

complaint

Mr W has complained about the way Hargreaves Lansdown Asset Management Limited handled a potential transfer of pension benefits he held in a former employer's defined benefit scheme.

background

Mr W was a member of a defined benefit occupational pension scheme (OPS) until he left that employment in 1995.

Mr W was interested in transferring his benefits and obtained a letter, dated 24 January 2018, from the pension scheme administrators which included a Cash Equivalent Transfer Value (CETV). The CETV was valid to 24 April 2018.

A meeting was arranged between Mr W and Hargreaves Lansdown which took place on 26 February 2018. A number of documents were signed by Mr W including a Defined Benefit Pension Transfer Service Adviser Charge Agreement.

Mr W confirmed that he wanted Hargreaves Lansdown to see if the transfer was viable and that included advising on an initial investment portfolio.

The charging agreement said that the transfer analysis charge would be £1,250 plus VAT and that the pension transfer advice was based on a sliding scale depending on the fund value. Hargreaves Lansdown gave an example of a pension fund of approximately £300,000 which would have an additional charge of approximately £5,000.

A follow up meeting took place on 6 April 2018 when further information was obtained. Hargreaves Lansdown then produced a report dated 13 April 2018. This report advised against the transfer. It said that a transfer out of the OPS was not suitable for Mr W.

Mr W was unhappy about this decision and he contacted other SIPP providers to see who would accept the CETV from his OPS. He felt that Hargreaves Lansdown should have done more to help identify SIPP providers who would accept the transfer despite a negative recommendation.

Mr W complained but Hargreaves Lansdown rejected his complaint and he referred the matter to this service.

An adjudicator looked into the complaint and felt it should not be upheld. He noted that:

- Hargreaves Lansdown had said that: *"Whilst we anticipate most clients will agree with our recommendations, we appreciate you may still wish to transfer to an alternative receiving scheme. If you decide to transfer against our advice, you will need to conduct your own research into the options available to you. If you are able to find a provider that will accept your transfer, HLAS will only provide an Advice Declaration after the invoiced Pension Transfer Analysis and Adviser charges have been paid"*.
- Hargreaves Lansdown had provided the Advice Declaration on 13 April 2018 even though the fee had not been settled.
- Telephone calls between Mr W and Hargreaves Lansdown on 16 April 2018 highlighted that Hargreaves Lansdown couldn't sign any new SIPP provider forms

and couldn't advise Mr W which SIPP provider he should use once Hargreaves Lansdown's report had recommended not to proceed with a transfer.

- On page 18 of the financial report prepared by Hargreaves Lansdown, the fee was clearly documented.
- Under section 1 of the leaflet "Final Salary Pension Transfers - What you need to know" and section 2 of the transfer advice it was stated that fees would be payable irrespective of whether the advice was to transfer or not.
- Hargreaves Lansdown was not obliged to find another SIPP provider if the advice was not to proceed with a transfer.

Mr W referred to the discussion he had on 6 April 2018 and pointed out that the adviser had said that the transfer could still go ahead if there was negative advice, "you just need to identify an alternative provider".

The adjudicator wasn't persuaded to change his mind, so the complaint was referred to me for a final 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. Having done so, I agree with the adjudicator and I don't uphold this complaint.

The crux of this complaint seems to be that Mr W believes Hargreaves Lansdown could and should have done more to assist with the OPS transfer once it had advised against it. Whilst I can understand Mr W's frustration, I don't agree.

I'm satisfied that Hargreaves Lansdown made it reasonably clear from the outset that its charges were payable whether it advised in favour of, or against the transfer. It was also set out in clear terms that Mr W would need to conduct his own research to find a provider that would accept the transfer if Hargreaves Lansdown advised against it.

Mr W has pointed to the meeting he had on 6 April 2018, but I don't think the comments he's identified should have changed his expectation. The adviser restated that it would be for "you" (Mr W) to identify an alternative provider if there was negative advice.

Hargreaves Lansdown did provide Mr W with a declaration confirming that it had provided independent advice. It seems that it did so despite its fees being unpaid.

Given the agreement Mr W had entered into with Hargreaves Lansdown, which expressly said that it would not find alternative SIPP providers for him if it gave negative advice, I don't think I can say that it should have done more. I don't think it would be fair or reasonable to uphold this complaint.

my decision

I don't uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 25 August 2019.

Keith Taylor
ombudsman