

## The complaint

Mr T has complained that he may have suffered a financial loss through Vanguard Asset Management Ltd, trading as Vanguard, causing an unnecessary delay in processing the transfer to them of a pension he held with another provider.

Mr T has also said that Vanguard didn't check with him whether the investment instructions he'd given were still valid following this delay.

## What happened

The investigator who considered this matter set out the background to the complaint in his assessment of the case. I'm broadly setting out the same background below, with some amendments for the purposes of this decision.

Vanguard received a request from Pension Penny Scheme to accept the transfer of the pension Mr T held with the latter on 16 December 2024. But because of difficulties with the Origo electronic transfer service, for which Vanguard has accepted responsibility, the transfer process was unable to begin until 13 February 2025.

Vanguard calculated that the delay amounted to 39 business days. Vanguard also had to query the funds received with Penny Pension Scheme before these could be applied to Mr T's pension account. Origo said that £17,853 had been sent but Vanguard had received £17,834.77 onto the platform.

Mr T queried the delay in the transfer taking place with Vanguard on 15 January 2025. However, it wasn't until March 2025 that Mr T made what Vanguard considered to be a formal complaint.

Vanguard issued its final response letter on 10 April 2025. This upheld Mr T's complaint about the transfer delay, awarded him £150 for the distress and inconvenience this would have caused, and it committed to conduct a loss assessment to ascertain whether the delay caused Mr T an actual financial loss.

Following a telephone call from Mr T, Vanguard issued a second letter on 17 April 2025. This declined to accept Mr T's complaint that he hadn't been contacted when the transfer completed to check whether he still wished to place the investments as per the original instructions.

Mr T then referred his complaint to this service on 18 April 2025.

Having considered the matter, our investigator thought that the complaint should be partially upheld, saying the following in summary:

- In terms of whether Vanguard should have checked with Mr T that his investment choices remained unaltered during the transfer delay, Vanguard was entitled to take Mr T's initial investment choice as still being valid. This service would also expect consumers to take all reasonable steps to mitigate potential financial losses and, on

this basis, the onus was on Mr T to contact Vanguard with fresh instructions if his investment choices had changed during the period of transfer delay.

- But even if this weren't the case, it would be difficult to award compensation without clear and compelling evidence of precisely what alternative investments Mr T would have chosen.
- Regarding the amount offered by Vanguard in respect of the distress and inconvenience caused by the transfer delays, there was guidance for consumers on this on our website. This indicated that an award of £150 might be fair where there'd been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These might typically result in an impact which lasted a few days, or even weeks, and caused some distress, inconvenience, disappointment or loss of expectation.
- This definition approximated to the circumstances of this case, and therefore Vanguard didn't need to increase its award.
- In terms of the loss calculation to be conducted by Vanguard, in its final response letter it committed to conducting a loss calculation to determine whether Mr T had been disadvantaged by the delay in the pension transfer. However, it seemed that neither Mr T nor Pension Penny had yet provided it with the necessary information to achieve this.
- To take things forward therefore, Vanguard should now compare the performance of Mr T's investment with that of one of our benchmarks – the FTSE UK Private Investors Income Total Return Index. If the fair value was greater than the actual value, there would be a loss and compensation would be payable. If the actual value was greater than the fair value, no compensation would be payable.
- If there was a loss, compensation should be paid into Mr T's pension plan, to increase its value by the amount of the compensation and any interest. The payment should allow for the effect of charges and any available tax relief. Vanguard shouldn't pay the compensation into the pension plan if it would conflict with any existing protection or allowance.
- If Vanguard was unable to pay the compensation into Mr T's pension plan, it should pay that amount direct to him. But had it been possible to pay into the plan, it would have provided a taxable income. Therefore the compensation should be reduced to notionally allow for any income tax that would otherwise have been paid. This was an adjustment to ensure the compensation was a fair amount - it wasn't a payment of tax to HMRC, so Mr T wouldn't be able to reclaim any of the reduction after compensation was paid.
- The notional allowance should be calculated using Mr T's actual or expected marginal rate of tax at his selected retirement age.
- It was reasonable to assume that Mr T would likely be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mr T would

have been able to take a tax free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.

- Vanguard should provide the details of the calculation to Mr T in a clear, simple format.

In a subsequent call between the investigator and Mr T, the latter said that he'd received details of a loss assessment undertaken by Vanguard, which had demonstrated no financial loss.

The investigator therefore requested details of this from Vanguard, which it duly provided.

The investigator then wrote to Mr T to say the following in summary:

- From the information provided by Vanguard, it would appear that Mr T had been accurately informed that the transfer delay hadn't caused him a financial loss. As such, the previously directed loss assessment wasn't now required.
- What remained, however, was the issue of whether Vanguard should have checked with Mr T whether his investment intentions were still the same as they'd been when he requested the transfer. Mr T was of the view that, as Vanguard had far exceeded the quoted time in which it said transfers could be made, it was perfectly reasonable of him to conclude that the initial instructions no longer applied. It had been agreed that an ombudsman should decide which was the correct view on this. But this left the question open of what redress should be, were an ombudsman to rule in Mr T's favour.
- The investigator requested that Mr T send him his thoughts on what he considered would be fair and reasonable redress were the ombudsman to uphold this element of his complaint.

Mr T replied to say that he would have assumed that determining what was reasonable would be down to the investigator. He was, however, happy to provide the return between dates of other stock portfolios he held as a proxy for missed opportunity.

He said that he couldn't prove the action he'd have taken, but maybe the investigator could draw reference against other investments he did choose to make or maintain.

The investigator said that he wouldn't be able to advise Mr T on what evidence to provide in support of his claim that he would have invested differently had the firm checked his investment instructions at the time of the transfer took place. But he said that the matter could be referred to an ombudsman for a decision to be made on that aspect.

Mr T agreed that a referral to an ombudsman was appropriate, saying that the loss calculation was a red herring, and that his complaint issue was that Vanguard acted on an "aged" instruction after it had delayed matters.

The complaint has now been referred to me for 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 overall conclusion as the investigator, and for similar reasons.

I've noted that Mr T considers the loss calculation to not be the main issue here, and as Vanguard has confirmed that no loss was incurred due to the delays, I'll focus upon the outstanding matter of whether Vanguard should have re-checked with Mr T that his original investment instructions were still valid.

But having considered that matter carefully, and whilst I'm sorry to disappoint Mr T, I don't think that Vanguard would reasonably be expected to request confirmation from Mr T that his original investment instructions were still the same. Notwithstanding the lack of a firm indication as to how Mr T might have changed his investment instruction, even if I were to conclude that an extended period of delay ought reasonably to justify a re-affirmation of a customer's investment instructions, I don't think the actual period of delay here would warrant such a course of action.

But moreover, and as noted by the investigator, if Mr T's investment wishes had changed, then it might instead reasonably be expected that he would himself have sought to ensure that Vanguard was aware of this.

My view therefore is that, in the absence of any indications to the contrary, Vanguard was reasonably entitled to consider that Mr T's original investment instructions remained in place

As such, my view is that the complaint shouldn't be upheld.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 4 February 2026.

Philip Miller  
**Ombudsman**