

The complaint

Mrs H complains a delay in her pension transfer from an Intelligent Money (IM) self-invested personal pension (SIPP), which is now administered by Quai Investment Services Limited, to an AJ Bell SIPP. The transfer took from July to December 2024 even though she sent multiple emails and made multiple phone calls.

At the time of her complaint the transfer hadn't fully completed and Quai was holding on to funds amounting to £633.34 for reasons including its residual charges. She says that overall the experience has been worrying and extremely time consuming, preventing her planning her retirement.

What happened

Mrs H says that in July 2024 she sought to transfer her SIPP worth over £900,000 into her existing plan with AJ Bell as she'd chosen to semi-retire. AJ Bell had the functionality she wanted for income drawdown without requiring her to use a financial adviser. At the time, IM was in administration and Quai had acquired its Pension, ISA and GIA business on 28th May. Another firm, Cobens, had been appointed as part of the administration process to assist clients. A summary of the key events follows:

2024

22 July	Mrs H contacted AJ Bell to start the transfer
24 July	AJ Bell sent a paper request for an in specie transfer of the SIPP from IM/Quai (also known as a reregistration of assets)
30 July	Quai emailed AJ Bell that its request was in a queue to be processed
5,13 August	AJ Bell chased Quai by email, asking it to send any discharge paperwork
15 August	Mrs H left a message with Quai and was then advised a manager would call
21 August	She phoned to chase and learned " <i>only 2 temps are manning the phone and would send an email to escalate</i> "
27 August	AJ Bell asked Quai to give a valuation of all assets in its SIPP. Quai responded that there was a backlog and it would process the request as soon as possible, but no specific timescales were available
28 August	After another chase, Mrs H also got a similar email from Quai, saying no updates can be given, and to keep calling or emailing every two weeks
10 September	A repeat of AJ Bell's request and reply of 27 August
13 September	Cobens emailed Mrs H – Quai had received AJ Bell's transfer application form and would also require its own paper discharge form (now supplied). However both AJ Bell and IM use the online transfer system Origo. If AJ Bell was provided with the IM account number, it would be quicker to request electronically. However, " <i>I must make you aware that Intelligent Money have lengthy delays for transfers, they are currently working on 2-3 months which is not ideal, but it is important that you are aware of this</i> "
24 September	AJ Bell asked Quai to give a valuation of all assets in its SIPP (as it still believed it was receiving an in specie transfer)
25 September	Mrs H asked AJ Bell to make a cash transfer via the Origo platform
30 September	AJ Bell requested the funds via Origo
14 October	AJ Bell chased Quai via the Origo platform

18 October	Mrs H emailed Cobens chasing the transfer because she wanted to start drawdown, and was advised to contact Quai directly
21 October	Quai acknowledged a complaint from Mrs H
28 October	AJ Bell chased Quai via the Origo platform
8 November	Quai emailed Mrs H that they were currently working on the transfer out request but the date of birth given by AJ Bell was different
14 November	After amending its record of Mrs H's date of birth (the month was one out), AJ Bell requested the cash transfer from Quai again on Origo
17 November	Quai allocated the cash transfer as a work request
26 November	Mrs H emailed Quai asking where the transfer request had reached, and chased for a response to her complaint
27 November	Quai requested its custodian ('Hubwise') encash Mrs H's funds
29 November	The complaints team confirmed the transfer was in progress
3,5 December	Quai received Mrs H's disinvested funds from Hubwise. It appears she had been in the IM Lifestyle Growth for Income fund
9 December	Mrs H chased the complaints team again
11 December	All funds apart from £247.81 departed from the Quai account, but Mrs H had no confirmation from Quai or AJ Bell of where the money now was. She says she believed her money had gone missing
12 December	Mrs H phoned and emailed Quai about the distress this was causing. AJ Bell had said Origo wasn't updated to confirm the funds were sent, as Quai had told it that it was waiting for the funds to be sent across by 'the trustees'. The Origo status was changed to 'funds sent' later that day
13 December	AJ Bell received £927,117.83 and applied it to Mrs H's account. She used all but £615 of the proceeds to invest between 19 December and 10 January 2025 in Vanguard LifeStrategy 60% Equity, Aviva Investors Mlt-Asst PI V, SVS Cornelian Progressive and Liontrust MA Blended Interm. I note that Mrs H had already sold some other funds in her SIPP to make a drawdown payment.
<u>2025</u>	
1 January	Mrs H referred her complaint to the Financial Ombudsman Service
29 January	She reports that Quai was still holding £536.10 in her SIPP. She was told that £180 of this was being held back for a transfer fee
4 February	Quai gave its final response to the complaint, which said it was refunding the transfer fee and paying £350 for the distress and inconvenience caused
10 February	This compensation was added to the Quai SIPP and Mrs H became concerned whether it amounted to a contribution on her behalf. In any event she considered the total paid was inadequate to resolve her complaint
19 February	Quai was holding £887.08 in Mrs H's SIPP account
21 February	£357.08 of the above, representing some further disinvestment proceeds Quai had received from Hubwise, was transferred out to AJ Bell
24 February	Quai explained to Mrs H that the remaining £530 comprised the distress and inconvenience payment, which it was awaiting bank details to pay to her personally; and the transfer fee, which it would send directly to AJ Bell. It added that further residual funds might arrive from Hubwise and it would send these over to AJ Bell every '6/12 months'

Our Investigator issued his initial view of the complaint on 25 April 2025. He thought that Quai should have taken a maximum of two working days for each 'step' in the transfer, in line with guidelines set out by the Transfers and Re-registrations Industry Group (TRIG)¹ – after first advising Mrs H on 26 July 2024 that it would be quicker to make her transfer via the Origo system.

¹ <https://www.abi.org.uk/globalassets/files/publications/public/its/2018/trig---industry-wide-framework-for-improving-transfers-and-re-registrations---final.pdf>

He therefore added the 11 working days it took AJ Bell to request the Origo transfer (when asked) to 26 July and arrived at a date of 12 August for when AJ Bell would otherwise have made its Origo request. Quai would then have informed AJ Bell/Mrs H of the error with her date of birth on 14 August, and allowing for the same four working days it took AJ Bell to re-request the transfer took the timescale to 20 August. That meant Quai should have paid across Mrs H's transfer on 22 August rather than 11 December 2024.

The Investigator then proposed a method of comparing the notional performance of Mrs H's funds if they had been disinvested from Quai earlier and invested with AJ Bell sooner.

Regarding the distress and inconvenience Mrs H experienced, our Investigator thought the total payment of £530 (including the refunded transfer fee) was fair and reasonable.

However he thought the ex gratia component of £350 should be paid to Mrs H directly rather than added to her SIPP.

Mrs H was broadly satisfied with the view and provided her bank details to Quai to receive the £350 ex gratia payment. But Quai didn't agree with the Investigator, noting that AJ Bell had submitted several requests with incorrect information, and the actual timescale to make the transfer was from 14 November (correct Origo request) to 11 December 2024.

In response Mrs H said that Quai was ignoring its own delays that had occurred before that point. And she felt that her remaining funds were stuck at Quai because she didn't want to pay another transfer-out fee.

Quai then provided its much-delayed file of papers for this complaint on 11 July 2025. They didn't add greatly to the known background, but where relevant I've added entries to the chronology above. Mrs H also informed us that she learned from AJ Bell on 17 September that the remaining £531.18 in her account was transferred to A J Bell – i.e. the £350 component wasn't sent directly to her as the Investigator had requested.

As agreement couldn't be reached, the complaint was passed to me and I issued a provisional decision upholding the complaint on 4 December 2025. This was sent to the same email address at which we were corresponding with Quai as recently as late September 2025. As Mrs H accepted the provisional decision we let Quai know on 11 December and reminded it of the deadline for responding on 18 December. As we haven't received a response from Quai by that date I'll start by setting out that decision again below.

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 specie transfer delay

When transferring a pension or investment, the consumer has a choice of making an in specie or cash transfer. The transfer is usually initiated at the receiving scheme end - following the same convention as when transferring many modern accounts, such as banks or utility providers.

In this case AJ Bell instructed Quai to make an in specie transfer. There is no regulatory or other good practice expectation I'm aware of that would have required Quai to question that instruction, or ask Mrs H or AJ Bell if they wanted to change it to a cash transfer instead. Although more work is typically involved in an in specie transfer, the main advantage of making one is that funds remain invested throughout the transfer process and this reduces

the prospect of investment loss. When set against this I'm not persuaded that the administrative difficulties Quai was facing at the time provided a reason for it to effectively withdraw that option. It was for Mrs H to decide, in conjunction with AJ Bell (and/or a financial adviser although I gather there wasn't one here) which route she wanted to take.

I appreciate it was Cobens, a company affiliated with Quai, who later informed Mrs H that the cash transfer might expedite matters. From what I can see, this was directly in response to her concerns about how long things were taking. In my view that doesn't change how Quai, as with any other provider, should have approached matters at the outset. If Mrs H had continued with an in specie transfer to completion, it would have been easier to look at any delay caused (effectively in terms of delaying her subsequent repurchase of other assets within the AJ Bell SIPP). But it was for her to decide, in light of the developing situation, whether she wanted to change her method of transfer – and that's what Mrs H did.

I've looked at the Investigator's proposed timeline. He referred to the TRIG guidelines, but I think it's important to point out that these are aspirational standards set by a body that isn't a regulator – they aren't rules Quai must follow, but this service would regard them as an example of good industry practice. The FCA provides guidance for re-registrations (which Mrs H's transfer initially was) at COBS 6.1G, and this requires them to happen '*within a reasonable time and in an efficient manner*.' The FCA also sets out high level principles that a firm must conduct its business with due skill, care and diligence; and it must pay due regard to the interests of its customers and treat them fairly. Those would apply to all transfers.

Whilst I've taken all of these into account, I also need to consider the unusual situation Mrs H's SIPP was in at the time she was looking to transfer out. Her existing provider IM had gone into administration. When this happens the FCA will typically act to facilitate the prompt takeover of the administrative side of the business by another regulated entity, to ensure the scheme can continue to operate without jeopardising its HMRC registration and so on.

Whilst I'm not party to what negotiations took place in this case, I think it's fair to say this wasn't a takeover that would have been a long time in the planning where all the resources to administer the forthcoming redemptions would already have been in place at Quai. It was in effect the 'least worst' option where Mrs H would still be able to operate her SIPP, albeit with some foreseeable delays, while IM was being wound up. It was also foreseeable that the changeover from IM to Quai as SIPP operator wouldn't have been to everyone's liking and transfer activity was likely to increase. That doesn't mean Quai would have a carte blanche excuse for poor service, but I do consider it's reasonable to allow at least a few months for it to address the challenges it faced by developing processes, recruit additional staff and so on.

As Quai acquired IM's business on 28th May 2024 and Mrs H requested her transfer on 24 July, I consider it was still somewhat too early to fairly expect 'business as usual' in administering her SIPP. The transfer request at that time contained an error with Mrs H's date of birth which would reasonably have taken longer for Quai to identify than might ordinarily have been the case. Whilst I agree this should still have happened much quicker than the two months which elapsed from 24 July until Mrs H changed the method to a cash transfer on 25 September, it might still have reasonably taken 1-2 weeks.

AJ Bell would then have needed to correct that error and Mrs H would have needed to additionally complete Quai's paper discharge form (as that wasn't provided on 24 July. I say this as I note the Origo printout shows that in specie transfers were out of scope for that system.

The process of Quai exchanging valuations with AJ Bell and identifying which of the assets Mrs H held could be transferred in specie would then have followed. It isn't always possible to transfer every asset in specie. It wouldn't necessarily have been possible for a fund which was branded the IM Lifestyle Growth for Income fund, which reads as if it was marketed in conjunction with the IM SIPP brand only. This illustrates why it is often beneficial for a discussion to take place initially between the member, receiving scheme and any adviser about whether to request an in specie transfer.

It's therefore possible that at some subsequent point, and for reasons unrelated to Quai's administrative delays, the type of transfer would always have changed to cash-only. It isn't possible for me to reliably determine at what point before 25 September (when Mrs H did request a cash transfer) this might have happened. Noting that during this time Mrs H's funds remained invested, in a portfolio that appears to have been designed for producing income (her subsequent requirement when she moved to AJ Bell), I'm not minded to award specific redress for a financial loss during this period. But I will take the excessive delay of two months on Quai's part up to this point into account when deciding what award for distress and inconvenience is appropriate.

Cash transfer delay

Following Mrs H's request for a cash transfer there were again excessive delays, and I consider an award for any financial loss caused during this period would be appropriate. I don't agree with Quai that the incorrect date of birth supplied for Mrs H would still have been an issue by this point – it ought to have come to light during the two months prior to that point if Quai had attended to Mrs H's paperwork in a timelier manner. Equally by this point (late September) I think there is less of an excuse for Quai to have not been able to aim to achieve a transfer in a time of the order of the TRIG timescales.

TRIG sets out that the end-to-end process of a cash transfer ought to be achievable in ten working days, but where other counterparties are involved or there is a more involved sign-off process, a two-working day standard for each step in that process may be more appropriate. I think both of those things apply here because of, firstly the involvement of a third party (Hubwise) as IM's custodian, and secondly the size of the transfer being in excess of £900,000.

Quai learned of the cash transfer request via Origo on 30 September 2024. I think it's reasonable in the circumstances for it to have checked the details on the request and asked Hubwise to sell down Mrs H's funds within five working days – that is by 7 October 2024. In the actual timescale it took Hubwise from 27 November to 5 December to remit all of the funds back to the SIPP – that's six working days. I'm not considering a complaint against Hubwise nor would I consider that time excessive in the circumstances. So I'm going to assume that Quai would have received Mrs H's funds in the SIPP by 15 October 2024. Allowing time for final signoff and the funds to be transferred electronically, I think they would reasonably have been received in the AJ Bell SIPP in another five working days, that is by 22 October 2024.

The funds actually arrived in the AJ Bell SIPP on 13 December and took from between 17 December and 6 January 2025 to be reinvested. Applying the same scale of working days to 22 October 2024 means they would have been reinvested between 28 October and 13 November 2024. I'll set out later in this decision how compensation should be calculated on this basis.

Distress and inconvenience

I agree with Mrs H's point that it would have been frustrating to have been kept waiting by Quai for so long to make an in specie transfer. Ultimately she changed her method of transfer before Quai had apparently made any progress at all with the transfer: it hadn't (until Cobens intervened) sent her the right discharge form or identified that her date of birth was incorrect. Quai suggests in its most recent response to the Investigator that it had identified that the transfer request wasn't valid at this point, but doesn't explain properly why, or show that this was communicated back to Mrs H or AJ Bell. I'm satisfied that the offer of £350 it already made adequately covers this delay, with the exception of the fact it will now be taxed because it was paid into Mrs H's pension – I address that below.

Later on when Quai made the cash transfer, Mrs H describes how distressed she felt when she saw the money had left the Quai account but had not arrived in the AJ Bell account. However I'm bound to take into account that when making any transfer, money may appear to go missing for a short period of time. It appears there have been a mixed message when relayed between Quai and AJ Bell about the need for trustee involvement. Quai could have updated the Origo system sooner, but this wouldn't entirely have overcome the fact that AJ Bell would need to locate the funds to add them to her SIPP and they wouldn't have appeared instantly. I can understand why Mrs H had come to doubt Quai's administrative capability, but on balance I don't consider this event was a significant enough cause of worry to warrant further compensation.

The loss calculation I'm proposing below, when considered in combination with the fact that Quai has refunded the transfer fee, provides a fair basis for compensating Mrs H for any investment loss as a result of Quai delaying the cash transfer.

Quai's handling of the complaint and offer

DISP 2.3.1 contains a link to a list of regulated activities that I may consider complaints about. Whilst the operation of a personal pension scheme is such an activity, the handling of a complaint – insofar as it is separate to the underlying activity that caused the complaint – isn't an activity that I can consider. The courts have made that clear in the case of *Mazarona Properties Ltd v Financial Ombudsman Service [2017] EWHC 1135 (Admin)*.

This extends to the way Quai explained the offer it was making to put the matter right, and the fact that the distress and inconvenience payment was credited to her SIPP rather than being paid to her. I understand why Mrs H became concerned that payments into her SIPP might be treated as a contribution, but my understanding is that the SIPP operator has a wide discretion to make adjustments to the policy value, without causing tax implications in the same way a payment from the member (or a third party such as their adviser), might.

Timescale for paying across residual investment proceeds to the AJ Bell SIPP

Until it decided to waive the transfer fee, Quai was entitled to hold sufficient funds back in the SIPP to meet this cost. It was also under no obligation to remit each small payment of investment proceeds to AJ Bell as soon as it was received, as this would be unreasonably costly and disproportionate to the transfer fee it had intended to charge.

I don't agree with Quai that it can have up to a year to send stray funds to AJ Bell, but I consider several months immediately after the transfer has happened (in order to see if several payments can be combined together) would be reasonable. I think Mrs H's concern that she can't request the funds are sent any sooner without paying another transfer fee is misplaced. Transferring between two SIPP providers where income-producing assets are held on a platform rarely gives a 'clean break': there will be some stray payments. She won't have to pay another transfer fee, but it's reasonable that Quai made its own judgement at that time about when to pass on further funds immediately after the transfer had happened.

It's not clear if any further proceeds are now likely to be received, but as it's a considerable time after the transfer it's reasonable to expect any future payments to be sent across to AJ Bell without delay.

As I mentioned above, Mrs H has accepted this decision. As I haven't heard anything further from Quai and I'm satisfied that the findings I reached above represent a fair and reasonable settlement to the dispute, I haven't revised those findings in this Final Decision.

Putting things right

In order to rectify the delay in Mrs H's cash transfer, my aim is to put her in the position where her assets on the Hubwise platform were requested to be sold on 7 October 2024, arrived in the Quai SIPP on 15 October 2024, sent to AJ Bell by 22 October 2024, and reinvested between 28 October and 13 November 2024. Redress must be calculated as follows:

1. Quai should determine from unit prices the value that would have been realised in its SIPP on 15 October 2024 according to the above timeline.
2. Quai should ask AJ Bell to provide **actual** values for what the component transferred into Mrs H's SIPP from Quai was worth on the following dates. (These values should include the £615 from the transfer that wasn't invested):
 - a) 10 January 2025 (the date the final tranche was actually reinvested).
 - b) The date of this Final Decision.
3. Quai should then ask AJ Bell to provide the **notional** value for what the transfer value in (1) would have been worth on 10 January 2025 if it had been invested in the following split and on the following days:

0.07%	remained in cash
33.33%	invested in Vanguard LifeStrategy 60% Equity A Acc on 28/10/2024
33.33%	invested in Aviva Investors Mlt-Asst PI V 2 GBP Acc on 29/10/2024
5.88%	invested in Vanguard LifeStrategy 60% Equity A Acc on 11/11/2024
5.82%	invested in Aviva Investors Mlt-Asst PI V 2 GBP Acc on 12/11/2024
10.79%	invested in SVS Cornelian Progressive D Acc on 13/11/2024
10.79%	invested in Liontrust MA Blended Interim S Acc on 14/11/2024

4. If AJ Bell is unable to calculate these notional and actual values in full, I expect AJ Bell to be able to provide unit prices on the necessary dates. Mrs H is entitled to this information from AJ Bell and it is also commonly published on a SIPP provider's or other third-party websites. I don't consider the Benchmark index specified by the Investigator as an alternative will result in a fair method of calculating if there is any loss, when the funds Mrs H would have invested in at Quai and AJ Bell are all known.
5. The loss Mrs H has suffered as at 10 January 2025 is determined from (3) – (2a). If the answer is negative then there is a gain and no redress is payable.
6. Any loss Mrs H has suffered in step 5 should be updated to the date of my Final Decision by multiplying it by the factor (2b / 2a).

I'd like to clarify that if Mrs H accepts this Final Decision and Quai fails to provide the values for its policy needed in the calculation above, these may be based on published unit prices of the Quai funds in the event that this Final Decision is referred for enforcement.

The £350 for distress and inconvenience which Quai has already paid across to Mrs H's AJ Bell SIPP will produce a tax-free component of 25% followed by 75% taxable at Mrs H's marginal rate. Mrs H hasn't disputed my assumption that she will pay basic rate tax on her pension income, resulting in a composite tax rate of 15%. That means Mrs H will lose £52.50 of the payment as a result of Quai paying it to her SIPP, when it originally proposed (and our Investigator agreed) that it should be paid to her in cash.

Quai must therefore pay Mrs H an additional £52.50 as at the date of my Final Decision.

My final decision

I uphold Mrs H's complaint and require Quai Investment Services Limited to calculate and pay her compensation as set out in the 'Putting things right' section above.

If any of the amounts resulting from the steps above are not in full by a deadline that is 28 days after Quai receives Mrs H's acceptance of my Final Decision, any outstanding amount will attract interest at the rate of 8% per year simple from that deadline date to the eventual date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 16 January 2026.

Gideon Moore
Ombudsman