

The complaint

Mr B's complaint is about pensions he transferred from Scottish Widows ('SW') and Fidelity to Coutts & Company. He says disinvestment of the pensions, the time taken in the transfer process and, potentially, the involvement of a third-party on Coutts' side caused him a loss of investment opportunity. He seeks redress from Coutts for the alleged loss.

Coutts disputes the complaint. However, it acknowledges a delay in its response to the complaint, and it has offered Mr B £150 and an apology for that.

What happened

Mr B's Coutts pension statement shows that cash values from the SW and Fidelity pensions were received on 11 and 12 November 2024, and that the amount received on each date was invested within the same day.

His submissions to our service include the following –

"I gave instructions for the transfers on around 31 October 2024 ..."

"... I discovered afterwards that the investments with Scottish Widows and Fidelity were liquidated on 4 November 2024, but Coutts did not receive the funds until 11 November 2024 for Fidelity and 12 November 2024 for Scottish Widows. As a result, the pension funds were held in cash from 4 November to 11/12 November when Coutts invested the funds.

That period coincided with a substantial rise in the stock markets, as a result of the US election results. As a result, I lost out because the funds were not invested during that period.

I had not realised that the funds would not be invested for any period during the transfer, let alone for more than a week. If I had known that I might not have undertaken the transfer at a time of market uncertainty due to the US elections."

"I would just like to clarify that the complaint is not about the time taken for the transfer per se, but about the funds being uninvested."

Coutts does not consider that any delay happened in its part of the process.

In the main, it says –

- the transfers first reached its pension wrapper provider and scheme administrator – Embark Service Limited ('Embark') – before being transferred to Coutts;
- Embark has confirmed that both pension transfer requests were placed on Origo (the online pension transfer service) on 1 November and activated (on Origo) the following day, the pensions were received on 6 and 7 November respectively and transferred to Coutts on 11 and 12 November;
- it (Coutts) invested the pensions on the same day they were received;
- in total, the process for the SW pension transfer took seven working days to

- completion, and that for the Fidelity pension took six working days;
- it allows 30 days for such transfers, so these transfers were completed within that timeframe.

As part of the complaint, Mr B has queried Embark's role and its execution of that role. He says he was unaware of Embark (and of its role in the Coutts' pension) at the outset.

One of our investigators looked into the matter and concluded that the complaint should not be upheld.

He clarified that the scope of his considerations is limited to Coutts' responsibility in the transfers, as it is the respondent to the complaint. He addressed Mr B's awareness of Embark's function in the pension by referring to the Coutts pension welcome letter he received on 31 October 2024 which introduced him to Embark as the pension scheme's operator and administrator (and informed him that its separate trustee entity was the scheme's trustee).

The investigator considered this evidence that Mr B ought reasonably to have known about Embark's role in the scheme.

He also found that the transfers happened within a reasonable period of time, noting that the gap between initial receipt of the transferred funds and investment of those funds (including the checks and processing that took place during the gap) was consistent with standard industry practice.

The investigator addressed Mr B's claim about disinvestment of the transferred pensions by referring to an online notice from Coutts that he would have seen in the course of the transfer process. The notice refers to the transfer possibly taking up to four weeks to complete and to the transfer taking place in cash, and it includes the following statement – *"Because your money doesn't stay invested whilst it's transferred, you won't benefit from any rise in value"*. He considered this evidence that Mr B would have been aware that his pension(s) would not remain invested during the transfer process.

Mr B disagreed with this outcome. In the main, he questioned the investigator's finding about standard industry practice and argued that Embark's role, and its potential liability in that role, warrants further scrutiny given its prominence in the transfer process. He also asked for additional time to make further submissions, which was granted by the investigator, then he confirmed he did not have the spare time and capacity needed to do so.

The matter was referred to an Ombudsman.

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.

Having done so, I have reached the same conclusion expressed by the investigator. I do not uphold Mr B's complaint.

I note that Coutts has offered him £150 for its complaint handling, which I understand he has declined. I make no finding on this offer as complaint handling, in isolation, is outside our service's jurisdiction.

With regards to the substantive complaint issues – the transfer process and Mr B's claim about his pensions being disinvested and/or being out of the market during the transfer

process – I explain below why I have not upheld them in his favour.

There is a June 2018 pension transfer process guidance document that is available in the public domain. It is entitled – “*Industry-wide framework for improving transfers and re-registrations*”. In its ‘*Background and Purpose*’ section the following is explained –

“In February 2016, eight of the leading investment and pension trade associations established the Transfers and Re-registration Industry Group to drive forward best practice in transfers and re-registration of pensions and investments. This initiative was prompted by the findings of a Financial Conduct Authority Business Model and Sector Analysis on SIPP and Platform providers in 2015.”

“This Framework summarises the TRIG’s agreed position on what providers are expected to deliver to customers, in relation to the timeliness of transfers and re-registrations, and communications during the process.”

“The associations in the TRIG endorse the Framework and encourage their members to adopt it.”

“This Framework is intended to support providers in developing, maintaining and improving their own strategy and procedures for dealing with transfers and re-registrations, in order to improve customer experience and outcomes.”

“It sets out good practice standards for providers when making their own judgements on how best to manage the timeliness and customer communications for transfers and re registrations. The good practice standards are supported by illustrative examples of different types of transfers and re-registrations. The framework is voluntary, not intended to be prescriptive and designed to complement providers’ existing practices, while also encouraging providers to do better than the guidance where they can, and encouraging ongoing refinement and improvement of the process.”

As explained in the quotes above, the TRIG guidance does not have any binding effect. Nevertheless, I consider that it can serve the purpose of providing a broadly reliable indication of what is regarded as good practice, in terms of pension transfers, in the industry. For relatively straightforward pension transfers the guidance refers to an ‘*end-to-end standard*’, and its description of this includes the following –

“For transfers between two counterparties involving cash assets, the TRIG believes that providers should adopt an end-to-end good practice standard timescale, from when the acquiring provider receives a completed instruction from the client, to the receipt of the transferred funds.”

“For pension cash transfers between two counterparties, this standard should be 10 business days, including BACS timescales. As existing industry practice is often measured in calendar days, 14 calendar days can be taken to be 10 business days for the purpose of this SLA.”

In Mr B’s case, which involved a relatively straightforward pensions transfer, he says he instructed the transfers on [Thursday] 31 October 2024. The parties share common ground, supported by the Coutts pension statement, on the fact that the transfers were completed on 11 and 12 November (with each incoming pension value being invested, in the Coutts pension, on the same day of receipt). If the starting *end* of the process is deemed to 31 October, at the completion date of 11 November, the end-to-end process lasted seven working days. At the completion date of 12 November, the end-to-end process lasted eight working days.

Coutts might argue that the process began from the date of submission to or activation within Origo. However, I have used the illustration above to show that even from Mr B's perspective – based on when he personally instructed the transfers and when they were completed – the time taken in the entire process fell well within the TRIG guidance's end-to-end standard of 10 working days.

I have considered if Coutts mishandled its responsibilities in the process, irrespective of the transfers being completed within the aforementioned guidance standard. If so, it remains open to Mr B to argue that Coutts should answer for any such mishandling, even if the time taken in the process met good industry standard.

In relation to this, he says Embark's role in the process was something he was not expecting. I echo and endorse the investigator's finding on this aspect. Evidence of the welcome letter that Mr B was sent shows that he was introduced to Embark's and to its role in operating and administering the pension wrapper for the Coutts pension, so he ought reasonably to have been aware of that at the outset. I have not seen anything in Coutts' arrangement with Embark, for these purposes, that should be called into question.

Emark's role in the pension transfer process was to be expected, given that it operates and administers the Coutts pension's wrapper. Based on the available chronology of events, no undue delay appears to have been caused in the segment of the transfer process that featured Embark. Its first pension transfer receipt happened on 6 November and by 12 November both of the received pensions had been moved into the Coutts pension – and, I repeat, they were invested on the same days of receipt.

This lasted a total of four working days. As the investigator explained, requisite checks and processing would have been taking place during this period. I have not seen evidence to show or suggest that something was mishandled in this part of the process. Indeed, the need to allow reasonable time for such checks and processes is part of the considerations applied by the TRIG in its 10 working days end-to-end guidance standard.

Overall and on balance, I do not consider that there was any mishandling of the transfer on Coutts' part.

In terms of the claim about disinvestment, Coutts received the transferred pensions in cash values. It is not clear to me if and/or when those funds were last invested prior to the transfers, but the implication arising from Coutts' receipt of them in cash is that they were instructed to be transferred in cash. Mr B has shared a complaint response from SW, in which SW states that it received the transfer request on 4 November and conducted the transfer (out) on the same date. It is also not clear from this response if any liquidation was involved at its end.

If Mr B's claim is that the SW and Fidelity pensions were liquidated when they should not have been, there is a lack of evidence of the facts and circumstances relevant to that, and a lack of clarity as to which party in the process the claim is against. With regards to Coutts, I have not seen evidence that it conducted disinvestments against Mr B's instructions.

In terms of Mr B's awareness, the investigator's observation about the online notice he would have received in the process is noteworthy. It does not look like we have the actual notice he saw, but Coutts appears to have given us an example of what that notice would have been. On balance, and given that his transfers happened in cash, I consider it reliable. The notice would have informed him that the cash transfers meant the cash values remained uninvested during the transfer process. By proceeding on this basis, he would have done so from an informed position.

Overall, on balance, and for all the above reasons, I am not persuaded to uphold Mr B's complaint.

My final decision

I do not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 December 2025.

Roy Kuku
Ombudsman