

The complaint

Mr S is unhappy with how Furnley House Limited dealt with things when he approached their adviser in January 2022 for advice about transferring out of his defined benefit (DB) pension scheme.

What happened

In summary, Mr S contacted Furnley House's adviser in January 2022 as he was considering transferring out of his DB pension scheme. Mr S says he was told he couldn't transfer until he was 50. He was only 49 at the time so he waited to pursue the transfer. But market conditions meant the transfer value fell and it was no longer worth transferring. Mr S has since found out that others transferred their pensions at age 49 and he says, if he'd approached another adviser/firm, he'd have been able to transfer. Because Furnley House Limited led him to believe that wouldn't be possible they should compensate him for the loss he's incurred due to the lower transfer value.

I've set out what happened in more detail:

On 11 January 2022 Mr S contacted an adviser at Furnley House, having been given the adviser's details by a colleague. Amongst other things, Mr S said his current transfer value was £903,000, he was aged 49 and so he had "a few years to retirement" but he wanted to see what options were.

The adviser responded the following day. He said that transfer values had been consistently high for a few years and he understood why Mr S was thinking about transferring and why he'd want to do that. The adviser continued:

"However, given you are age 49, you wouldn't be able to transfer out. The reason being is that the FCA [Financial Conduct Authority] consider a transfer from a [DB] scheme as the "last option" should remaining in the scheme not meet your objectives. Their first question is always "why now?" And given you are 6 years away from being able to spend any benefits, they will not look too kindly on transferring now."

The adviser reiterated that he understood why Mr S would want to transfer. He went on to say:

"You probably think that someone is going to take this transfer value away from you or it might go down overnight and you may have missed your chance etc. Not so. The good news is that as you move closer to retirement, the transfer value should actually increase due to the way it is calculated. £900k at age 49 means you are going to be sat in some serious numbers in a few years."

The adviser confirmed he could still meet with Mr S and suggested he monitor the transfer value by getting a quote every three months and to let him know what it was.

In reply, Mr S explained about some health problems he'd had and his family history. The adviser replied saying that the health issues "may well change this" for Mr S and asking

some further questions about when he'd turn 50, when he planned to stop working and what the outcome might be if he applied for life assurance of £900,000. Mr S responded, including giving further details about his health.

In response the adviser said:

*"This might put a completely different perspective on matters.
Leave this with me. In all probability a transfer prior to age 50 is very likely to be out of the question but from 50 onwards ...
I'll come back to you."*

In his email of 25 January 2025, the adviser provided an update, saying the following:

*"A bit of an update. I have referred your case to our compliance and we believe your case would be an exceptional case due to your health to transfer out to preserve the value of your fund for legacy. I think this is more than justifiable.
However, the red line is definitely age 50. (PI insurance!) So what I would do is monitor transfer values every three months until say August and then let's meet up and really go for it then to time it for your 50th birthday.
I think your transfer value will hold if not increase in the next few months anyway."*

Mr S replied, thanking the adviser and saying he'd looked into health insurance but it was problematic. He concluded his email saying he'd diarise for August and pick it up then.

As far as I'm aware, Mr S didn't get in contact with Furnley House again until he made his complaint in April 2025. In that complaint, in summary, Mr S said he'd been advised in January 2022 that he could go no further forward in terms of transferring until he was 50 later that year. During the intervening period the markets and interest rates changed dramatically, resulting in there being little point in transferring when he reached age 50 or since. He'd found out that a colleague who was being advised by a different firm had transferred at age 49 with no health problems so his case wouldn't have been as strong as Mr S's. That suggested a transfer at age 49 would've been possible.

Mr S said he should've been told he could seek advice elsewhere if Furnley House wasn't able to provide it. That hadn't happened and his personal circumstances, outlook and ability to plan for the future had changed. The transfer value had dropped – from a peak of £970,000 to £437,000 (and had been lower than that). He'd had to continue to make pension contributions – by age 60 he'd have paid in over £150,000 over the last ten years. His aim had been to retire ideally at age 55 but he could no longer afford to do that. Even at age 60 he didn't think he'd have a comfortable income, despite the extra amounts paid in.

He referred to his health conditions which impacted on the time he'd be able to enjoy his retirement. He was struggling to accept that and found the situation distressing. The adviser had said his case would be exceptional to preserve the value of his legacy but 50 was a "red line" which wasn't in fact the case. Mr S's life and the future of his family had been impacted.

Furnley House issued a final response on 27 May 2025. Furnley House agreed, based on the email exchange in January 2022, that its adviser had told Mr S that he was unwilling to consider transferring Mr S's DB pension scheme until Mr S was 50. During the intervening period, the markets and interest rates changed dramatically with the result that there was little value in transferring when Mr S reached age 50 or since. Furnley House said it and its adviser were entitled to take the stance they did at the time, which was not to advise transferring any DB pensions for anyone under the age of 50. They weren't obliged to advise Mr S to seek advice elsewhere. What had happened to the markets and interest rates after

January 2022 was outside the adviser's and Furnley House's control and couldn't have been foreseen.

Mr S remained dissatisfied and referred his complaint to this service.

The investigator didn't uphold the complaint. Amongst other things, he said the adviser's initial comment made Mr S aware of the FCA's stance and managed his expectations as to how likely it would be that he'd be able to transfer. Mr S provided some more information which the adviser thought might change things, although it would still likely not be possible to transfer before Mr S turned 50 – the adviser's Professional Indemnity Insurance (PII) meant a transfer before then couldn't be supported. The adviser offered to meet in August to start the process of reviewing Mr S's circumstances in full, with the aim of transferring after he'd turned 50. No further update on the transfer value was provided to Furnley House and Mr S didn't get in contact in August 2022 for formal advice on transferring. The investigator thought Furnley House had acted reasonably in response to Mr S's queries and didn't recommend compensation for the drop in the transfer value.

Mr S remained unhappy. He said it wasn't clear that PII was the reason and Furnley House hadn't said he could get advice elsewhere. If the adviser had told him it was just his PII and that others may have a different view, he'd have been able to explore options. The adviser didn't "*spell it out*" so Mr S couldn't make a decision on the correct facts which had life changing consequences as a result.

Mr S supplied some further information about it being best practice for a financial adviser to suggest seeking advice elsewhere if they declined to work with a client. He'd trusted Furnley House to act in his best interests, hence he'd not sought a second opinion. He'd recommended them to a friend who'd transferred out. Mr S had no knowledge about pensions and should've been advised as to alternatives.

The investigator didn't agree that Furnley House had declined to work with Mr S. The adviser had explained the FCA's general stance which might impact a positive recommendation to transfer and that advice at that point couldn't be given due to Mr S's age but suggested reviewing his circumstances in full in the run up to his 50th birthday. The investigator agreed, if Furnley House would've never been able to take Mr S on as a client, they should've suggested he go elsewhere. But the response was that they thought they could help but not until Mr S turned 50 and suggested a plan to do that.

Mr S maintained that Furnley House had declined to work with him due to his age even though there was an indication of potential support in the future. He'd relied on what had been said and not pursued other avenues.

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 do understand why Mr S feels he's been treated unfairly, resulting in the loss of a very substantial amount. But, despite my sympathy, I agree with the reasons the investigator gave as to why he was unable to uphold his complaint.

I note what Mr S has said about what prompted his complaint – finding out that a colleague who'd been advised by a different firm had been able to transfer at age 49 with no health

issues involved. However, health considerations aren't the only factor which might make a transfer suitable in a particular case.

Further, there's nothing to stop a firm recommending a DB transfer. By that I mean that such transfers don't have to be approved by the regulator. An adviser needs special permissions to advise on DB transfers and the advice must be given by, or approved by, a pension transfer specialist. Regulated firms are required to act in accordance with the relevant regulations. Here COBS 19.1.6G is a central consideration. It requires firms to start from the assumption that a transfer from a DB scheme won't be suitable.

But it's a matter for the firm concerned if it considers that a transfer can be recommended in the circumstances of the particular case. Different firms may take a different view as to whether a transfer can be recommended as being suitable and in the client's best interests. However, the firm will need to be able to justify its advice and demonstrate that it was suitable if a later complaint is made that a transfer shouldn't have been recommended. It can be some years after a transfer has taken place that a client may have second thoughts about things, even if, at the time, they were keen to transfer.

I do understand how strongly Mr S feels about what's happened and the distressing effect it's had on him and his family and his ability to plan for and enjoy his retirement, including being able to afford to retire at age 55. I've considered what the adviser told Mr S and what he'd reasonably have understood from what was said in the email exchanges in January 2022.

I don't think the adviser's initial response to Mr S's enquiry was unreasonable. In broad terms, and based on the limited information the adviser had about Mr S's circumstances, it reflected the FCA's approach to DB pension transfers and the presumption of unsuitability.

The adviser did go on to express the view that Mr S's transfer value wouldn't fall and might increase as he approached retirement. The fall in the transfer value resulted largely from the increase in gilt yields – which is, in turn, driven by the inverse relationship with interest rates: if interest rates go up, then gilt prices fall, which means the yield goes up. Which means the cost of buying an income (an annuity) falls, and so the transfer value will be lower.

I can understand the adviser's comments will have added to Mr S's disappointment when his transfer value fell. And meant that Mr S was unaware there was any urgency. But I don't think the adviser is responsible for movements in the financial markets, including the speed at which gilt yields rose over a relatively short period and which I don't think was foreseeable.

When Mr S reverted with some further information, I think the adviser responded appropriately – he recognised that health issues could change things and asked Mr S for further details. And when those were provided the adviser referred matters to his compliance department. The result was that Mr S's case might be an exception to the usual presumption that transferring would be unsuitable. But age 50 remained a 'red line' because of PII. That was Furnley House's position – the matter had been referred to its compliance department and the response was that the PII (that is, Furnley House's PII) wouldn't permit it. I don't think there was any suggestion that was the industrywide position or that every other firm's position would be the same. I think the adviser was just confirming his and his firm's stance – that a transfer under age 50 wouldn't be recommended.

A firm may have certain parameters in place which shape its approach to transfer advice. For example, a firm may say that it won't recommend a transfer if the critical yield (the rate of investment return required to match the ceding DB scheme benefits) is above a certain level. Here Furnley House adopted a minimum age if a transfer was to be recommended. I don't

think that's unreasonable. Further, the adviser took steps to see if that still would apply, given Mr S's circumstances. However, Furnley House's compliance department confirmed an exception couldn't be made until Mr S turned 50.

The investigator said that the adviser didn't decline to work with Mr S. I tend to agree with that although I can see why Mr S sees things differently and the adviser saying that he wouldn't be able to advise about transferring until Mr S was nearer his 50th birthday did amount to a refusal. But I think, viewed in context and taking into account that it was agreed that work on the transfer would start a few months later that year in August 2022, it's difficult to say that. So I don't think the obligations which Mr S has pointed to, in circumstances where a firm declines to act for a client, were triggered.

As I've said, I do understand Mr S's position. He's understandably very disappointed that the transfer value from the DB scheme has fallen very considerably – it's about halved, down from £907,000 when he contacted Furnley House in January 2022 to £437,000 in April 2025. But, even if I thought Furnley House had done something wrong – and on balance I don't think that was the case – I'd need to be satisfied that the error had caused the financial loss that Mr S is claiming – the difference between the transfer values.

First, there's no guarantee that another firm would've advised Mr S to transfer in 2022. As I've said, the regulator's stance is that it should be assumed that a transfer from a DB scheme won't be suitable. Mr S's circumstances may have been such that a transfer might've been considered but the end result may still have been that he'd be advised against transferring. In that scenario, I'm not sure the transfer would've gone ahead with Mr S being an insistent client – I don't get the impression that he'd have been prepared to disregard professional advice. So it's unclear if he'd have been able to secure the higher transfer value available in January 2022 anyway and even if he'd gone to another adviser. The timing may have been problematic too. DB transfer advice can take a while to put together and in the interim the transfer value may have fallen to an unacceptable level.

Secondly, I can of course see why Mr S considers he's suffered a financial loss in terms of the difference between the January 2022 transfer value and what he'd have got later. But the transfer value on offer at any time represents the calculated cash value of the DB scheme benefits that would be paid by the DB scheme in the future and which will be given up on transfer. Mr S has retained his benefits in the DB scheme. So he hasn't lost anything as such. But, because of changes in the financial markets and falling interest rates, the transfer value has reduced. But it still represents the cost of the benefits being given up. So, in real terms, Mr S hasn't suffered any financial loss.

I know Mr S is going to be very disappointed with what I've said. The timing was unfortunate. He was thinking about transferring when transfer values were high and had been increasing for some time. But, during the first half of 2022 transfer values fell sharply. Interest rates rose – the Bank of England raised interest rates several times to try to combat high inflation – which ended the climate of very low interest rates and which had meant high transfer values. Other factors were at play too – increased gilt yields, global market volatility, changing life expectancy assumptions and falling long term inflation expectations. As I've said I don't think the extent of the fall in transfer values and/or how rapid it would be, could've been predicted.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 November 2025.

Lesley Stead
Ombudsman