saying Mr R's claim doesn't succeed because he can't specify exactly what investments he'd have made. But the issue is that I'm not persuaded that, at the time, he'd have invested in the markets. Here I'd echo what the investigator said (during the telephone call to discuss his view) about Mr R looking for a 'safer haven', his confidence having been knocked because of the losses he'd suffered. In the circumstances, I'm not convinced, even if he'd understood the interest rate wasn't as favourable as he'd believed, that he'd have wanted to risk his money. So I don't think he'd have invested it differently.

All in all I'm unable to say that Mr R relied on incorrect information from James Hay to his financial detriment and that he'd made different – and more financially advantageous – decisions if he'd known the correct position. Which means (and taking into account what I've said about Mr R not being entitled to the higher interest rate simply because James Hay gave him to understand that's what he'd get) I can't say Mr R has suffered any financial loss in consequence of James Hay's shortcomings. I know that will come as a disappointment to Mr R and that he'll regard that as unfair. But I don't think we're acting more favourably towards James Hay, even though there's no dispute that its handling of the matter was flawed. It's just that I'm not persuaded, on the balance of probabilities, that Mr R would've acted differently, even if James Hay hadn't misled him. Hence I'm unable to make any award for financial loss.

As well as financial loss, we'll also consider if material distress and inconvenience has been caused. The £500 which James Hay offered (and has paid) to Mr R wasn't for any financial loss but to recognise the distress and inconvenience caused by James Hay's mistakes. I agree Mr R would've suffered distress and inconvenience, including disappointment or loss of expectation, when he realised he wasn't going to get the higher interest rate.

However, as the investigator has explained, our awards for distress and inconvenience are relatively modest. We say on our website that an award of over £300 and up to around £750 might be fair where the impact of a mistake has caused considerable distress, upset or worry and/or significant inconvenience or disruption that needs a lot of extra effort to sort out. And, again as the investigator has said, we'll look at things overall, that is considering everything that's happened, to decide what level of award would be fair in terms of the overall impact a mistake(s) has had. Here I think £500 is fair and reasonable taking into account James

Hay's shortcomings in respect of the interest rate issue and the delay in dealing with the transfer to a new provider.

I note here that James Hay is also prepared to undertake a loss assessment to see if Mr R has suffered any financial loss because of the transfer delay and which may have meant he could've invested his transferred pension fund sooner than he actually did. If Mr R wants James Hay to carry out a loss calculation he'll need to supply James Hay with the relevant information, including details of the investments he's made with his new SIPP provider and the relevant dates. And evidence in support or authority for James Hay to get in touch with the new provider direct.

### **My final decision**

James Hay Administration Company Limited has already made an offer of £500 for distress and inconvenience and to carry out a loss assessment. I think that offer is fair in all the circumstances.

So my decision is that James Hay Administration Company Limited should pay £500 (which sum has already been paid and so no further amount is due) and undertake a loss assessment (if Mr R so requires).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 October 2025.

Lesley Stead  
**Ombudsman**