DRN-6157686

Financial Ombudsman Service

The complaint

Mr P has submitted several complaints, on behalf of Mrs P, about the administration of her self-invested personal pension (SIPP) by Embark Services Limited, trading as Embark Pensions (Embark).

What happened

Mrs P initially established her SIPP so she and her husband could buy their business premises with their pension funds.

Mrs P's SIPP sold the property in March 2024 and she intended to transfer her pension to another provider, but there have been issues resulting from this, and Mrs P raised complaints about the following:

- Embark didn't give solicitors the correct bank details, delaying the receipt of the proceeds of the property sale.
- An invoice for repairs to the property wasn't paid, then when it was chased, it was paid twice.
- Embark continued to take servicing fees despite poor service and being notified that Mrs P intended to transfer.

Mr and Mrs P agreed compensation for these complaints and has said they were happy with the resolutions agreed. But Mr P has since raised further complaints on Mrs P's behalf, as follows:

- A £930 charge for non-traditional investments after the sale of the property.
- The time taken to transfer once the request was made, resulting in investment losses.

Embark said that Abrdn caused delays from January to May 2025, but it also agreed that it had itself caused further delays after it received the funds from Abrdn, and has offered compensation in respect of this.

Mr P has said that the protracted resolution of the above complaints delayed Mrs P from transferring her pension funds. As the proceeds from the sale of the property were left in cash, Mr P considers that Embark should compensate Mrs P as if the funds had been invested for the period in question.

In response, Embark said that it provided an execution-only service and it wouldn't be for it to have made a decision about where the funds would be held. So, it didn't think that it should compensate Mrs P for the lack of growth on the funds that were held in cash.

Having considered the matter, our investigator didn't think that Embark needed to take any further action, saying the following in summary:

- Mr P's position was that Embark should compensate Mrs P for the period from the sale of the property in March 2024 until she requested the transfer of the pension. The funds were in cash through this period and Mr P considered that Embark should apply the same rate of growth Mrs P achieved on the funds that were invested through Abrdn at the same time.

- Embark had said that it wasn't a firm of advisers, and so it would never have made a decision on where Mrs P's funds should be invested. She had a self-invested pension, so it was for her, with or without the recommendation of a financial adviser, to decide how her funds should be invested. The investigator agreed with this position on the investment of funds, noting that, after the sale of the property, Embark made Mrs P aware that the funds were still in cash and would only be invested on her own instructions. It was therefore Mrs P's decision to retain the funds in cash.

- The investigator appreciated that Mr and Mrs P had made separate complaints against Embark, but there was nothing about an ongoing complaint which would prevent a transfer from taking place. And the available evidence didn't suggest that Embark had told Mr and Mrs P that this was the case.

- However, Mr P had provided documentation showing that the transfer was blocked because Embark told Fidelity, the receiving scheme, that there was property held within the SIPP when she requested a transfer in January 2025. On 17 January 2025, Fidelity emailed Mr and Mrs P saying *"I am writing to you as your current provider has again rejected the request stating that you hold a property in your SIPP, and you need to contact them if this is to be sold down and funds need to be transferred out."*

- Embark also charged Mr and Mrs P a non-traditional investment fee in September 2024, six months after the sale of the property. An Embark representative wrote to Mr and Mrs P on 4 October 2024 to confirm that this would be resolved and that they would be on the correct fee tariff.

- These events suggested that Embark's system had incorrectly recorded that the SIPP still held the property.

- In terms of putting things right, the investigator said that, if the £930 fee for still holding property hadn't already been refunded or cancelled, Embark should do so. Embark should also carry out its loss assessment as if the transfer had been actioned under the transfer request made on 6 January 2025 - an additional 16 days to what it had already accepted.

There then followed further correspondence between the investigator and the parties, in which it was established that Embark would accept the investigator's recommendation, and it also confirmed that Abrdn was a separate entity for whose actions it took no responsibility.

Mr P (on both his and Mrs P's behalf) said the following:

- With regard to Abrdn not being an agent of Embark, Embark was nevertheless responsible for ensuring that the investments were sold and the monies remitted to it in cash. It didn't inform him and his wife that there was any delay or why this was the case. It was queried as to how they could complain about Abrdn when they didn't instruct them, and evidence was requested that Embark chased Abrdn.

- As Embark was acting as their agent, it should be complaining about Abrdn, as it was responsible in ensuring that they received the correct amount for the investments.

- With regard to whether they could have invested the monies themselves, this wasn't possible. They would have needed to ask Embark to transfer the monies to another company and arrange the investment for them. They weren't willing to do this as they couldn't trust Embark, having more than six complaints about its service.

- Having spoken to Abrdn, it said it received an email from Embark on the 31 January 2025 referencing the closure of the account. As it was a trust, Abrdn said it needed confirmation of this in writing, but Embark didn't send this. On 7 April 2025, Abrdn received a letter requesting the account closure and enclosed a copy of the letter it sent requesting the closure dated 5 February 2025. It didn't therefore appear that Embark was at all proactive in pursuing the surrender and closure of the account.

Mr P then submitted a further response to the investigator's assessment, as follows:

- He and Mrs P informed Embark that they were going to transfer all their pension funds as soon as the complaints were resolved. This was reflected in the telephone conversations he was having with Embark's complaint handler. He put the fact that they were transferring in writing in the email to Embark dated 31 October 2024 as he was aware that he had no proof of this otherwise.

- The reason they were transferring was two-fold: all the mistakes Embark was making made them conclude that they couldn't trust them to carry out their instructions correctly; and they would have two lots of charges if they left pension funds with Embark – Embark's charges and the charges of the investment company e.g. Standard Life, when they could just transfer the funds to Standard Life and have only that set of charges.

- If they had invested money whilst waiting for Embark to resolve the complaints they would then have to surrender those investments when they came to transfer, and it wasn't wise to invest in equities for the short term. If Embark had not made so many mistakes at the beginning and then continued to make more mistakes and had resolved the mistakes in a timely manner, the transfer would have gone through a lot earlier.

- With reference to the loss of the investment because of the delay in selling the funds, Mr P referred the investigator to the various emails it had sent to Embark and its replies.

- These evidenced that they sent the request to sell on the 6 January 2025 on the appropriate form, and on the 22 January 2025 Embark said that it couldn't sell because there was property in the pension fund and it didn't want him and Mrs P to be out of the market. They replied on the 22 January 2025, telling Embark that there was no property and it was not up to it to decide to delay the transfer.

- On the 5 February 2025, they received Embark's email telling them to be aware of pension transfer scams and on the 23 February 2025 they chased Embark, saying that it still hadn't done anything and that the funds had decreased in value.

- Embark replied on the 1 March 2025, telling them that it had requested the encashment on the 31 January 2025 by email and by post on the 5 February 2025, and that it would chase Abrdn regularly. On the 4 April 2025, Embark emailed Mr and Mrs P to say it didn't understand how Abrdn could reply to it on the 4 February 2025, as Embark didn't write to Abrdn until the 5th February. This demonstrated how bad Embark's systems were, as Embark had already said it emailed Abrdn on the 31 January 2025.

- In the same email, Embark said that it chased Abrdn on 1 April 2025, a month after it had said it would chase Abrdn regularly. In Mr and Mrs P's reply, they pointed out to Embark that the instruction was given on 6 January 2025, that the funds had dropped considerably, and asked what it was going to do about it.

- As notified on 23 February 2025, Mr and Mrs P held Embark responsible for the loss up to that date because of its delays. If it still hadn't received the encashed the funds, it should have contacted Abrdn to find out what was going on. Had it done so, it would have learned that Abrdn hadn't received the letter. If it was chasing on a regular basis as it said it would, it would have discovered this. The letter was sent on 4 February 20205, but there was no chasing up, even with the receipt of Mr P's email on the 23 February 2025. Had it chased regularly, it would have been told by Abrdn that it hadn't received the letter. The market dropped dramatically in the week commencing the 11 March 2025, and this could have been avoided if Embark had done what it said it was going to do.

- Embark was therefore responsible for the loss on the investment. When Mr P informed it by email on 23 February 2025 that the funds still hadn't been encashed and he was holding it responsible for the loss he'd incurred up to then, he would have thought that somebody would have picked this up and contacted Abrdn to find out why. It would then have found out that Abrdn didn't have the written instruction and this could then have been resolved immediately and the funds encashed before the big drop in the middle of March.

- The value of the funds in Mr and Mrs P's accounts on 31 January 2025 was £158,666 and £63,594, and this value should be used for a loss calculation as this gave Embark one day to raise the paperwork, a day to send the funds, a day for Abrdn to act on it, and a day for the surrender. The funds received were only £145,603 and £58,347. Therefore, they were owed compensation of £13,063 and £5,247.

- All of their emails had read receipts on them to let them know when they'd been received and read and all of the emails they sent to Embark were read. This demonstrated that Embark wasn't chasing the transfer regularly as it didn't receive the notification that the letter hadn't been received until 1 April 2025, after Mr P emailed Embark on 23 March 2025 telling it that Abrdn hadn't received anything from it.

- The compensation it was offering i.e. interest not received as it had delayed sending the funds over, should be at the rate of 3%, not 2.95%, as it was SIPP monies as per the letter in which it upheld the complaint dated 3 June 2025. This interest should be

payable from at least 1 March 2025 as this would be the time the funds were received from Abrdn and then Embark could have sent the funds to Fidelity by that date. The interest also ought to be on the higher amount that would have been received, had Embark been chasing the surrender, as it had said it would.

- When Mr P had worked in financial services, it was company policy that any surrender requests had to be dealt with on the same day and confirmation received that it had been received. There was sufficient proof of emails sent that Embark did not chase Abrdn, contrary to what it had said.

- Embark hadn't cancelled the three bank accounts running for the SIPP, one of which was the property account, and then one for each of Mr and Mrs P. As could be seen from the emails, £30 was charged for the property bank account on 18 October 2025. This account should have been wound up 19 months ago after the property was sold. They had complained about this, but Embark said that it couldn't look into this as it was part of the ongoing complaint.

- They therefore wanted all the fees they'd incurred from April 2024 refunded as Embark hadn't earned them or had charged them incorrectly. They also sought compensation for Embark's mistakes and overall compensation for the number of mistakes and the delays they'd suffered.

In response, the investigator said the following:

- He didn't think that he could hold Embark responsible for the investment loss due to Mr and Mrs P 's funds being held in cash. The funds were available to be invested or to be transferred and didn't need the resolution of the complaints for this to happen.

- He'd upheld the point about the transfer delay, saying that the transfer request from 6 January 2025 should have gone through, but it appeared that Embark failed to change its system to confirm that the property had been sold. However, he maintained that the majority of the delay was due to Abrdn.

- But he acknowledged what Mr P had said in his email of 15 January 2026 and had asked Embark for further comment on Mr P's assertion that it hadn't chased Abrdn as it said it would.

The investigator informed both parties that the matter would be referred to an ombudsman for review.

Embark didn't respond further. Mr P did, however, saying that it had been clearly demonstrated that Embark didn't follow through on its assurance that it would chase Abrdn for the surrender of the investments.

I issued a provisional decision on the matter on 6 February 2026, in which I set out my assessment of the case. The following is an extract from that decision.

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

And having done so, whilst I broadly agree with the investigator on the matter of Mrs P retaining the proceeds of the property sale in cash pending the resolution of the previous complaints, I have some sympathy with the position set out by Mr P (on Mrs P's behalf) in relation to the initial disinvestment of funds from Abrdn.

To explain, and firstly with regard to the funds retained in cash, I think it was very much up to Mr and Mrs P as to whether they retained the funds in cash, and indeed transferred, pending the resolution of the previous complaints. They may not have known when the complaints would be resolved, but if they were concerned about being "out of the market" for a period of time, then it was open to them to invest (or transfer and reinvest) accordingly. And as far as I can tell, the proceeds of the transfer when it did later happen were held in cash with Fidelity, and so there didn't in any case seem to be a loss of investment opportunity other than by way of interest, had the resolution of the complaints, and consequently the transfer, happened sooner.

Turning then to the matter of the transfer, I think it would be difficult to lay the blame with Abrdn for not having surrendered the investments in a timely fashion if it didn't receive the requested confirmation in writing. And I think Mr P has a point when saying that Embark should have chased this, and even if it hadn't provided the assurance that it would do so (which it did), I think this ought reasonably to have been the case,

The initial request to surrender was submitted on 6 January 2025. This was then initially thwarted by Embark incorrectly informing Fidelity that the SIPP held property, and so the delay caused by this should be factored into a loss calculation.

The next period of delay is that in which Embark ought to have been chasing Abrdn for confirmation that the funds had been disinvested. I think it's reasonable that, following Abrdn's request for the disinvestment instruction to be sent in writing and it sending the letter, Embark should have chased within five working days if no further contact had been made by Abrdn relating to the instruction.

And so, following the initial contact from Fidelity to Embark, my view is that Embark should have acted upon this within two working days. Embark also contacted Mr and Mrs P with the "scam" information and Mr P confirmed on their behalf that it wasn't a scam on the same day, but this appears to have happened concurrently with the transfer process, so this wouldn't have added time to it. Abrdn would then have emailed requested the instruction in writing (rather than email) in the time it actually took to do so, and Embark would then have sent the requested letter.

Abrdn said that it didn't receive this and, as set out above, Embark should have chased this five working days later. Abrdn would then have confirmed that it hadn't received the instruction. And then, due to the delays already incurred, my view is that Embark should then have re-issued the instruction within two working days. The process for disinvestment would then have followed the path it did, with the same number of days for disinvestment as it actually took for Abrdn to achieve this.

Once those funds had been disinvested, Embark should then have transferred the cash funds to Fidelity within two working days. And from this point on, the funds would have been earning the interest they then did within Fidelity.

And so my current view of what should have happened is as follows:

6 January 2025 – Transfer request is made

8 January 2025 – Embark emails Abrdn to request the disinvestment of the pension funds.

10 January 2025 – After being informed by Abrdn that it needs a letter, Embark sends this to Abrdn.

17 January 2025 – Having received no reply from Abrdn, Embark chases Abrdn. It's

informed that the letter wasn't received. And it sends a further letter the same day.

20 January 2025 - Abrdn receives the letter and begins the process of disinvestment. This will be the actual timeframe it took for this to complete (which can be confirmed by Abrdn).

Two days after the funds have been converted to cash – Embark transfers the funds to Fidelity, where Mrs P begins to earn interest at Fidelity's rate.

As with the investigator, Embark should also ensure that it hasn't charged the fee for holding property. If this reduced the amount which was transferred to Fidelity, it should be added back in to the amount which would have been transferred according to the above timeline. It should also ensure that the £30 which has been taken from the property account is refunded.

I've noted what Mr P has said about a refund of the fees which had been charged after April 2024, and I understand the point being made. Mr and Mrs P didn't receive the level of customer service to which they were entitled, but this decision aims to put that right in terms of any consequential financial loss, and Embark did undertake administration of the policy (albeit not to the standard to which Mr and Mrs P were entitled). Further, the poor customer service and the impact that this will have had on Mrs P can be addressed in a different way, as set out below.

Putting things right

Embark Services Limited, trading as Embark Pensions, should determine the notional value of Mrs P's pension policy with Fidelity, as at the date of any final decision along these lines, had it been transferred according to the above timeline, and then received the same return as would have been obtained within Fidelity. This should include any amount which was incorrectly overcharged for Mrs P holding property as set out above.

If that notional value is higher than the actual value of Mrs P's pension funds with Fidelity at the same date, then Mrs P has suffered a loss for which she should be compensated.

Embark Services Limited, trading as Embark Pensions, should in the first instance make a payment to Mrs P's Fidelity policy so that it has the notional value as determined above, taking account of any charges for doing so and any unused tax relief.

If that isn't possible, or would conflict with any existing protections, then a payment should be made for the loss amount directly to Mrs P. Assuming that Mrs P will be a basic rate tax payer in retirement, income tax should be notionally deducted from the payment (allowing for tax free cash) – so a deduction of 15%.

Embark Services Limited, trading as Embark Pensions, should also ensure that Mrs P hasn't been charged any fees after the point at which she would notionally have transferred her funds (according to the timeline above).

As referenced above, Mrs P hasn't received the level of service to which she's been entitled, and I think this will have caused her not inconsiderable distress and inconvenience in trying to resolve matters. As such, and taking into account the awards this service might typically make in similar situations, I think Embark Services Limited, trading as Embark Pensions, should pay Mrs P £300."

Embark responded to say that it accepted my findings. Mr P responded as follows on his and Mrs P's behalf:

- I had said that Embark informed him that the funds held in cash would only be invested on his instructions. But it didn't do so at any time. He and his wife did, however, understand that Embark couldn't invest the monies on their behalf and didn't offer fund management. To invest the monies they would have had to either invest with Abrdn or transfer the pension to Fidelity. They were trying to get to a position where they knew what their pension funds were worth and the complaint and the incorrect charges were making this very difficult.

- If they invested the funds with Abrdn, it was queried as to how they could trust Embark to get it right and what extra charges it would come up with. If they transferred the pension fund to Fidelity, it was felt that Embark would just let their complaints slide until they just gave up. It was the length of time Embark was taking to resolve the complaints that was the delaying factor. They were just not responded to correctly, or not at all. He and Mrs P couldn't make a decision either way until they could see and know what they were dealing with.

- It was very frustrating. He and Mrs P had access to the performance figures of the portfolio they used for their investments and if they had invested the monies on 1 April 2024 until the 6 January 2025, they would have had a return of 3.99%. The monies transferred were £607,027 and £473,946 for his and Mrs P's pensions respectively.

- Therefore they missed out on gains of £24,220 and £18,910. They could take some of the responsibility for this as they should have been more decisive, but not all of the responsibility as Embark had put them in a frustrating position where they didn't know what was going on. They would therefore accept half of the responsibility and ask Embark to compensate them for half of the loss.

- The funds, once transferred to Fidelity, were invested in a medium risk portfolio managed by their financial advisers. This happened in October 2025 after they gave up trying to find out why the monies sent and received by Fidelity on 22 May 2025 were so low. They also didn't receive any detail of the transaction by Embark or any detail as to how the split of the monies had been made between him and his wife. They still hadn't received any report of the transaction.

- It was queried as to whether I was proposing that the date the funds should have been converted to cash was 20 January 2025 and whether this was the date from which Embark should pay him and Mrs P interest. It was assumed that my dates of 17 January 2025 and 20 January 2025 were hypothetical as there was no mention of a second letter being sent until the 4 April 2025.

- He and Mrs P still had access to the Abrdn fund and could determine the actual value of the policies as at the 20 January 2025, these being £157,388.78 and £63,062.49 for him and Mrs P respectively.

- The length of time it had taken Embark to answer the complaints and to not answer some of them deserved compensation of more than £300 each, and this should be more akin to £1,000 each, bearing in mind it was now more than two years since all of this started.

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've carefully noted what Mr P has said in response to my provisional decision, but I'm sorry to say that my view on the matter remains unchanged.

To first address the matter of the funds which remained uninvested after the property sale, I accept that it's Mr P's position that he and Mrs P weren't informed by Embark that the proceeds wouldn't be invested without their further instruction, but I note that in any case Mr P has acknowledged that he was aware that this would be the case. I also note what Mr P has said about the uncertainty around the situation at the time, but I can't see that this would have reasonably prevented him or Mrs P from reinvesting the funds which they knew were in the pension plan, pending a resolution of the complaints and/or a transfer of the funds to Fidelity.

I've further noted what Mr P has said about the responsibility of any investment loss being halved between him and Embark, but I don't think it would be fair or reasonable to hold Embark responsible for investment decisions which Mr and Mrs P made at the time. Nor do I think I could reasonably conclude that it was more likely that not that Mr and Mrs P weren't in fact prepared for the pensions to remain in cash at that time, in the same way that they appeared to have then been prepared for them to remain in cash with Fidelity until October 2025.

Even if Mr and Mrs P were trying to determine why the sums transferred to Fidelity were lower than expected, it might reasonably be expected that, if swift reinvestment was planned, then this could proceed with the funds which had in fact been received and any loss arising from those which hadn't been received could then also be pursued.

In terms of the dates I used in the provisional decision, that of 20 January 2025 was the hypothetical date when I assumed that Abrdn should have received the letter it required from Embark and would have begun the process of disinvestment. There will then have been the actual timescale it took Abrdn to sell down the investments, which as I said in the provisional decision, could be confirmed by Abrdn. And then, two days after the funds would have been converted to cash by Abrdn, Embark should have transferred the funds to Fidelity, where Mr P would have begun to earn interest at Fidelity's rate.

And so it's unlikely that the funds would have been available for transfer on 20 January 2025, but by whatever time after that is dictated by the above timeline, i.e. the number of days after this that it actually took for Abrdn to sell down the investments once instructed to do so by letter, and then a further two days for the funds to be transferred to Fidelity.

Finally, whilst I again acknowledge what Mr P has said about the proposed £300 compensation, and that this should be significantly higher, I need to take into account the types of award which this service might typically make in similar circumstances.

The guidance on our website says that an award between £100 and £300 might be fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation.

Embark made errors here, including unnecessarily delaying matters, and providing incorrect information about the property still being held within the pension, but it did also contact Abrdn to sell down the investments within a reasonable timeframe after it had been informed that a letter was required. It's unfortunate that Abrdn has no record of receiving that letter, and that Embark didn't then chase as it should have done, and this added many weeks to

what should have been a straightforward process.

And so, given what's happened here, I remain of the view that an award at the highest end of this bracket - £300 - is appropriate.

Putting things right

Embark Services Limited, trading as Embark Pensions, should determine the notional value of Mrs P's pension policy with Fidelity, as at the date of this final decision, had it been transferred according to the above timeline, and then received the same return as would have been obtained within Fidelity. This should include any amount which was incorrectly overcharged for Mr P holding property as set out above.

If that notional value is higher than the actual value of Mrs P's pension funds with Fidelity at the same date, then Mrs P has suffered a loss for which she should be compensated.

Embark Services Limited, trading as Embark Pensions, should in the first instance make a payment to Mrs P's Fidelity policy so that it has the notional value as determined above, taking account of any charges for doing so and any unused tax relief.

If that isn't possible, or would conflict with any existing protections, then a payment should be made for the loss amount directly to Mrs P. Assuming that Mrs P will be a basic rate tax payer in retirement, income tax should be notionally deducted from the payment (allowing for tax free cash) – so a deduction of 15%.

Embark Services Limited, trading as Embark Pensions, should also ensure that Mrs P hasn't been charged any fees after the point at which she would notionally have transferred her funds (according to the timeline above).

As referenced above, Mrs P hasn't received the level of service to which she's been entitled, and I think this will have caused her not inconsiderable distress and inconvenience in trying to resolve matters. As such, and taking into account the awards this service might typically make in similar situations, I think Embark Services Limited, trading as Embark Pensions, should pay Mrs P £300.

My final decision

My final decision is that I uphold the complaint and direct Embark Services Limited, trading as Embark Pensions, to undertake the above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 17 March 2026.

Philip Miller
Ombudsman