

complaint

Ms O has complained about advice she received to transfer her existing occupational pension when she joined Legal and General Assurance Society Limited as an employee in 1986.

background

Ms O left her employment with a bank in 1986 and joined L&G. She had accrued nine years of benefits in her former employers' occupational pension scheme. That scheme was a final salary scheme.

Ms O says that when she joined L&G her manager recommended that she transfer her existing benefits into a Section 32 plan it provided.

Ms O believes this was bad advice as she would have been better off leaving her benefits in the final salary scheme.

L&G says that it has no record of the particular advice. But it says that the recommendation would not have been inappropriate at the time it was made. At that time investment performance was better and illustrations would have been based upon much higher potential future growth rates. It did not uphold the complaint.

Ms O says that she was not aware that the Section 32 plan was invested in stocks and shares. She says that she was not prepared to gamble with her pension.

Our investigator did not think that the complaint should be upheld. She explained that the advice was given before regulation and she did not think it was inappropriate.

As no agreement has been reached the case has been referred to me for a decision.

my findings

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

I agree with the investigator. I don't uphold the complaint and I'll explain why.

I appreciate that Ms O will feel disappointed with the decision she made to accept this advice and transfer her pension. It's likely that with the benefit of hindsight she would have made a different decision and kept her final salary benefits with her previous employer. But I can't use hindsight when making my decision and the fact that she may have lost out does not necessarily mean that the advice was bad.

The advice was given in 1986 before advice was regulated. L&G say that it followed industry guidance and acted with due care and would have provided relevant information. We don't know exactly what Ms O was given by way of information as L&G has no copies available. But given the passage of time I think that is understandable.

Investment performance in 1986 was stronger than we generally see now. Any illustrations provided to Ms O would have reflected that and no doubt would have made the section 32 plan look attractive even in comparison to the final salary benefits and the guarantees that

would have provided. And whilst it's true that the expected performance did not happen that does not make the advice wrong or negligent. So I don't think I can safely say now, thirty years later, that the recommendation was a bad one when judged by the standards that applied at the time.

Ms O was single and relatively young and so there were many years for her funds to grow. Whilst she may not have fully appreciated the risks the section 32 plan posed, I think she was in a position to take those risks and I don't think the plan recommended was inappropriate for her.

Overall, I'm not satisfied that L&G failed to meet the standards that applied at the time in relation to the recommendation that was made. So it would not be fair to uphold this complaint.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 1 March 2018.

Keith Taylor
ombudsman