DRN-5954316

The complaint

Mr P complains about how FIL Investment Services (UK) Limited ("Fidelity") has administered his pension plan. In particular he complains that it wasn't made sufficiently clear that the pension plan he held could not be used for drawdown, and that Fidelity acted too slowly in transferring his pension savings to a new plan that would allow drawdown to be taken.

What happened

Mr P held pension savings in what was titled a Fidelity SIPP provided by Standard Life. He opened that account in April 2008 and didn't elect to make use of a financial advisor. As part of the opening of the plan Fidelity has shown that Mr P signed a declaration confirming that he understood the pension plan couldn't be used for, amongst other things, income drawdown.

In 2021 Mr P received some information from Standard Life. It reminded him that he would reach the selected retirement date on his plan when he reached his 55th birthday in the following February. And it explained the ways in which he would be able to use his pension savings if he decided to put them into payment. It told him that he could make use of income drawdown, take a lifetime annuity, or access some or all of his money as a lump sum. It doesn't seem Mr P took any action at that time.

In November 2024 Fidelity wrote to Mr P to explain that it would be closing his pension plan as it wished to simplify the choices available to its customers. It asked Mr P to confirm whether he would consent to his pension savings being transferred into the Fidelity self-invested personal pension ("SIPP"). It asked Mr P to make his choice within 90 days otherwise he would be deemed to have consented to the change. Mr P provided his agreement to the transfer later that month.

Mr P got in touch with his relationship manager at Fidelity in February 2025. He explained that he wanted to withdraw some income from his pension savings before the end of the tax year. And he queried why the transfer to the new SIPP hadn't been completed. Fidelity confirmed that the transfer needed to be completed before Mr P could take any income – but the bulk transfer process wasn't scheduled to take place until after the tax year had ended. So it said it would arrange for the transfer to be completed as soon as possible.

It soon became clear that the transfer activities wouldn't be completed before the end of the tax year. As Mr P's pension investments were being moved in-specie Fidelity's normal estimate for the transfer would be 8 to 10 weeks. Fidelity offered Mr P the opportunity to cancel the transfer and await the bulk process – it incorrectly thought at that time that Mr P would be charged a fee for the expedited transfer. But Mr P decided to continue and the transfer was finally completed on 25 April 2025. By then Mr P had already complained to Fidelity about the delays and the incorrect information he'd been given.

Fidelity didn't agree with Mr P's complaint. It said it had been made clear when the account was opened that it wouldn't offer drawdown options. And it didn't think the information Mr P had been sent subsequently meant that drawdown was now available. It said it hadn't set out any timescale for the bulk migration to the new SIPP to be completed. Unhappy with that response Mr P asked us to look at his complaint.

Mr P's complaint has been assessed by one of our investigators. She thought that all the information Mr P had been given made it clear that he could only access drawdown through his original pension plan with the assistance of a financial advisor. And she didn't think the time Fidelity had taken to transfer Mr P's pension savings to the new SIPP had been unreasonable. So the investigator didn't think the complaint should be upheld.

Mr P didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr P and by Fidelity. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words, I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead, this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

As my starting point for deciding this complaint I have looked at the information that was given to Mr P when he first opened this pension plan in 2008. He was required to sign a declaration. As part of that declaration Mr P confirmed that he understood he would not be able to take income drawdown from the SIPP. And he agreed that should he wish to consider that option in the future he understood he would need to appoint an authorised financial advisor.

So I think that Fidelity made it clear to Mr P that some aspects of the pension plan he held would be restricted unless he was taking advice from a financial advisor. I haven't seen anything that makes me think Mr P was later told that those restrictions no longer applied.

I've looked carefully at the information that was sent to Mr P in 2021. That information is required to be sent by the regulator as a consumer is approaching the retirement date they selected on their pension plan – in Mr P's case that was his 55th birthday in February 2022. The information that was sent to Mr P contained details of his individual pension savings. But it also provided some more generic information about ways in which pension benefits could be taken.

I entirely accept that the information sent to Mr P explained that his pension benefits could be taken through a drawdown arrangement. That was a correct interpretation of the pension legislation at that time. But I think that information needed to be read in conjunction with the specific terms of the pension plan, that Mr P had accepted when it was opened, and in particular about the restrictions that applied to consumers without a financial advisor.

But Mr P didn't take any action at that time. It wasn't until more than two years later that he made contact with Fidelity to request some income be paid from his pension plan. I'm not persuaded that his contact at that time was based on an understanding that the information he had received in 2021 had superseded the agreement he made when he first took out the pension plan.

When Mr P asked to take some income via drawdown Fidelity explained that it wouldn't be possible until the transfer to the new SIPP had been completed. So I think it now appropriate to consider whether that transfer should have already been completed by that time.

Fidelity wrote to Mr P in November 2024 to explain it was closing his original pension plan. It gave him 90 days to confirm whether or not he agreed for his pension savings to be transferred to the new SIPP. But I don't think the information that was sent to Mr P gave him any guarantee about when the transfer would be completed – Fidelity simply told Mr P that it would write to him before the transfer took place. It said the earliest that would happen would be once the 90 day period had expired, but didn't say when the latest date would be.

Fidelity has explained that the transfer preparation took longer than it had originally expected. So that is why it told Mr P, when he requested the income drawdown, that the transfer wouldn't now go ahead until the after the start of the new tax year. I appreciate that would have been disappointing for Mr P but I don't think Fidelity failed to meet any promises that had been given to Mr P about any timescales.

I think that Fidelity acted reasonably in offering to expedite the transfer of Mr P's pension plan before the bulk transfer took place so that he could take his drawdown benefits. But as Fidelity explained to Mr P early on in the process that transfer normally takes between 8 and 10 weeks. In my experience that is a normal length of time for this sort of transfer.

Mr P gave his authority to Fidelity to start the transfer process on 15 February and it was received by the firm two days later. His transfer finally completed on 25 April, although all the fund reregistrations were finished a couple of weeks earlier at which time Fidelity told Mr P he could start the income withdrawal process. So, I think the transfer completed within what I would consider to be normal industry timescales.

I appreciate how disappointing it would have been for Mr P that he wasn't able to complete his drawdown withdrawal before the end of the tax year. That will have meant that he lost out on some tax allowances that expired that year. But I don't think that delay was as a result of something that Fidelity did wrong. Mr P didn't have any entitlement to drawdown from his original pension plan without using a financial advisor. And I don't think that restriction was removed by the general information he was sent in 2021. I don't think Fidelity took an unreasonable time to complete the transfer to the new SIPP in 2025.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against FIL Investment Services (UK) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 30 December 2025.

Paul Reilly
Ombudsman