

Ombudsman's Determination

Applicant	Mr S
Scheme	Ethika Auto Enrolment Pension Scheme (the Scheme)
Respondent	Warwick & Eaton Administrators Limited (Warwick & Eaton)

Outcome

1. I do not uphold Mr S' complaint and no further action is required by Warwick & Eaton.

Complaint summary

2. Mr S has complained about a lack of communication from Warwick & Eaton and a failure to progress a transfer request. He has also said that he has not received a statement since 2017, and has not been provided with an account number.

Background information, including submissions from the parties

3. On 10 January 2014, the Scheme was established as an auto-enrolment Master Trust by way of Trust Deed. A company called Barclay Cavendish Trustees Limited (**Barclays Cavendish**) was the Trustee. Warwick & Eaton is the Scheme's administrator.
4. Mr S was auto-enrolled into the Scheme through employment with a company called Red River. He and his employer made regular contributions.
5. In 2017, Mr S received an annual statement indicating a fund value of approximately £2,000.
6. Over the course of 2017 and 2018, Mr S submitted a number of information requests to Warwick & Eaton, including how he could access benefits and requests for annual statements. On each request Warwick & Eaton provided a response.
7. On 26 March 2019, The Pensions Regulator removed Barclay Cavendish as the Scheme's Trustee and appointed Dalriada Trustees Limited (**Dalriada**).
8. On 27 March 2019, Dalriada temporarily instructed Warwick & Eaton not to communicate with members of the Scheme.

9. In April 2019, Mr S requested an annual statement and in June 2019, he requested clarification of his transfer options.
10. On 19 June 2019, Warwick & Eaton directed Mr S to speak to an independent financial adviser for advice on transfer options.
11. On the same day, Mr S requested an annual statement and transfer forms, which were provided to him that day. In regard to the annual statement, Warwick & Eaton said that it would need to get a valuation from Dalriada.
12. There followed additional requests for a statement and transfer value.
13. In July 2019, Warwick & Eaton reiterated that it could not provide a transfer value until Dalriada had valued the Scheme's assets.
14. On 11 July 2019, Mr S raised a complaint under the Scheme's internal dispute resolution procedure.
15. In the absence of a response, the complaint was referred to us and accepted on the basis that no response had been received.
16. On 10 September 2019, Warwick & Eaton responded to the complaint explaining that it had been unable to provide the information Mr E had requested because the Scheme's assets were under review by Dalriada, as it disputed the valuations of some of the assets. As a result, no valuations were available to Warwick & Eaton to share with members such as Mr S.
17. Warwick & Eaton invited Mr S to submit the transfer forms which would be presented to Dalriada to progress as far as possible in the absence of a valuation.
18. On 31 December 2019, Dalriada issued a Chairman's Statement that clarified the current status of the Scheme¹.

Adjudicator's Opinion

19. Mr S' complaint was considered by one of our Adjudicators who concluded that no further action was required by Warwick & Eaton. The Adjudicator's findings are summarised below:-
 - While Mr S' experience has been frustrating, the exchange of correspondence shows that Warwick & Eaton responded and assisted him appropriately, and in a reasonable timeframe throughout.
 - At the point Dalriada was appointed, Warwick & Eaton was instructed not to communicate with Mr S. However, that was on the direction of Dalriada and not within Warwick & Eaton's control. In any event, this has not caused Mr S a financial loss.

¹ <https://www.dalriadatrustees.co.uk/wp-content/uploads/2019/12/2019-Ethika-Chairmans-Statement.pdf>

- Mr S' inability to transfer or receive a transfer value stems from Dalriada's embargo on transfers and valuations. This is a result of Dalriada's uncertainty over the value of the Scheme's assets, explained in the Chairman's statement of 31 December 2019. This is outside Warwick & Eaton's control.
 - While the directorship links between Warwick & Eaton and the previous Trustee, Barclay Cavendish are acknowledged, Warwick & Eaton was not legally responsible for the investment choices made by the previous Trustee, and are not accountable for failings on the part of the former Trustee. Warwick & Eaton provided administration services to the Scheme and appear to have provided them adequately in respect of Mr S' pension benefits.
20. Mr S did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr S provided his further comments which do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the main points made by Mr S for completeness.

Ombudsman's decision

21. Mr S has made a number of submissions concerning Warwick & Eaton, in effect, stealing his money and he does not understand why my Office is unable to intervene. I appreciate Mr S' frustration. There do appear to be questions over the structure of the Scheme and its investments, but those questions are better directed towards the former trustees, Barclays Cavendish, who were responsible for the investment decisions which have caused the Scheme to run into difficulty.
22. The complaint before me is against Warwick & Eaton, not Barclays Cavendish. Regardless of any historical links between these companies through directorships or otherwise, Warwick & Eaton is not responsible for the Scheme's investment decisions. I can only consider the question of whether Warwick & Eaton adequately undertook its function as the Scheme's administrator. In terms of the matters Mr S has complained about, such as the quality and timeliness of communication, the evidence shows that Warwick & Eaton fulfilled its function appropriately.
23. It seems to me that Mr S' primary concern relates to the lack of access to a transfer value and transfer payment. If a transfer was agreed the wider complaint would likely fall away. No doubt the lack of progress toward a transfer is frustrating, but for an administrator to provide the necessary information it needs to be approved by the Trustees. In the absence of such approval, as has been explained, Warwick & Eaton is unable to provide a transfer value at the present time.
24. I suggest Mr S liaises with Dalriada about a transfer going forward, but unless the position has progressed since December 2019, the embargo on transfers is likely to have remained in place.

CAS-30803-J2G8

25. I do not uphold Mr S' complaint.

Anthony Arter

Pensions Ombudsman
7 April 2020