

Ombudsman's Determination

Applicant	Mr N
Scheme	The People's Pension, formerly B & CE (the Scheme)
Respondent	The People's Pension Trustee Limited (the Trustee)

Outcome

1. I do not uphold Mr N's complaint and no further action is required by the Trustee.

Complaint summary

2. Mr N complained that he suffered a financial loss in the region of £1,362.12, as a result of the way the Scheme was managed.

Background information, including submissions from the parties

3. The sequence of events is not in dispute, so I have only set out the main points.
4. On 31 December 2021, a year-end valuation of Mr N's pension fund showed a balance of £18,193.19.
5. On 27 May 2022, Mr N retired from his employment.
6. On 11 June 2022, Mr N submitted an online request to the Scheme administrator (**the Administrator**) for the whole balance of his pension fund to be paid to him as an Uncrystallised Funds Pension Lump Sum (**UFPLS**).
7. On 14 June 2022, Mr N telephoned the Administrator to enquire about the processing of his UFPLS withdrawal. At the same time, he complained about the recent performance of his pension fund.
8. On 16 June 2022, Mr N complained in writing to the Administrator. He was unhappy that, while awaiting the completion of his UFPLS withdrawal, the value of his pension fund over the previous five days had decreased from £17,663.76 to £17,210.17, a loss of £453.59,

9. On 20 June 2022, the Administrator requested identification information from Mr N before it would proceed with his UFPLS request.
10. On 6 July 2022, the Administrator emailed Mr N as it had not received a response to its correspondence of 20 June 2022. It explained that without a response it was unable to proceed with his UFPLS request.
11. On 13 July 2022, the Administrator rejected Mr N's complaint about the recent drop in the value of his pension fund on the basis that global economic events had led to the decrease.
12. On the same day, Mr N acknowledged the Administrator's response and reminded it that he was awaiting the UFPLS, which he had expected to have already been paid.
13. On 14 July 2022, Mr N contacted the Administrator for an update on his UFPLS withdrawal request. The Administrator told Mr N that it was waiting for his response to its email of 20 June 2022.
14. On 16 July 2022, Mr N told the Administrator he had changed his mind about the amount of UFPLS he wanted. He said he had applied for an UFPLS of £13,000 but was unable to proceed as he had previously submitted a request for the whole pension fund to be withdrawn.
15. On 18 July 2022, the Administrator confirmed to Mr N that it had received the requested information from him. It also acknowledged his request to make a partial UFPLS withdrawal and had cancelled his original request.
16. On 19 July 2022, the Administrator asked Mr N to confirm again whether he wished to take the full pension fund amount of £17,605.40, or the partial amount of £13,000. On the same day, Mr N said he wanted to withdraw £13,000 leaving £4,605.40 in his pension fund at that date.
17. On 26 July 2022, units for the equivalent of £13,000 within Mr N's pension fund were sold at a price shown in Appendix One.
18. On 28 July 2022, following the sale of the units, and tax deduction of £2,865.66, a total of £10,179.59 was paid to Mr N. The payment was received by his bank on 1 August 2022. Overall, following a refund from HM Revenue and Customs (**HMRC**) of the tax paid, Mr N received £13,045.25.
19. On 17 April 2023, the remaining balance of his pension fund was paid as a Small Pension Lump Sum (**SPLS**) of £4,000.11 into Mr N's bank account.
20. On 5 May 2023, the Administrator confirmed receipt of Mr N's request for his original complaint of 16 June 2022, to be escalated to its formal complaint review process.
21. On 3 July 2023, the Administrator rejected Mr N's complaint at the first stage of the Scheme's Internal Dispute Resolution Procedure (**IDRP**)

22. On 18 July 2023, the Administrator acknowledged a telephone conversation with Mr N on 14 July 2023, and his subsequent email of 16 July 2023, that he wanted his complaint escalated to the final stage of the IDRPs.
23. On 17 August 2023, the Trustee responded to Mr N's complaint under the last stage of the IDRPs. The Trustee said its position remained as set out in the responses of 13 July 2022 and 3 July 2023.
24. Following the complaint being referred to The Pensions Ombudsman (**TPO**), Mr N and the Trustee made further submissions which are summarised below.

Summary of Mr N's position:-

- Mr N told the Administrator that the depreciating value of his pension fund had led to a loss of £453.59.
- Mr N recorded the daily balance of his pension fund between 8 June 2022 and 28 July 2022 and provided TPO with a graph he had made of the increases and decreases in that period.
- In correspondence with TPO, Mr N revised his loss calculation to £1,362.12, which he wanted redressed. Mr N also confirmed he was seeking non-financial compensation of £500, a total of £1,862.12 in resolution of his complaint.
- Mr N said that he received annual statements which showed gains every year for four years of his contributory defined pension and that a deficit in the months just before his UFPLS was uncharacteristic of this upward trend and his funds should have been protected.
- Mr N said the Trustee had not acted in accordance with the Scheme's Member Protection Statement and The Pension Regulators Risk Management Code.
- Mr N said shares held by the Trustee in pension funds were index linked through State Street International Equities Index Trust and the Morgan Stanley Capital International and sufficiently diversified to fend off the risks of a volatile market and this is counselled in the Member Protection Statement.
- Mr N said the Trustee had not upheld its own insurance guarantees, particularly the clause relating to "State Street Global Advisors Ltd" on the "Security of your Savings."

Summary of the Trustee's position:-

- The responses to Mr N's complaint addressed delays, fund performance and the annual statements and projections. The Trustee and the Administrator did not uphold Mr N's complaint.

- There had been no delay in the processing of Mr N's UFPLS.
- Financial market conditions led to the decrease in the unit value of Mr N's pension investments in the lead up to his complaint on 14 June 2022, and explained that fund performance during the first half of 2022 had been affected by global incidents, such as: -
 - A rapid rise in inflation
 - The war in Ukraine had exacerbated the energy price crisis
 - Rising interest rates
 - A rise in bond yields
- Mr N's units were sold on 26 July 2022, and the unit price of his funds had risen to a higher value to when the UFPLS funds request was made on 11 June 2022.
- Mr N's annual statements in general made it clear that there would be fluctuations in the pension account value, and that the figures provided were only projections and not guaranteed.

Adjudicator's Opinion

25. Mr N's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustee, or administrator, as there had been no maladministration of his pension fund . The Adjudicator's findings are summarised below:-

- Mr N's complaint was about the performance of the fund and the unit price daily fluctuations.
- TPO cannot direct fund managers how they manage the investments within pension funds. The fiduciary duty on the Trustee did not mean there was a guarantee Mr N's investments would not fluctuate in value, and despite investment diversification being a key strategy to reduce risk, it is not an assurance against any loss.
- Mr N's membership of the Scheme was on a Defined Contribution basis, where the invested value of the pension fund fluctuated daily. The Trustee confirmed to TPO it does not offer guarantees or minimum amounts on the type of pension fund he held, and this was not disputed by Mr N. He also did not request that it be changed.
- Mr N's UFPLS application was submitted on a non-working day, Saturday 11 June 2022, so the earliest day any administration could begin was Monday 13 June 2022. Mr N telephoned the Administrator on Tuesday 14 June 2022 and provided a complaint letter of 16 June 2022 about the falling unit price value.

However, this was too soon to assess whether the Administrator could have concluded the processing of his payment request.

- On 16 July 2022, when contacting the Administrator Mr N amended the amount of UFPLS he wanted so it had not delayed his original request of 11 June 2022.
- Mr N's UPFLS withdrawal was completed with the sale of pension units within the fund on 26 July 2022 and remitted two days later by the Administrator. The value of the units within Mr N's fund increased in the period between 11 June 2022 and 26 July 2022, as shown in Appendix One, so there was no loss suffered by Mr N in that period.
- The value of Mr N's pension fund between 1 January 2022 and 27 May 2022 was changing daily and the of £18,193.19 shown on the 2021 year-end statement was not guaranteed.
- Mr N provided TPO with a copy of his own graph with the pension account daily values between 8 June 2022 and when the fund units were sold on 26 July 2022. The graph showed that at the date the units were sold Mr N's pension account balance was valued at £17,842.39. The Adjudicator said that as the pension fund value at this point was higher than when Mr N submitted his UPFLS request on 11 June 2022 when its applicable value was £17,663.76, he had not suffered a loss.
- Mr N had said he was unhappy as the funds which remained invested after 26 July 2022 increased in value, as a result of a higher unit price, until when he withdrew the remaining funds in April 2023. This is not disputed but as seen in Appendix One and Mr N's own graph, the Adjudicator did not agree this supported any claim amounting to maladministration or resulting loss.
- Mr N's invested pension fund could go up as well as down and fluctuations are observed in the value of funds because of investment market volatility. If the market had moved in a different direction, the outcome could have been a gain rather than a loss, and the Trustee cannot be held responsible for the inherent risk and uncertainty associated with investment markets.
- Mr N asserted that the Trustee had not complied with "State Street Global Advisors Ltd" and the "Security of your Savings", but the Adjudicator said it is not appropriate for TPO to decide whether the Trustee had met its obligations to the Scheme and any relevant law and that would be better determined by The Pension Regulator (TPR).

26. Mr N did not accept the Adjudicator's Opinion, and the complaint was passed to me to consider. Mr N provided his further comments which do not change the outcome. I agree with the Adjudicator's Opinion and note the additional points raised by Mr N.

Ombudsman's decision

27. Mr N has referred to the falling financial market just as he submitted his withdrawal request on 11 June 2022. However, Mr N's pension fund was already decreasing in value, as reflected in the stock market from 27 May 2022. The UK FTSE total value at that date was 7,585.46 and had fallen to 7,317.52 (the closing price of Friday 10 June 2022) just before Mr N submitted his withdrawal request to the Administrator. This is evidenced in the graph Mr N submitted to TPO, which begins on 8 June 2022.
28. By the time Mr N's withdrawal request was completed, with units to the value of £13,000 sold on 26 July 2022, the unit value of Mr N's pension fund was higher than when he submitted the request on 11 June 2022, also shown in the Appendix.
29. This was reflected in the figures for Mr N's pension fund where its value was £17,663.76 on 11 June 2022 but recovered slightly to £17,842.39 by the time his withdrawal was completed. There was no loss suffered by Mr N in respect of the withdrawal requests in June 2022, and July 2022.
30. I have also considered whether there was any maladministration in relation to Mr N's withdrawal requests in June 2022 and July 2023. The Administrator has shown that after it received Mr N's withdrawal request of 11 June 2022, it emailed him on 20 June 2022 requesting identification details before the withdrawal could proceed. Mr N states he did not receive that email, but the copy provided to TPO shows the message was correctly addressed to him on that date.
31. A further email was sent to Mr N by the Administrator on 6 July 2022 seeking his response. Mr N changed his mind on 16 July 2022 about the amount he wished to withdraw from his pension account, with the later request being completed on 26 July 2022. When considering Mr N's two withdrawal requests, I do not agree that either was delayed.
32. On 5 May 2023, Mr N escalated his complaint to the Trustee about the performance of his pension fund. The Trustee rejected Mr N's complaint and referred to various global events which impacted financial markets.
33. Mr N says he does not know of an event in the first part of 2022 which would have impacted on global markets. He added that there might have been an event in 2020, which might have impacted financial markets, it did not affect pension funds as they can be protected by fund managers. Mr N contends that global events should not have affected the value of his pension fund, but I disagree. World crises clearly impact on invested pension funds as they affect the financial markets in which pension funds are invested. The financial markets decreased in value due to different negative events in 2022, for example, the Ukraine-Russia war.
34. The timing of Mr N's withdrawal request was unfortunate as the market value of his pension fund had decreased since his year-end statement of £18,193.19 on 31 December 2021. There was no guarantee in place that the annual year-end figure would not fall. The 31 December 2021 annual statement showed Mr N an investment

gain of £563.51 over the preceding 12 months. This demonstrated that his pension fund could vary beyond any contributions from him. As Mr N says in his correspondence, his statement dated 31 December 2018 showed an investment loss of £126.54 over the previous 12 months. It follows that Mr N was aware his pension fund value could go down as well as up.

35. At the heart of Mr N's complaint is his understanding that pension fund values are "protected" and his should not have fallen, especially at the time he requested a withdrawal. Mr N argues that the wider pension fund was a pooled investment protecting losses. However, his arguments do not accurately reflect how his pension fund was invested.
36. Mr N's response to the Adjudicator also refers to the "suspicious nature" of his pension funds decreasing just as he requested his lump sum withdrawal. He says this was despite there being protection in place, so his pension should not have decreased and believes the Trustee failed in its duty towards the Scheme.
37. However, I see no evidence of suspicious activity.
38. Mr N said that the Adjudicator had referred to 'minimum amounts', but he could not find any reference to such a term in the literature provided by the pension provider or the Trustee. He therefore raised his concern that the use of this phrase might be compromising the impartiality of TPO and 'violate the parol evidence rule'.
39. I do not agree with Mr N. The Adjudicator's comments were based on information provided by the Trustee, who confirmed that the type of DC arrangement that Mr N held does not offer guarantees or minimum amounts. The reference to "minimum amounts" by the Adjudicator was not intended to imply a contractual guarantee within Mr N's pension arrangement. It was used in an explanatory context to describe a common feature of DC schemes. The value of a DC pension will fluctuate over time and generally does not include guaranteed or minimum benefit levels. The Adjudicator's comments did not add to or change any of the terms set out in the existing Scheme documentation. They were simply to help explain how a DC pension operates. As no external information was used to alter the pensions terms the parol evidence rule does not apply.
40. I do not find there is any maladministration on the part of the Administrator's or the Trustee, so Mr N has not suffered a financial loss for which he should be compensated.
41. Therefore, I do not uphold Mr N's complaint.

Camilla Barry

Deputy Pensions Ombudsman

3 December 2025

Appendix One

Pension account unit prices

Fund	*13/06/2022	†26/07/2022	Price change	% of investment in fund
B&CE Pre Retirement Fund	759.260	777.220	+17.96	91.66%
B&CE GI (up to 85% shares) Fund	993.820	1022.200	+ 28.38	8.34%

**unit price on first working day of UFCLS instructions received*

†date of unit sale