

complaint

Mr G complains that Gracechurch Wealth Management LLP did not help him 'liquidate' deferred benefits he held in a defined benefits occupational pension scheme. Mr G says that as Gracechurch 'failed to execute' his instruction he had to use another financial adviser, who charged more than Gracechurch would have charged him.

Mr G wants Gracechurch to pay him the difference between the amount he says he would have paid Gracechurch and the amount he paid to the IFA he subsequently used to advise him on transferring out of the occupational scheme. Mr G says the difference is over £7,600.

background

In early February 2017 Mr G got a transfer value from deferred benefits he held in a defined benefits pension scheme. On 23 February 2017 Mr G spoke to an adviser at Gracechurch. Mr G explained that he wanted to transfer his pension benefits from his former employer's pension scheme. In early March Mr G met the adviser and provided the information necessary for a pension transfer analysis to be carried out. Gracechurch intended to outsource this analysis to a firm specialising in advice on pension transfers.

The form Mr G completed for the pension transfer analysis set out:

'... please bear in mind that we may refuse to provide a personal recommendation and/or implement a transfer where we feel strongly that it is not in your best interests, even if you wish to ignore our advice to remain in the existing pension scheme.'

It appears that the firm Gracechurch intended to use to carry out the transfer analysis wasn't able to review Mr G's case.

In order to assist Mr G, Gracechurch carried out the analysis in-house. The records I have seen show that on 22 March, Mr G's adviser contacted him. The adviser explained that, having reviewed the matter, Gracechurch did not think Mr G should go ahead with pension transfer.

Mr G says he then instructed a different IFA to carry out the pension transfer. Mr G says this adviser recommended that he should transfer out of the pension scheme.

On 29 March 2017 Mr G complained to Gracechurch. He said he had asked it to 'liquidate' his defined benefits pension pot, but it had refused to do so.

Mr G said the transfer value he had been given was only valid until 30 April 2017. He said he needed to return a completed transfer form, together with written confirmation that the transfer had been reviewed by an IFA, and a declaration, or a letter of confirmation from his IFA, by 30 April for the transfer to go ahead.

Mr G complained that Gracechurch had not put its advice in writing, despite having told him on 22 March that it did not think it was in his best interests to go ahead with the pension transfer. (I note that Mr G did not tell Gracechurch in his complaint that he had instructed another firm of IFA's to act for him.)

Mr G said the delay Gracechurch had caused was causing him 'considerable concern'. Mr G said the pension scheme trustee had said he could go ahead with the transfer even if he had been advised not to transfer his pension, as long as his IFA signed a declaration confirming that Mr G had received advice on the transfer.

Gracechurch did not uphold Mr G's complaint. It said it had issued a suitability report on 31 March 2017 setting out that it did not think transferring Mr G's pension benefits out of the defined benefits scheme was suitable for him. It subsequently provided him with a declaration dated 13 April 2017 confirming that it had given Mr G advice on transferring out of the scheme.

It also explained that its standard practice was to refer all defined benefit pension enquiries to an external transfer specialist.

Gracechurch said that on 6 March the transfer specialist firm had said it would not be able to carry out the review. It said this was because the scheme trustees had said they would not be willing to provide a second transfer value within the year.

As this was the case, Gracechurch said it then decided to carry out the review in-house in order to assist Mr G. Having carried out the review, it did not think transferring out of the scheme was in Mr G's best interests. It said this decision was relayed verbally to Mr G on 22 March. It then set out this advice, in writing, on 31 March 2017. It said that the report it provided to Mr G was complex and took a significant amount of time to produce, so there was a delay between telling Mr G what its advice was, and then confirming this in writing.

Mr G did not accept Gracechurch's response and brought his complaint to this service.

Our investigator did not recommend that Mr G's complaint should be upheld. He noted that Mr G was required to obtain independent advice before he could access his pension benefits. He said he felt Gracechurch treated Mr G fairly when it arranged for his pension transfer to be reviewed in-house, when the company it usually outsources this work to wasn't able to carry out the review.

He noted that by 22 March Gracechurch had told Mr G it didn't think transferring his pension was suitable based on his circumstances. It then confirmed this in a written report on 31 March. He said he didn't think this was an undue delay.

He also said he hadn't seen anything that showed Gracechurch had initially refused to send its advice in writing. But he noted it had said it wasn't willing to sign the adviser declaration forms. He said he could understand Gracechurch's reluctance to sign the declaration. As, by doing so it knew that Mr G would (most likely) transfer his pension and disregard the advice it had given him.

In any case, he noted that Gracechurch did agree to sign the declaration. It provided a signed copy on 13 April, following Mr G's request on 29 March. Our investigator said he felt this gave Mr G sufficient time to proceed with the transfer before the transfer value expired.

Mr G didn't accept our investigator's view. He said Gracechurch had initially refused to put its advice in writing and this had delayed matters. Mr G also said that Gracechurch

should have put its Financial Conduct Authority (FCA) registration number in the suitability report. He said its failure to do so had caused delays. Mr G reiterated that he felt he had to instruct another IFA to act for him due to the delays caused by Gracechurch.

Our investigator responded again. He said the deadline for the transfer had been a consideration throughout. To assist Mr G, Gracechurch had carried out the transfer analysis in-house. He noted Gracechurch let Mr G know that it didn't think it was in his best interests to go ahead with the transfer and then confirmed this in its suitability report on 31 March 2017.

He said it was not in dispute that Gracechurch had initially refused to sign the declaration, or send a signed letter to the pension trustee.

He noted that information Mr G had provided to this service (from a conversation he had with the FCA) confirmed that there was no requirement for Gracechurch to include its FCA registration number in the suitability report it sent to Mr G.

He also noted that Mr G had provided an email from the pension scheme administrator. It said it would have needed either a declaration form, or a letter signed by Mr G's IFA as well as the FCA registration number for both Mr G's adviser and Gracechurch, before the transfer could have gone ahead. So even if Gracechurch had included its FCA registration number in the suitability report this would not have been enough to meet the scheme's requirements.

Having re-considered Mr G's complaint he said he didn't think Gracechurch's reluctance to sign the adviser declaration was unreasonable. He explained that as Gracechurch didn't think it was in Mr G's best interests to transfer out of his defined benefits scheme it was not willing to sign a document that it felt suggested it had advised Mr G to go ahead with the transfer.

He accepted that Mr G has every right to seek advice elsewhere in order to obtain the outcome he wanted. But he said he didn't agree that Gracechurch should be held responsible for any additional costs Mr G said he had incurred as a result.

Mr G remained unhappy with our investigator's view. He reiterated that Gracechurch had initially refused to put its advice in writing. Mr G said he had to 'force' it to do so. He also said that he understood Gracechurch was no longer accepting pension transfer cases from defined benefit schemes. He said he felt this showed the business had *'insufficient expertise to deal with them and therefore should not have taken the cases on'*.

Mr G also said he felt Gracechurch had not acted in his best interests. He said the fact another firm of IFA's was willing to advise him to transfer his benefits out of the scheme proved this point.

my findings

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 don't think Mr G's complaint should be upheld. I'll explain why.

The crux of Mr G's complaint is that because Gracechurch did not immediately provide him with a suitability report, or a signed declaration confirming it had advised him on his pension transfer, he was forced to use another adviser in order to meet the deadline of 30 April 2017. This was the date his pension transfer value expired.

I am sympathetic to Mr G's position and I have carefully considered all he has said and provided.

Even if I accept that Gracechurch was initially reluctant to provide Mr G with a suitability report explaining why it didn't think he should transfer out of his occupational scheme, I must also take into account that it did provide the report on 31 March 2017. So a report was provided to Mr G a month before his transfer value expired.

(There is no regulatory requirement that I am aware of that says Gracechurch needed to include its FCA registration number in the suitability report.)

As our investigator explained, Gracechurch is required by its industry regulator, the FCA to give suitable advice. Assessing the suitability of a transfer out of a defined benefit occupational pension scheme is recognised as being a complicated and often technical area of financial planning. As this is the case the FCA requires advisers working in this area to have additional qualifications and expertise. It appears that Gracechurch's pension transfer specialist carried out the transfer analysis for Mr G, so I don't agree that it didn't have the expertise in-house to advise Mr G on the transfer.

I can see that Mr G thinks Gracechurch should have advised him to go ahead with the pension transfer. But I don't agree that this is the case. Based on the information Mr G provided to Gracechurch it felt the risk to Mr G of giving up the benefits of his scheme outweighed the potential benefits of transferring out.

Mr G says that another firm of IFA's was willing to advise him to go ahead with the transfer. But this doesn't mean that the advice Gracechurch gave was 'wrong' or incorrect. Financial advice is not an exact science and it is not unusual for advisers to reach different views on the best course of action for a customer.

Mr G wasn't obliged to accept Gracechurch's advice. But nor was Gracechurch under any obligation to assist Mr G in arranging the transfer when it did not feel it was in his best interests. Mr G says it initially refused to sign the financial adviser declaration the pension trustee required in order for the transfer to go ahead.

I note that in its response to Mr G's complaint Gracechurch set out:

I would stress that whilst we have signed the Financial Adviser Declaration for you as requested, as outlined in the report that we sent you, we remain firmly of the opinion that a transfer is not in your best interests and on this basis, we cannot accept any liability or responsibility for the transfer if you still decide to proceed contrary to our advice.

I have very carefully considered whether Gracechurch should have signed the form sooner. My view is Gracechurch knew Mr G was likely to go ahead with the transfer, even though it had advised him not to do so. It felt that by signing the form it might be interpreted that it had assisted Mr G with the transfer. I can understand why

Gracechurch was reluctant to meet Mr G's request to sign the adviser declaration. It explained this in its response to Mr G's complaint. In any case, I note that it did sign the form on 13 April, over two weeks before the transfer value expired.

Mr G says Gracechurch should pay him the difference between the fee he would have paid the business Gracechurch wanted to use to carry out a transfer analysis, and the fee he paid the IFA firm that arranged the transfer for him. But as the business Gracechurch asked to carry out the transfer analysis for Mr G wasn't able to act for him I don't think the fees it would have charged are relevant to this complaint.

As Gracechurch has explained to this service;

If our advice had been to complete a transfer then Mr G's fees would have been broadly in line with those that he claims to have been charged. They look fairly standard for a case such as this as far I can see.

I understand that Mr G did not pay any fees to Gracechurch for the work it carried out for him. So I don't think that Mr G has lost out financially as a result of using another IFA to arrange the transfer.

Having carefully considered this matter, although I am sympathetic to Mr G's position, I don't think Gracechurch acted incorrectly, or treated Mr G unfairly. As this is the case I don't think his complaint should be upheld.

Gracechurch provided Mr G with a report setting out its advice not to transfer his pension on 31 March 2017. This was a month before the transfer value expired. I haven't seen anything to suggest that the advice it gave Mr G not to go ahead with the transfer was unsuitable. It then, albeit reluctantly, signed the adviser declaration on 13 April 2017.

It was Mr G's prerogative to instruct another firm of IFA's to act for him and arrange the pension transfer. But I don't agree that Gracechurch should contribute toward the costs Mr G says he incurred with this firm. I note that that it appears that with the assistance of his new IFA, Mr G was able to arrange for his pension to be transferred before the 30 April 2017 deadline.

my final decision

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 June 2018.

My decision is that, for the reasons I have set out above, I do not uphold this complaint.

Suzannah Stuart
ombudsman