

## The complaint

Ms B complains that AJ Bell Management Limited (AJ Bell) provided incorrect information in relation to her pension contribution resulting in it being applied to the incorrect tax year. She states that she is likely to pay additional tax unnecessarily as a result of this.

## What happened

On 5 April 2025, Ms B decided to make a pension contribution to an AJ Bell Pension in order for it to be applied to the 2024/25 tax year.

Ms B was a member of a Defined Benefit ('DB') pension scheme with her employer, however due to changing work patterns over the previous years, she believed that she had an element of unused annual allowance from previous tax years, meaning that she would be able to use this headroom to make an additional pension contribution within the 2024/25 tax year. Ms B says she waited as long as possible to receive information from the DB scheme to confirm the exact amount of the unused allowance available to her, however as this had not been received, Ms B submitted an application shortly before midnight on 5 April 2025, and submitted her pension contribution of £49,000 in the early hours of 6 April 2025. Immediately after this, the screen that appeared to Ms B showed that the contribution had been applied to the 2024/25 tax year. A welcome pack was issued to Ms B in order for her to confirm the application and to review the information and declaration.

Ms B next logged into her account on 24 June 2025 and on a number of other dates during July 2025.

On 28 July 2025 Ms B complained to AJ Bell. She stated that she had just discovered that her SIPP contribution had been applied to the following tax year (of 2025/26), rather than the previous tax year. AJ Bell provided their response on 22 August 2025. They agreed that the website had shown the incorrect year for the contribution at the time the payment was made, however this had subsequently been corrected.

Ms B was not satisfied with this response, and forwarded her complaint to this service. As part of their correspondence with this service, and in order to attempt to settle the complaint pro-actively, AJ Bell offered a distress and inconvenience payment of £250 to Ms B. Ms B did not accept this, requesting instead that a genuine error claim be submitted to HMRC. AJ Bell confirmed that they were not able to do this due to the circumstances of the contribution having been made, and their view that this did not constitute a genuine error.

On 8 January 2026, our investigator provided her view. Having carried out an investigation, she concluded that AJ Bell's offer of £250 was fair. She considered the information provided to Ms B and although she agreed that AJ Bell's system had provided an incorrect notification that the contribution had been made in the 2024/25 tax year, she pointed out that it was Ms B's responsibility to check the contribution by logging into the account as prompted by the email sent to her immediately after the account was set up. The investigator stated that although she agreed that an error had occurred, it was not an inadvertent administrative error that caused the payment itself and therefore she did not believe it fell within the scope of a "genuine error" and therefore a claim in respect of this was not possible.

Ms B provided further information, including advising the investigator that she had consulted with a pensions lawyer who thought there may be grounds for a genuine error claim to be made to HMRC and asked the investigator to ask AJ Bell whether they would reconsider their approach.

AJ Bell were not in agreement that Ms B's situation was such that a genuine error claim would be likely to be successful therefore they were not willing to move forward with this. Because Ms B remained dissatisfied, the complaint has been forwarded to me for a final decision to be made.

### **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 am in agreement with the investigator's view that although AJ Bell's system error temporarily showed an incorrect payment year, this did not cause Ms B's contribution to be made in the tax year following that which she intended, and did not prevent her from exercising the cooling off period to cancel if she wished to do so.

I have summarised this complaint in far less detail than Ms B has done and I've done so using my own words. I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this; our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. Instead, I will focus on what I find to be the key issue here – whether AJ Bell's errors resulted in Ms B's contribution being applied to the incorrect tax year and prevented her correcting the error within the cooling off period.

AJ Bell have provided date and time stamped evidence showing that Ms B's SIPP was set up at 23.59 on 5 April 2025, with the £49,000 contribution itself being made at 12.10am on 6 April 2025. Ms B has provided a screen shot confirming the contribution which corresponds with this timeline.

Immediately after the contribution was made online, the information provided to Ms B showed that the contribution had been made in the 2024/25 tax year, despite the fact that this was not the case. AJ Bell have explained the reason for this, and the circumstances that led to the computer showing the incorrect tax year, which automatically corrected itself at 1am on 6 April 2025. Therefore, the online documentation available to Ms B showed the correct tax year that the contribution had been applied to, 2025/26, from 1am on 6 April 2025.

Ms B has stated that if she had known that the payment had in fact been in the 2025/26 tax year she would have exercised her rights to cancel the policy within the initial 30 day cooling off period and the £49,000 contribution would have been returned to her.

However, Ms B states that she was not aware of the change of tax year until after the 30 day cooling off period had expired and therefore she was unable to take advantage of this. She states that the reason that she had not invested the contribution was that she was of the understanding that if the contribution was invested, she would not be able to cancel under the cooling off period.

I have considered whether it is reasonable that Ms B was unable to use the cooling off period to reverse the contribution that she had made after the tax year deadline had passed. I am not persuaded that AJ Bell's error was material to Ms B's inability to use the cooling-off period. It is reasonable to conclude that Ms B could initially have relied on the information shown on the website at the point the contribution was made. However, AJ Bell also sent Ms B an email prompting her to log in, review the application, and raise any errors. I have not been provided with evidence that Ms B acted on this prompt. AJ Bell state that Ms B did not log into the account until 24 June 2025.

Given that Ms B had physically made the contribution in the new tax year (at 12:10am on 6 April 2025) and after the 2024/25 tax year had already passed, it seems to me that that if she was then presented with information which was not in line with this, or if she was in any way uncertain about the contribution that it would be reasonable for her to have logged into the system sooner than the end of June 2025 to check the contribution status, or to raise the issue earlier than 28 July 2025.

I have considered what would have been reasonable if Ms B was certain that the contribution had been submitted within the tax year she anticipated, rather than having any doubts. In this situation, I would also have expected her to log in sooner than she did. The reason that I say this is because in her submissions to this service, Ms B has stated that she deliberately did not invest the contribution because she believed that investment would prevent her from cancelling during the cooling-off period. In these circumstances, even if Ms B believed the contribution had been made within the 2024/25 tax year, it would have been reasonable to expect her to log into the account to either invest the funds or confirm their status. She did not do so until several months later, after the cooling-off period had expired.

Ms B has requested a number of times that the contribution is unwound using HMRC's "genuine error" provision. This provision recognises that in the day to day running of pension schemes, mistakes could occur and the "genuine error" provisions make allowances for errors resulting in contributions being made where there was no real intent for the payment to be made.

It is important to be clear here that there is no legislation or set of rules that determine exactly what is and what is not considered to be a genuine error. However, the HMRC pension tax manual states that the facts and circumstances of a payment will determine whether or not the error resulting in that payment can be said to be a truly genuine error. It states that typically these will be payments made as a result of an inadvertent administrative failure, or because of circumstances that were beyond the control of the registered pension scheme making the payment or beyond the control of the person making an inadvertent payment to the scheme.

The examples provided within the tax manual include situations such as inadvertently mis-keying a number, or an incorrect date of a payment being made by a scheme to a pension member. Another example cited is where a new employer automatically deducts a contribution from a new employee's first salary payment, but the employee had no intention of joining the pension scheme.

Examples are also provided where genuine errors that have occurred were known at the time that they were known to be unauthorised when made. It states that despite a being a genuine error, if the payment is still made, it would be an unauthorised payment.

It is clear from the guidance that in order to be considered a genuine error, there must have been no intention for Ms B to have made a payment at all. I have considered whether it is possible that Ms B's contribution fits into this category and I am not satisfied that it does. Ms B clearly intended to make a contribution, albeit that she wanted to make the payment within

the 2024/25 tax year. Therefore the contribution itself cannot be considered to have been an error.

Therefore, whilst it is not in any dispute that Ms B wanted her contribution to be submitted to AJ Bell within the 2024/25 tax year in order to make use of previously unused allowances but it did not go through until the following tax year, the payment itself was not an error – Ms B clearly intended to make the contribution.

Within Ms B's correspondence to this service she states that she has spoken to a pensions specialist lawyer who feels it is likely that Ms B's contribution could be refunded as a genuine error payment, subject to seeing the full documentation, and asked whether AJ Bell would accept this and potentially reimburse the costs. AJ Bell have stated they would not accept this, and stated that although they acknowledge that a pensions solicitor may provide an opinion based on their interpretation of the guidance, such an opinion would not be binding on HMRC. AJ Bell have confirmed that as a scheme administrator, they are best placed to assess the facts and circumstances, and are satisfied with their interpretation of HMRC guidance. I have considered whether this is reasonable and am satisfied that it is. As explained to Ms B, the application of the genuine error exception is based on guidance, and does not typically cover issues such as that experienced by Ms B when there was a clear intention to make a pension contribution, albeit in the earlier tax year.

There is no doubt that AJ Bell made an error in advising Ms B that her pension contribution had been made in the 2024/25 tax year. AJ Bell have acknowledged this and offered Ms B £250 to recognise the distress and inconvenience caused. Therefore, in coming to my decision, I have considered whether AJ Bell's error directly resulted in Ms B's pension contribution being allocated to the 2025/26 tax year and Ms B potentially incurring additional tax.

Given that Ms B did not commence the application for her SIPP until shortly before midnight on 5 April 2025, (the deadline for contributions to be made for the 2024/25 tax year), and made the contribution itself after the deadline had passed, I am of the opinion that it is reasonable to conclude that Ms B should have been aware that there was a significant likelihood that her contribution would not be made before the deadline. I understand Ms B's comments relating to working a long shift and being unable to make the time to deal with her pension contribution earlier in the day, however 5 April 2025 was a deadline that Ms B would have been aware of prior to this date. It is clear from Ms B's correspondence that she has at least a reasonable understanding of pension contributions and timescales for making contributions.

Given the risk that Ms B knew she was taking in starting to make her application so close to the deadline, and making the contribution itself after the deadline had already passed, I think that regardless of the message provided to Ms B by the website, she would have been aware that it was more likely than not that the contribution would not have been made in time. Although the website confirmation indicated that the contribution had been made within the 2024/25 tax year as Ms B had wanted, given this mismatch of information, I would have expected Ms B to check the contribution had been applied in the way she had desired sooner than July 2025. AJ Bell sent a welcome email to Ms B confirming the contribution and asking her to log in and review the information and declaration. Ms B did not do this. Had she done so, she would have been able to identify immediately that the contribution date had been corrected and taken appropriate steps to cancel within the cooling off period if she wished to do so.

Ms B states that she had been waiting for her DB scheme to provide details of previous years' allowances used before making the contribution. This information was provided on 7

April 2025, however there is no evidence that on receipt of this, Ms B revisited the contribution that she had made to the AJ Bell pension.

Ms B first stated to AJ Bell that she had “just discovered” that her SIPP contribution was applied to the following tax year on 28 July 2025, however AJ Bell have provided evidence that Ms B logged on to the account on 24 June 2025 and a number of times during July. AJ Bell have confirmed that the date of the contribution had been corrected at 1am on 6 April 2025, therefore the contribution would have been showing correctly on 24 July 2025 and the subsequent times that Ms B accessed the system. Given the importance Ms B attached to the date of the contribution, it would have been reasonable to expect her to raise the issue prior to 28 July 2025.

Within her correspondence to this service, Ms B has stated *“I appreciate that if they [AJ Bell] didn't receive it [the contribution] until 25/6 for whatever reason – IT/admin or otherwise, they can't apply it to 24/5.”* AJ Bell have confirmed that they didn't receive the contribution until the 2025/26 tax year due to it being paid after the deadline for the 2024/25 tax year had passed. The error that was made does not relate to the contribution itself rather an incorrect notification. Had the website notification not been incorrect this would not have changed the fact that the contribution was made too late to be able to be allocated to the tax year that Ms B wanted.

Ms B chose to begin the pension set up and funding process on 5 April 2025, the day before the tax-year end deadline. And, the final day for contributions, 5 April 2025, fell on a Saturday and transfers between banks to platform providers are not always instantaneous, particularly over the weekends when processing times can be slower or systems may not operate in the same way as on a business day. While many consumers understandably assume that electronic transfers occur immediately, there's always a degree of risk when leaving a time-critical transaction until the last moment. In this case, the problem arose because Ms B didn't initiate the payment before the deadline and that, in my opinion, is a foreseeable consequence of initiating the process so close to the cut-off date. But, that's not AJ Bell's fault.

### **Putting things right**

In conclusion, I am satisfied that the website error did not cause Ms B's contribution to be misapplied. Although I uphold Ms B's complaint in relation to the incorrect information provided temporarily at the time the contribution was made and request AJ Bell to honour the £250 payment offered to her, I will not be asking them to do anything further

### **My final decision**

For the reasons given above I uphold Ms B's complaint against AJ Bell Management Limited and they should pay Ms B £250 as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 6 May 2026.

Joanne Molloy  
**Ombudsman**