

Ombudsman's Determination

Applicant	Mr S
Scheme	Your Tomorrow Pension Scheme (the Scheme)
Respondents	Lloyds Banking Group Pensions Trustees Limited (the Trustees) Willis Towers Watson (WTW) Hargreaves Lansdown Asset Management Limited (HL)

Outcome

1. Mr S' complaint is upheld and to put matters right:-
 - WTW shall calculate the disinvested value of Mr S' benefits under the Scheme as at 5 December 2018.
 - HL shall calculate the notional current value of Mr S' SIPP, on the assumption the value above was received and invested on 7 December 2018, and compare this with the current actual value of Mr S' SIPP.
 - If the comparison above shows the notional value is greater than the actual value, WTW and HL shall pay the shortfall into Mr S' SIPP in the following proportions:
 - WTW shall pay 6/19ths (32%); and
 - HL shall pay 13/19ths (68%).
 - WTW shall pay Mr S the £500 it has already offered in recognition of the distress and inconvenience caused to him.
 - HL shall pay Mr S the £250 it has already offered in recognition of the distress and inconvenience caused to him.

Complaint summary

2. Mr S initiated the transfer of his benefits in the Scheme and in a workplace pension with Handelsbanken to his Self-Invested Personal Pension (**SIPP**) with HL. He is complaining that the transfer from the Scheme completed much later than that from Handelsbanken, and says that on investigation it became clear to him that there had been multiple errors and omissions by both WTW and HL.

3. He said that, as a result, the disinvestment of his funds in the Scheme took place much later than it was reasonable to expect. He has assessed his loss at £2,500 using data supplied by WTW and the time it took to complete the Handelsbanken transfer as a reasonable yardstick. He would like to be put back in the position he would have been in had the transfer of his benefits in the Scheme been completed in the same timescale as the transfer from Handelsbanken.

Background information, including submissions from the parties

4. WTW is the administrator of the Scheme.
5. HL said it received Mr S' transfer application on 11 October 2018.
6. On 14 October 2018, HL processed Mr S' instructions and sent confirmation to him. HL also wrote to WTW to request a transfer out pack in order to proceed.
7. On 16 October 2018, WTW received the transfer request from HL.
8. WTW has said Mr S' date of birth (**DOB**) was shown incorrectly. WTW has provided a copy of the form it received, dated 10 October 2018, which shows the DOB, handwritten in the section "Policy 2 – transfer to the HL SIPP", as 0/11/111/0/5/7.
9. On 24 October 2018, WTW wrote to HL to say the DOB shown on the letter of authority (**LOA**) was incorrect.
10. On 26 October 2018, WTW emailed HL with details of the transferring scheme.
11. On 29 October 2018, HL sent a letter to WTW chasing the transfer out forms. The same day, HL received the letter from WTW confirming it could not proceed with the transfer as the DOB provided on the LOA did not match its records.
12. On 5 November 2018, HL sent a secure message to Mr S confirming the above.
13. WTW's file shows that on 6 November 2018, Mr S telephoned WTW to question how it was possible he could have put the incorrect DOB on the HL letter of authority. The telephone note shows that WTW explained what had happened and asked that he complete a new LOA. The telephone note shows that Mr S agreed to go back to HL.
14. However, HL said that it also telephoned WTW and that during that telephone conversation WTW confirmed it could accept the LOA. HL also said that WTW explained that the initial request was rejected in error.
15. On 7 November 2018, WTW issued the transfer out quote and transfer agreement to HL. The pack also included a leaflet entitled "Transfer out process" and the Government's pension scams booklet. WTW outlined its requirements for the transfer to proceed, including a request for a copy of Mr S' passport for security identification purposes. The following day, WTW emailed the transfer out pack to HL.

16. On 13 November 2018, HL issued a chaser letter to WTW. It said that it had recently requested the necessary discharge forms in order for the transfer to proceed, but that these had not been received.
17. On 15 November 2018, HL received the transfer out forms from WTW and forwarded them to Mr S for his completion.
18. On 28 November 2018, HL received the transfer out forms, signed by Mr S on 21 November 2018, and sent them to WTW. This included Mr S' consent to WTW carrying out a security identification check. WTW says it received only partially completed forms.
19. On 5 December 2018, WTW wrote to HL to say the documentation it had received was incomplete. It said it required a completed Security Identification check form (**the Security ID form**) and a copy of Mr S' passport for its ID and security checks.
20. On 10 December 2018, HL telephoned WTW to chase progress. WTW advised it still required a copy of Mr S' passport and the Security ID form. HL said the form had already been issued on 28 November 2018. HL also received the WTW letter of 5 December 2018, setting out the outstanding requirements, the same day.
21. On 12 December 2018, HL wrote to WTW enclosing the outstanding documentation.
22. On 13 December 2018, HL wrote to WTW to say its records showed the transfer was still incomplete and to ask for the funds to be transferred as requested. WTW received the outstanding papers from HL the same day.
23. On 14 December 2018, HL chased WTW by telephone and were told the Security ID form and copy passport had recently been received. WTW said the transfer was being worked on.
24. On 17 December 2018, HL chased WTW by telephone. WTW confirmed the disinvestment had started that day and that it would take between 10 and 15 working days for the funds to be sent to HL.
25. On 28 December 2018, WTW sent a letter advising HL that the transfer value of £53,804.45 would be paid "in the next few days". WTW also wrote to Mr S to tell him that it 'had paid' the transfer value of £53,804.45 direct to HL on 31 December 2018.
26. On 2 January 2019, HL chased WTW in writing.
27. On 4 January 2019, HL chased WTW by telephone. WTW confirmed payment had been issued by BACS on 28 December 2018 and that written confirmation was in the post. HL says WTW was unable to confirm the amount transferred.
28. On 7 January 2019, HL received the letter from WTW confirming the amount transferred and on the next day HL added £53,804.45 to Mr S' SIPP.

29. Mr S initially complained to HL by email. There appears to have followed an exchange of correspondence, including an email from Mr S, dated 23 January 2019, in which he said:

“I should just like to point out that the transfer to HL completed on 31st December, although you acknowledged that my account was not credited until 8th January because of an error in your office...”

30. HL responded to this in writing on 29 January 2019, and said the matter was being treated as a formal complaint. HL accepted its service fell short of its standards and offered Mr S £50, which he refused. The offer was later increased to £100 and finally to £250 for the inconvenience this caused him.
31. WTW for its part offered Mr S £500 for the distress and inconvenience caused.
32. HL has, on separate occasions, provided a copy of two LOAs it says were sent to WTW. One is a copy of the form provided by WTW but with the DOB clearly legible. The other is headed up ‘Pension Transfer’ and shows Mr S’ DOB, typewritten, correctly as 01/10/1957. It is also dated 10 October 2018, but is clearly a different form to that provided by WTW.
33. WTW said:-
- As administrator it has a duty of care to ensure it is providing data to authorised parties. As the document it received did not match the data it held on its member record it investigated prior to providing the requested information.
 - In order to facilitate a transfer of any member’s pension benefits it will only complete such a transfer at such time that all documents, forms, and ID requirements are received and correct. As it did not receive full documentation to facilitate a transfer, the missing documentation was requested as is standard procedure.
 - It notes that Mr S had not moved address and therefore thought the Security ID Form was not required. However, it was not provided with a copy of his Passport to enable completion of its electronic trace and verification process,

Adjudicator’s Opinion

34. Mr S’ complaint was considered by one of our Adjudicators who concluded that that there had been maladministration on the part of both WTW and HL. The Adjudicator’s findings are noted as follows:-
- The Trustees were ultimately responsible for all aspects of the Scheme; however, they delegated the administration duties to WTW.
 - The transfer process began when Mr S signed the transfer request on 10 October 2018. It was received by HL on 11 October 2018, and sent to WTW on 14 October

2018. The process ended on 8 January 2019, when the transferred value was credited to Mr S' SIPP. It therefore took a total of nearly three months.

- As was demonstrated by this case, the transfer process was primarily an exchange of information between all parties and relied on the parties to deal efficiently and quickly with the various requests for information. Three months was not necessarily an unreasonable elapsed time for some transfers to be completed; but this was a straightforward transfer in which there had been avoidable delays caused by unclear communication, careless administration and poor decision making, as a result of which Mr S might have suffered a financial loss.
- It was not at all clear how there came to be two LOAs, both dated 10 October 2018, and both apparently fulfilling the same function. WTW had produced a copy of the version it received and there was no doubt the DOB was unclear. There was no reason why WTW would want to amend or edit the LOA in any way; there was nothing for them to gain by doing so. It was not unreasonable that WTW questioned the DOB, the issue was how it went about doing so.
- WTW received the transfer request on 16 October 2018, a Tuesday. However, it was not until the following Wednesday, 24 October 2018, that it wrote to HL to say the DOB was incorrect. In that letter WTW did not explain how the DOB on the LOA differed from what was held on its records. It said that if HL believed the DOB was correct it should send an original copy of Mr S' birth certificate.
- But it was not that the DOB was incorrect, it was that it was illegible. A DOB of 0/11/111/0/5/7 was clearly nonsense. A simple telephone call to HL would, no doubt, have resolved the issue immediately.
- HL received the letter on Monday, 29 October 2018, but it was not until a week later, on 5 November 2018, that it messaged Mr S. Again, it was not at all clear why it chose to do so. If, as HL now said, it held an LOA with a perfectly legible DOB on it, the appropriate course of action would have been to send this LOA to WTW, or at the very least to have telephoned WTW to find out why it felt the DOB was incorrect.
- There was clear evidence to show that Mr S then telephoned WTW, on 6 November 2018, to ask how it was possible that the DOB shown on the LOA could be incorrect. The note of the call was brief, but said that WTW explained what had happened, presumably by saying the DOB was illegible, and concluded with WTW asking for a new LOA to be completed. Mr S agreed to go back to HL.
- What happened after that was not so clear. HL said that it telephoned WTW but there was no record of this call on WTW's file. It was agreed during that conversation that WTW could accept the LOA. Again, this was presumably on the basis that the DOB was illegible rather than being incorrect. HL said that WTW said the initial request was rejected in error.

- Regardless of what was actually said, or agreed, in either of these telephone conversations, the following day, 7 November 2018, WTW issued the transfer pack to HL.
- It would be unreasonable to expect that this issue could have been dealt with immediately the transfer request was received, but as it was crucial to the success of the transfer process, a 'showstopper', it was not unreasonable to believe that it should have been queried by WTW within two working days of receipt of the transfer request, that was by Thursday 18 October 2018. Evidence showed it was likely to have been resolved immediately and there would then have been no reason for the preparation of the transfer pack to be delayed.
- In line with general industry standards, a transfer quotation could be available within ten working days of the transfer request. In this case that would result in the quotation and the rest of the transfer pack being available on 30 October 2018, as opposed to 7 November 2018, that was six working days earlier.
- In the adjudicator's view, WTW should be held responsible for that delay because, although HL took a week to deal with WTW's letter regarding the DOB, had WTW taken reasonable steps to resolve the issue quickly by telephone, none of the subsequent delay would have occurred.
- The transfer pack issued to HL included a blank Security ID form. However, there was no specific reference to this form in the covering letter or other documents, including the leaflet entitled 'Transfer out process'. The requirement for this form to be completed was far from clear. The form asked for details of changes of address in the previous three years or members living abroad, neither or which applied to Mr S.
- However, the need for a copy of Mr S' passport was made clear in the requirements set out in the covering letter to the transfer pack dated 7 November 2018. HL failed to recognise the copy passport was not included when it returned the transfer pack to WTW. It had accepted that it held a copy of Mr S' passport on file.
- The need for the completed Security ID form and the copy passport was recognised by HL on 10 December 2018 and both were sent to WTW on 12 December 2018. It was reasonable to conclude that, had HL checked the documents before sending them to WTW, it would have seen that the copy passport was missing and that this could have been provided within two working days, that is by Friday, 30 November 2018. Therefore, a total of eight working days was lost due to HL's failure to ensure the documentation was complete.
- The evidence shows that the transfer payment was made by BACS on 31 December 2018. WTW wrote to both HL and Mr S on 28 December 2018 to advise that the transfer payment had been made and to confirm the amount. The letter to HL was not received until 7 January 2019. WTW cannot be held responsible for

any postal delay, although it might be argued that it could have sent the confirmation by email.

- The funds were eventually allocated to Mr S' SIPP account on 8 January 2019, five working days after they had been received. WTW's letter showed the reference attached to the payment clearly stated it related to Mr S. It was therefore reasonable for Mr S to expect the funds to be credited to his account on the day, or at the very latest the day after, they were received.
- In summary, the adjudicator concluded that there were avoidable delays totalling 19 working days. WTW was responsible for a delay of six working days due to it failing to take appropriate action to resolve the problem with the illegible DOB. HL was responsible for a total delay of 13 working days, eight working days for failing to ensure the transfer documentation was complete and five working days for the delay in investing the transferred funds.
- Eliminating the avoidable delays from the actual time taken to complete the transfer:-
 - Had the transfer pack been issued on 30 October 2018, the completed documents would have been signed by Mr S and received by HL on 20 November 2018.
 - Had HL checked that the pack was complete before returning it to WTW, it is likely the complete documents would have been with WTW by Monday 26 November 2018.
 - The disinvestment would therefore be expected to have completed by 5 December 2018 and the funds transferred on 7 December 2018.
- This matter has caused Mr S distress and inconvenience. The total of £750 already offered to Mr S in recognition of this was in line with what the Ombudsman would award in these circumstances. WTW and HL should therefore pay Mr S the amounts previously offered to him.

35. Although Mr S and the Trustees accepted the Adjudicator's Opinion, WTW and HL did not; they made the following comments:-

WTW's comments

- While it may have been possible to resolve the query regarding the illegible DOB in a telephone call to HL, in reality this is not practical and neither is it in line with the service that WTW has undertaken to provide.
- The service level agreement (**SLA**) that WTW has in place with the Trustees for dealing with transfer quotation requests is 5 working days.

- WTW considers it attempted to deal with the DOB issue in a reasonable and timely manner. As a third-party administrator, WTW cannot be held liable for errors in the documentation provided to it.
- WTW did not have a valid LOA and were right to question it. The transfer quotation request was reviewed on 24 October 2018 and the appropriate letter sent to HL. Taking into account the high volumes of requests it receives each day; it is not possible to prioritise any one individual request above another.
- HL has stated it was in possession of a LOA with a legible DOB shown on it. The appropriate response to WTW's request would have been to send a copy of the legible form.

HL's comments

- Whilst it is disappointing that WTW did not have a copy of Mr S' passport on file, HL appreciates this could have been issued to it on 28 November 2018. However, its requirement for the Security ID to be completed remained outstanding. HL therefore does not believe that its not providing a copy of the passport caused a delay to the process.
- HL denies that the delay in allocating the transferred funds to Mr S' SIPP was caused by an error in its office. It has provided a copy of an email prior to the one from Mr S, dated 23 January 2019, which says the transferred sum was received in HL's bank account on 31 December 2018, but the reference attached to it was not HL's. It was therefore unable to apply this amount to Mr S' account.
- HL telephoned WTW on 4 January 2019 to chase the transfer and was told it had been sent. However, WTW was unable to confirm the amount transferred so it was not possible to credit Mr S' funds until HL received paper confirmation of the amount transferred.

36. The complaint has now been passed to me to consider. I have noted the additional points made by WTW and HL, however, I agree with the Adjudicator's Opinion.

Ombudsman's decision

37. WTW has accepted that the query regarding the illegible DOB could have been dealt with by telephone, but says this was not practical. It is beyond me why WTW feels this was the case. The evidence shows many other examples of information being shared either by telephone or email and there is no plausible reason why it could not on this occasion.
38. Further, WTW refers to its SLA but this is to miss the point. It was not the timeliness of the action, but the method and clarity with which the query was raised that is at issue. Having identified there was a problem it was then for WTW to select the most appropriate way to deal with it, which it failed to do. I appreciate that WTW has many items of work to process, but it is for WTW to make certain sufficient, skilled resource

is available to ensure the appropriate action is taken so that queries are dealt with quickly and effectively and its customers are not disadvantaged.

39. HL has accepted that it should have provided a copy of Mr S' passport, as requested, with the rest of the transfer out pack on 28 November 2018. However, it says that this made no difference as a suitably completed Security ID form was also missing. Its argument appears to be that it cannot be held responsible for causing a delay by not submitting a copy of one document on the basis it also failed to submit another document. While I acknowledge that the need for the Security ID form could have been made clearer, the fact remained that it was not applicable to Mr S; a matter that could have been easily resolved. From the evidence available it is reasonable to conclude that HL failed to adequately check the pack of documents before they were returned to WTW and that, had it done so, it could have queried the need for the Security ID form.
40. HL now says that it did not cause the delay in crediting the transferred funds to Mr S' SIPP once it had received them on 31 December 2018. I note that the written confirmation of the transfer was not received until 7 January 2019 and neither WTW nor HL can be held responsible for this. HL says it telephoned WTW to chase the payment on 4 January 2019 and that, while WTW could confirm the payment had been made, it could not say for what amount. I have to say that I find this surprising as it was included in the written confirmation which would, presumably, have been on file. Furthermore, there is no evidence in WTW's contemporaneous telephone note to show that this question was asked.
41. Notwithstanding this, the evidence of Mr S' email to HL dated 23 January 2019, clearly indicates that HL had accepted, and told him, that it had caused a delay in crediting the funds to Mr S' SIPP due to an error in its office. While I acknowledge that one of HL's preceding emails places the responsibility for this at WTW's door, I can think of no reason why Mr S would make this comment in his subsequent email if it did not reflect something HL had said to him. Furthermore, HL did not contradict his statement in its response of 29 January 2019. In finding that HL must take responsibility for this delay, I am also mindful of the fact it had use of this money on deposit from 31 December 2018.
42. In conclusion, it is clear that there were avoidable errors by both WTW and HL, which amount to maladministration. Further, I find it disappointing that two major pension providers, rather than liaising with each other to ensure that their mutual customer had not been disadvantaged, set about each blaming the other for the delays.
43. I uphold Mr S' complaint.

Directions

44. Within 28 days of the date of this Determination:-

- WTW shall calculate the disinvested value of Mr S' benefits under the Scheme as at 5 December 2018.
- HL shall calculate the notional current value of Mr S' SIPP, on the assumption the value above was received and invested on 7 December 2018, and compare this with the current actual value of the SIPP.
- If the comparison above shows the notional value is greater than the actual value, WTW and HL shall pay the shortfall into Mr S' SIPP in the following proportions:
 - WTW shall pay 6/19ths (32%); and
 - HL shall pay 13/19ths (68%).
- If the comparison shows the notional value is less than the actual value, no additional payment to Mr S' SIPP is required.
- WTW shall pay Mr S the £500 it has already offered in recognition of the distress and inconvenience caused to him.
- HL shall pay Mr S the £250 it has already offered in recognition of the distress and inconvenience caused to him.

Anthony Arter

Pensions Ombudsman
27 October 2020