

## The complaint

Mrs H complains that Radcliffe & Company (Life & Pensions) Limited (Radcliffe) gave her unsuitable advice to transfer her Occupational Pension Scheme (OPS) benefits and her Group Personal Pension into a Self-Invested Personal Pension scheme. She thinks she has been financially disadvantaged.

## What happened

The background to this complaint is known to both parties, so I don't think it is necessary to set it out here in any detail, especially as Radcliffe agreed to undertake a loss calculation for both parts of this complaint, although it doesn't accept its advice was unsuitable. A loss calculation would be the result of any decision to uphold the complaints in any event and it has arranged for an actuary to carry out the loss calculation in line with the regulator's guidance.

The loss calculation produced a result of no loss on both transfers, or to be more precise a gain for Mrs H.

Mr H representing Mrs H still believed that Mrs H had suffered a loss. He raised points about mistakes found by the skilled person's review of the advice – and that the actuary had used information given to it by Radcliffe. He felt that this meant the loss calculation could include errors. He also said he had noted the calculation included 20% tax applied to Mrs H's notional benefits from age 60 but he said she wouldn't be paying tax until her 67<sup>th</sup> birthday as she had no other forms of income. He also questioned why the calculation included Mrs H taking a 25% tax-free cash lump sum when she doesn't plan to do so. He also found it hard to understand how the loss calculation had come out as no loss when he believed the benefits his wife would've received against the value of the SIPP, looked to him to mean his wife had suffered a loss.

Our investigator looked at the calculation and had a conversation with Mr H he explained that he believed the loss calculation to likely be correct. He explained he had checked the assumptions used and inputs and he couldn't see that anything was incorrect. And he provided an explanation as to why it had come out as no loss based on the calculation details provided by the actuary.

The investigator also provided a written answer to Mr H's questions; I've included an amended copy of this below, as it gets to the heart of the matters that are still in dispute.

*'To explain, in respect of the defined benefits, the loss assessment compares the value of the benefits your wife would have had with the workplace pension with those they actually have in the personal pension. And in respect of the Group Personal Pension, the calculation compares the value of the part of the SIPP that came about from the transfer from the GPP to the value if it'd stayed at the previous provider (or grown in line with an index).*

*About the specific points you've raised, I note your submissions about the inaccuracies in Radcliffe's Transfer Value Analysis. But I would comment that the loss methodology isn't using the business' analysis about whether it was suitable for your wife to be advised to*

*transfer her defined benefit pension. The loss assessment is assessing the value of her benefits in the OPS if she hadn't transferred it and comparing it to the value of her SIPP. To do this, it uses information about how to value the defined benefits she gave up.*

*Further to this, I note your submissions that your wife wouldn't have paid income tax on her pension until age 66. But please note that even if the £7,503.28 assumed tax charge is ignored, the total valuation of the defined benefits (£158,812.43) is lower than the value of the defined benefits part of the SIPP (£184,921.30).*

*Also, about the assumption that your wife would've taken a pension commencement lump sum ('PCLS'), I would explain that this assumption is set out in the Regulator's guidance. About your query on the charges, my understanding is that the 1.25% management charges doesn't apply as the redress calculation is an actual loss calculation. Also, I note your query about the 0.48% charge referred to in the calculation. But I would comment that the current fund value stated for your wife's SIPP at the calculation date (£212,523.12) would implicitly have accounted for all the charges that had been incurred on this pension up to the date of that valuation.*

*Lastly, having reviewed the calculation in respect of the transfer of the GPP, I'm also satisfied that it shows your wife didn't experience a loss. This is because the calculation shows that the part of the SIPP that came about from the transfer from GPP has grown more than if it'd stayed at GPP, or if it'd grown by the index set out in the investigator's previous assessment.'*

Radcliffe in its final comments re-iterated that the loss calculation showed that Mrs H was in a better position having transferred. And that it had carried out a loss calculation at expense to it, which is what it would be required to do if the advice had been found to be unsuitable. It said it was willing to still offer £250 in recognition of the time taken to carry out its investigation.

### **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 agree with the investigator's findings and the explanation provided above. There isn't a lot I can add in terms of explanation that hasn't already been said. But I have checked the calculation and all the evidence provided, and I am satisfied the loss calculations are likely correct, and Mrs H hasn't suffered a loss.

To echo the investigator, the points that Mr and Mrs H were unhappy about with the original transfer advice and errors within it, didn't have any impact on the loss calculation here. The loss calculation carried out here for the OPS benefits, is an actual loss calculation valuing the benefits Mrs H would have received had she retired at age 60 compared to the value of her SIPP (the % from the OPS transfer).

Mr H has made the point that Mrs H never planned to take tax-free cash and the loss calculation assumes that at age 60 she would've taken tax free cash and a reduced pension. And so it is not comparing apples with apples. However, this is in line with the regulator's guidance for carrying out this type of loss calculation, as the majority of people taking benefits from a DB OPS scheme choose to take a lump sum. So I don't think Radcliffe (the actuary on their behalf) has acted unfairly in carrying out the calculation using the regulator's assumptions.

Mrs H says she didn't plan to take tax-free cash as she had no other income so wouldn't pay

tax in the event she had taken benefits from the scheme. However, with an escalating pension and her state pension kicking in at age 67, Mrs H would've been liable for tax at least on some of the benefits received from the scheme from age 67. So whilst Mrs H didn't plan to take tax-free cash from the scheme, it may be that when she came to it – and if she had advice as she did in reality – she may have ended up taking tax-free cash.

As I've said I am not an actuary and so I cannot carry out the complex calculations required here to check what the result would be if the assumption was instead that she took income only from the scheme. And I don't think it would be right to ask Radcliffe to re-do the calculation to check this, given it has already been done in line with the FCA's assumptions and to do so would incur further time and costs. Also given the fact that the loss calculation shows quite a difference between the scheme value and the SIPP value I suspect changing this assumption would still result in a no loss calculation.

Recently annuity rates have improved meaning it costs less to buy annual income. This alongside the value of the SIPP means that this sum can likely buy a better annuity now than what the scheme would've provided by way of income today. And it is why the value of the OPS benefits in the calculation hasn't increased in comparison to the transfer value, as providing the benefits from it in reality has become cheaper than when the transfer occurred.

Whilst I have tried to provide some detail to the answer for Mr and Mrs H's benefit. The bottom line is Radcliffe have employed an actuary who is qualified to carry out these calculations – and the calculation looks to have been done in line with the regulator's guidance. Furthermore, it is not a surprise or unusual that it has come out as a no loss, as this is quite common at this point in time due to market conditions and the aforementioned correlation with annuity rates.

I've also looked at the loss calculation for the GPP. Mrs H was previously invested (before the transfer) in funds and assets that are known to have performed poorly over recent years due to changes in the world and UK economy. So it is no surprise that her newer investments have outperformed these. And the businesses loss calculation also shows that the index suggested by our investigator would've also performed less well in comparison to reality.

I appreciate all of this is difficult for Mr and Mrs H to understand, the calculations and explanations involved here are complex. But the expert actuarial firm, the investigator and myself have all looked at this situation and are satisfied that the transfer, as it stands, has not resulted in a loss for Mrs H.

Finally, Radcliffe offered to pay £250 for the trouble and upset its delays in investigating this issue caused Mrs H. Whilst it has been found that Mrs H hasn't suffered a loss, I think the situation will have caused her stress and worry, as she had reason to believe the advice may be unsuitable and that she'd suffered a loss. And with the process taking longer than it should, Mrs H experienced worry and frustration that otherwise wouldn't have occurred or for as long. And so, I think an award of £250 is fair and reasonable for the delays caused in looking into this matter for her.

### **Putting things right**

Radcliffe should pay Mrs H £250 for the trouble and upset caused by the time taken to look into this matter.

### **My final decision**

To settle this complaint, if Mrs H accepts this decision, Radcliffe & Company (Life &

Pensions) Limited should put things right as set out above.

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

Simon Hollingshead  
**Ombudsman**