

The complaint

Mr P's complaint relates to the transfer of his SIPP with a provider I'll call Provider J to True Potential Investments LLP (True Potential). Mr P says the transfer took too long and he lost out because there was a delay in his fund being reinvested. As I understand it, Mr P's fund was held in cash for 29 days before the transfer was completed.

As well as the complaint about True Potential as the receiving scheme, Mr P has also complained about Provider J as the ceding scheme and about his adviser's part in the matter. Like the investigator, I've considered all three complaints and all the evidence provided together. But I'm issuing separate decisions for each of the three firms involved.

What happened

I issued a provisional decision on 7 January 2026. I've repeated what I said about the background and our investigation.

'I don't think there's any dispute about the timeline which applied to the transfer and which the investigator set out in his view. So I've adopted that here.'

22 October 2023: Mr P started the transfer process through the link provided by True Potential.

23 October 2023: True Potential sent a transfer request to Provider J via Origo (an electronic transfer platform). On the same day, Provider J rejected this request as it had been for fully crystallised funds and told True Potential that the funds were held as mixed holdings.

24 October 2023: True Potential resubmitted the transfer request using the information it'd received from Provider J.

27 October 2023: Provider J responded to True Potential's request and queried whether it was requesting a transfer in order to pursue an investment pathway. True Potential responded to Provider J via Origo the same day.

3 November 2023: (five business days later) Provider J sent instructions to the Discretionary Fund Manager (DFM) to sell Mr P's investments and transfer the cash balance to the SIPP bank account and close the portfolio and provide closure confirmation when complete.

13 November 2023: True Potential chased Provider J for an update via Origo.

20 November 2023: True Potential chased Provider J for an update via email and Provider J confirmed that they were experiencing a delay with the investment manager.

On the same day, Provider J received the closure declaration from the DFM.

21 November 2023: Provider J received £819,380.16 into the SIPP bank account from the DFM. On the same day Mr P sent an email to his adviser asking if he'd still receive his December 2023 income payment.

22 November 2023: Mr P's adviser sent an email to Provider J saying Mr P still wanted to receive his December 2023 income payment.

27 November 2023: Provider J sent the December 2023 income payment to Mr P. It also sent a message to the adviser that it would send the remaining funds to True Potential shortly.

1 December 2023: Provider J advised True Potential that Mr P's transfer was undergoing final checks.

4 December 2023: Provider J confirmed they'd made a payment of Mr P's funds to True Potential, however they were waiting for Mr P's P45 to generate before updating the funds as sent via Origo. True Potential has said that until the funds were updated as sent via Origo they were unable to apply the funds to Mr P's True Potential account.

On the same day, Provider J sent £815,885.86 to True Potential.

6 December 2023: Mr P's transfer was marked as sent by Provider J and True Potential was able to place trades.

12 December 2023: Mr P's trades settled and his funds were fully invested with True Potential.

In response to the complaint, True Potential said it had caused a delay in requesting Mr P's transfer when it used the incorrect information in its Origo request of 23 October 2023. True Potential had to resubmit the request the next working day, so there was a delay of one business day. True Potential didn't think it had caused any other delays. True Potential offered £100 as a gesture of goodwill.

Our investigator noted that True Potential had identified that it had caused a delay of one business day. But, having considered the overall timeline of events, the investigator didn't think True Potential had caused any other delays and had carried out the actions it took within a reasonable time.

The investigator also commented on another matter Mr P had raised – he'd said he'd later been made aware that his adviser had received, from True Potential, a payment of 8% of the value of the funds moved to True Potential. Mr P said, if he'd known about that, it would've impacted on the decision he took to transfer. About that matter the investigator said we could only consider complaints about regulated activities and that the provision of information in respect of a commercial agreement between two businesses wasn't an activity we can consider a complaint about, particularly as the amount being paid by True Potential wasn't being taken from Mr P's funds.

In connection with Mr P's complaint against Provider J, the investigator had concluded that Provider J had caused a delay of eleven business days which meant that Mr P's pension transfer was delayed by a total of twelve business days. So, but for the delays, Mr P's pension fund would've been invested on 20 November 2023 (twelve business days before 6 December 2023). The investigator said True Potential should carry out a loss assessment using that date and if a loss is identified, pay 1/12 (8.33%) of the calculated loss. He also said the £100 offered by True Potential for distress and inconvenience was insufficient and recommended that True Potential pay £200 instead.

True Potential didn't agree. It said the initial Origo transfer request had been submitted on 23 October 2023 using the details provided on the client's application form. If it was a mixed

holding transfer and that had been correctly detailed on the application, that would've failed to submit automatically and would've had to be done manually. So the issue had been corrected in one working day.'

I've summarised my provisional findings.

- True Potential didn't agree with the investigator's view. But what the investigator said was based on what True Potential had said in its final response letter and True Potential's acknowledgement that it was responsible for a delay of one working day. It seems True Potential no longer accepts that – as I understood what True Potential was saying, Mr P's application form failed to detail that it was a mixed holding transfer (rather than fully crystallised funds). Had the application form been correct, True Potential would've known that a manual submission was required.
- I wasn't entirely convinced by True Potential's further argument. I thought it left open questions such as whether True Potential might've had other information indicating that the funds weren't fully crystallised and, even if not, if True Potential should've checked the position anyway before submitting the Origo transfer request. I said it was difficult to be satisfied that True Potential didn't do anything wrong in the face of its earlier admission that it had caused a one day delay to the transfer at the outset. So I was going to proceed on the basis that was the case. I didn't think True Potential caused any further delays.
- I'd also considered Mr P's complaint against the ceding scheme, Provider J. I've found that it caused a delay of a total of seven working days. Overall, Mr P's transfer was delayed by eight working days, of which True Potential was responsible for one day. I said True Potential should carry out a loss assessment to compare the current value of Mr P's pension with True Potential with the value it would hypothetically be, had a transfer taken place with no delays. So the money would've been invested in Mr P's True Potential pension eight working days earlier, on 28 November 2023, not 6 December 2023.
- I also said the delay would've caused Mr P distress and inconvenience. The investigator had suggested £200 which I agreed was fair and reasonable.
- There was however the other matter – the payment of 8% (about £65,000) Mr P's adviser had received in return for Mr P's fund being transferred to True Potential. That payment didn't come out of Mr P's fund, so he didn't suffer any financial loss in that connection. But he's said it would've impacted on his decision to move to True Potential. The payment was made to the adviser because he was joining True Potential and Mr P's fund had been transferred to True Potential. The payment was made to the adviser in his new True Potential capacity and so it fell to be considered as part of Mr P's complaint about True Potential. I thought we could consider the issue but it would need to be as a new complaint. I said the payment to the adviser was ancillary to the regulated activities which True Potential was carrying out.
- The payment to the adviser in Mr P's case wasn't an isolated instance. It reflected True Potential's then practice of paying advisers an incentive for clients' assets transferred to True Potential's platform and funds. I hadn't found any regulatory provision which required True Potential to disclose the payments to advisers. But I thought there were wider concerns about the fairness and transparency of the procedure and the risk of potential conflicts of interest which might lead to unsuitable transfers. True Potential was bound by the Principles for Businesses (PRIN) and the Conduct of Business Sourcebook (COBS). The Consumer Duty also applied.
- I noted that the incentive payments being made by True Potential to advisers whose

clients transferred their business to True Potential had attracted attention from the regulator. The transfers were ostensibly on a non advised basis, following direct market offers. But there was concern that the payments (which, as in Mr P's case, could be large) created a conflict of interest and that advice may in fact have been given. The regulator had ordered a section 166 review – a 'skilled person' report. That led to True Potential withdrawing the 8% incentive payment to advisers and setting aside £100 million to compensate clients who'd suffered a financial loss as a result of transferring to True Potential. My understanding was that True Potential would be contacting clients direct. I was unsure if Mr P had been approached about his transfer and, if so, with what outcome.

- I said Mr P's current complaint centred on the time taken to complete the transfer to True Potential. I didn't think it would be fair to consider the payment to his adviser when True Potential hadn't had the opportunity to respond and when the position was further complicated by the section 166 review. So I hadn't considered that aspect of the matter. Mr P might want to raise the issue with True Potential and if he was unhappy with True Potential's response, he could ask us to look into the issue further.

True Potential said it accepted my provisional decision.

Mr P pointed out that eight working days before 6 December 2023 was 24 November 2023, not 28 November 2023. He also noted that I'd said something different to the investigator about when the instruction to the DFM should've been sent by Provider J, without explaining why.

I agreed with Mr P that the date should've been 24 November 2023. I said I'd considered again what had happened with the disinvestment instruction to the DFM. There was a one working day delay between 26 and 27 October 2023 as Provider J didn't send its query about whether the transfer was requested to pursue an investment pathway. The investigator had said there was then a delay of four working days before the closure instructions were sent to the DFM (according to the timeline Provider J had set out in its final response letter) on 3 November 2023. But the investigator had taken the date of 26 October 2023 instead of using the 27 October 2023 which was the date as things happened. So the delay was three working days.

Adding that to the one working day delay gave a total of four working days. Taking into account the delay of three working days between 29 November and 4 December 2023 was a total delay of seven working days. That meant 27 November 2023 was the date for the loss calculation. Provider J was responsible for 6/7th of any loss and True Potential would be responsible for 1/7th of any loss.

We told True Potential that, in the light of Mr P's response to my provisional decision, I'd reconsidered my assessment of the case, particularly in relation to the timelines. We explained to True Potential the revised timeline that I thought should apply and which meant that the total delay was seven working days so 27 November 2023 was the date for the loss calculation and that True Potential was responsible for 1/7th of any loss. True Potential accepted that.

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'm upholding the complaint for the reasons I set out in my provisional decision (which I've summarised above) and my further reasoning in response to the points made by Mr P about my provisional decision.

There were delays in dealing with Mr P's transfer. But for those delays, and taking into account what I've said about the adjustments to the timescale I set out in my provisional decision, Mr P's transfer would've completed on 27 November 2023, seven working days earlier than was actually the case. True Potential is responsible for one day's delay.

Putting things right

My aim in awarding fair compensation is to put Mr P back into the position he'd likely be in, had it not been for True Potential's errors in delaying the transfer of his pension.

True Potential should therefore carry out a loss assessment which compares the current value of Mr P's True Potential pension with the value it would hypothetically be, had a transfer taken place with no delays (and so the money would've been invested in his True Potential pension seven working days earlier so on 27 November 2023 as opposed to 6 December 2023).

For the avoidance of doubt, any contributions or withdrawals that have actually been made into or taken from the True Potential pension should be assumed to have occurred at the same time in respect of the hypothetical value calculation.

If the hypothetical value is higher than the current value, then that's the loss Mr P has suffered. I've said above that True Potential is responsible for 1/7th (14.29%) of the calculated loss so that's the sum True Potential should pay Mr P.

The final compensation amount should, if possible, be paid into Mr P's pension plan. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mr P as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

If Mr P has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to their likely income tax rate in retirement – presumed to be 20%. So making a notional reduction of 15% overall from the loss adequately reflects this.

True Potential should give Mr P details of the calculations in a clear and simple format.

True Potential should also pay Mr P £200 for the distress and inconvenience caused.

My final decision

I'm upholding the complaint in part.

True Potential LLP must redress Mr P as I've set out above.

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

Lesley Stead
Ombudsman