

complaint

Mr A complains that Hargreaves Lansdown Asset Management Limited (“Hargreaves”) delayed his fund transfer. Without this Mr A could have bought an annuity of £233 per annum more. He is also unhappy that he wasn’t given an updated annuity quote.

background

Hargreaves were Mr A’s advisors. He used its online Pension Annuity Quote service.

Mr A got maturity packs from both his plan providers. He accepted the Hargreaves online annuity quote on 6 March 2015.

Hargreaves received a letter from Mr A dated 6 January 2015, which should have been dated late February/early March. This letter was sent with his annuity application form and referred to his final plan contribution from provider 1. It said:

“I understand from my employer that my monthly subscription, (March payment) to the arrangement may not be credited to the arrangement until 20th April 15 at the earliest... My March 15 salary should see me clear until 01/05/15. Therefore if it helps and to allow for my final contribution to the (provider 1fund), I do not need my first annuity payment to commence until 01/05/15.”

Hargreaves said that this letter meant that he didn’t need income from his annuity until May 2015. Hargreaves said that this was supported by the comments added to his provider 1 transfer application form, which confirmed payment of his benefits should be delayed until 20 April 2015 or as soon as the final contribution was made.

The comments on the transfer form said:

“a.) Delay payment of my benefits until 20/4/15 or as soon as final contribution added.”

The text in bold appeared to have been written by Mr A.

Hargreaves said that it wrote to Mr A on 10 March 2015. It said it had asked provider 1 to ensure his final contribution was applied prior to the transfer. Hargreaves said that had this not been his intention, it would have been prudent to have told them at this point. It also said that its letter of 10 March 2015 explained:

“Your annuity rate is guaranteed for a limited time and rates can change. You can view the latest changes via our website at.....”

Mr A then referred his complaint here.

The complaint was investigated by an adjudicator. He did not uphold it. He said:

- The 6 January 2015 letter and the provider 1 transfer application form showed that Hargreaves acted appropriately in delaying the fund transfer.
- The Pension Annuity Personal Quotation ought reasonably to have made Mr A aware that the quote may have expired before his final contribution was applied.

- Hargreaves letter of 10 March 2015 explained how it was processing Mr A's instructions and that his annuity rate was guaranteed for a limited time only. It gave details on how he could review any future changes to annuity rates. But Mr A insists that he didn't get this letter. But there is evidence that Hargreaves sent this letter to the correct address. It is more likely than not that it sent this letter.

In response, Mr A said:

- ❖ Delaying the transfer without confirmation from him was wrong and to his detriment. Hargreaves duty was to act in his best interests.
- ❖ Hargreaves should have allowed the fund transfer to take place before the annuity quote expired, so securing the higher annuity.
- ❖ Having accepted the annuity quote, he gave both his fund providers maturity packs to Hargreaves. He did not get the annuity quote from until later, so was unaware it was time limited.
- ❖ His comment in the letter of 6 January 2015 reflected the time he was told the process might take. He wanted Hargreaves to know he had sufficient funds to see him through until April 2015. It was not h authority to delay the payment.
- ❖ The hand-written comment on the Legal & General transfer application wasn't written by him. The adjudicator said this may be the case but it appeared to accord with his wishes in the 6 January 2015 letter.

As the case could not be resolved, it has been passed to me.

my findings

I have considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I have reached the same conclusion as the adjudicator and for the same reasons.

Mr A has said that his comment on the letter dated 6 January 2015 did not give authority to delay the payment. He only wanted Hargreaves to know he had sufficient funds to see him through until April 2015. But in my opinion this comment, supported by the provider 1 transfer application form, does say that he wanted to wait until he had his final contribution to the provider 1 fund before making the transfer.

I accept that the hand written comment on the transfer application form wasn't by Mr A. But I agree it did accord with his wishes in the 6 January 2015 letter.

I understand Mr A's frustration that the fund transfer did not take place before the annuity quote expired. But this would not have accorded with his expressed wishes. So I agree with the adjudicator that Hargreaves acted appropriately in delaying Mr A's fund transfer.

Mr A says that he did not add the comment to his transfer application form. I have no reason to doubt him. But who added the comment is not, in my view, relevant to my decision. This is because the comment accorded with instructions Mr A had already given.

Mr A says that he did not get the annuity quote from until after he had submitted the fund providers maturity packs. Whilst Mr A has not confirmed the date he got the quote, I believe it would have been only shortly after he submitted the maturity packs. So he would have been aware that the quote had a limited number of weeks before expiry.

I accept that delaying the fund transfer without verbal or written confirmation would have been wrong. However, this was not the case. Hargreaves has given evidence that it wrote to Mr A on the 10 March 2015. The letter said that Hargreaves had asked provider 1 to ensure Mr A's final contribution was applied to his policy prior to transfer; explained that his annuity rate was guaranteed for a limited time and rates could change and gave a link to their website should he wish to review any future changes to annuity rates. The letter was sent to the correct address.

As the adjudicator explained, that Hargreaves sent this letter does *not* mean Mr A got it. But it is more likely than not that this letter was sent to his address. The majority of post is correctly delivered but it is possible that a third party service failure, for example by Royal Mail, meant that the letter didn't reach Mr A. But it would not be fair or reasonable to hold Hargreaves to account for a third party service failure.

I have concluded that in the circumstances, Hargreaves acted reasonably. They carried out, in good faith, what they understood to be Mr A's instructions. Whilst it is unfortunate that the delayed transfer meant Mr A got a lower annuity than initially quoted, I am not persuaded that they were obliged to tell him of the lower rate before setting up the annuity. It had previously made Mr A aware that this may be the case.

my final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr A to accept or reject my decision before 30 December 2015.

Terry Connor
ombudsman