

Ombudsman's Determination

Applicant	Mr R
Scheme	Compass Group Pension Plan (the Plan)
Respondents	Compass Group Pension Trustee Limited (the Trustee) XPS

Outcome

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

Complaint summary

2. Mr R has complained that:-
 - XPS, the administrators of the Plan, miscalculated the cash equivalent transfer value (**CETV**) of £454,580 that was paid to his ex-spouse under the terms of the pension sharing order (**PSO**).
 - When agreeing the distribution of assets, he relied on a lower CETV that was previously quoted to him. As a result, he took out a loan of £50,000, to balance out the division of assets on divorce.

Background information, including submissions from the parties

3. On 23 October 2017, in response to a request from Mr R for a valuation for divorce purposes, XPS quoted a CETV of £401,564 (the **October 2007 Valuation**). It warned that this was only an estimate and was not guaranteed.
4. Mr R was in receipt of a pension from the Plan.
5. On 27 November 2018, in response to a request from Mr R for an updated valuation for divorce purposes, XPS quoted a CETV of £300,039 (the **Updated Valuation**).
6. On 28 November 2018, after Mr R had queried the Updated Valuation, XPS acknowledged that an error had been made in the calculation. It apologised for the error.

7. Mr R was then issued with an illustration that showed a corrected CETV of £398,834 (the **November 2018 Valuation**). It warned that this was only an estimate and was not guaranteed.
8. XPS said that the November 2018 Valuation had been provided for “divorce purposes”. It explained that, in the event of a PSO, Mr R’s ex-spouse would be offered an external transfer representing the value of the “Pension Credit”. Specifically, a share of his benefits in the Plan that would be allocated to his ex-spouse under the PSO.
9. On the same day, Mr R complained to XPS. He highlighted that he had previously been quoted a CETV of more than £400,000, which he said he had used in his divorce settlement. He asked for an explanation for the “shortfall” in the CETV.
10. XPS responded the same day and apologised for the “discrepancy”. It explained that it had reviewed the calculation of the Updated Valuation and had discovered an error with the revaluation of Mr R’s Guaranteed Minimum Pension (**GMP**) benefits, which it said it had resolved.
11. In response, Mr R said that he did not think the November 2018 Valuation was correct:-
 - He “was informed in writing that the pension could not go backwards, as it was a final salary pension. He was also informed that it would increase every year subject to a “cap of 5%”.
 - The UK had not gone into recession. The stock market had a reasonable year. So, he questioned why his benefits had decreased in value?
12. In the exchanges that followed, XPS explained that:-
 - The revaluation factors were produced by its actuaries for the purpose of calculating CETVs.
 - The factors were reviewed and updated on a monthly basis and were intended to reflect market changes and “inflationary rates”. Consequently, there is no guarantee that a CETV quoted in November 2018, would be the same or higher than a CETV quoted in November 2017, or 2016. There is “every possibility that it may decrease instead (the **Statement**).”
 - The CETV displayed in the November 2018 Valuation was checked and verified by its Administration Manager as a “further precaution” before being issued.
 - If Mr R still considered that the November 2018 Valuation was incorrect and wanted XPS to carry out a further review of its revaluation factors, it would investigate how the CETV was calculated.
13. Mr R’s ex-spouse was granted 100% of his relevant benefits in the Plan under the terms of the PSO.

14. On 2 July 2019, XPS received a copy of the PSO.
15. Under Section 28 of the Welfare Reform and Pensions Act 1999 (the **1999 Act**), activation of a PSO takes effect when a PSO is made under the Matrimonial Causes Act 1973.
16. Section 29 of the 1999 Act, defines the “transfer day” as the day the PSO takes effect. Where the arrangement is a workplace pension, the relevant benefits are determined as outlined in paragraph 17 below.
17. For a member in active membership, the relevant benefits are those the member would be entitled to assuming his/her pensionable service ended immediately before the “transfer day”. Otherwise, the benefits or future benefits to which the member is entitled to under the arrangement immediately before the “transfer day”.
18. Section 34 of the 1999 Act, describes the implementation period as a period of four months beginning on the date the PSO takes effect. Or, if later, the date the scheme receives all the relevant paperwork to implement the PSO. The pension scheme can choose any day within this period as the “valuation day”.
19. Regulation 8 of the Pensions on Divorce etc. (Provision of Information) Regulations 2000 (the **2000 Regulations**), sets out the information that must be issued to the parties once a pension sharing order, or provision, has been implemented. The information specified should be included in a notice of discharge of liability (the **Notice of Discharge**).
20. The Notice of Discharge should be issued no later than the end of the period of 21 days beginning with the day on which the discharge of liability in respect of the pension credit is completed. An excerpt from the 2000 Regulations is set out in the Appendix.
21. On 2 October 2019, XPS notified Mr R that the implementation period had commenced on 16 September 2019.
22. On 6 November 2019, the actuaries calculated a CETV of £454,580 (the **Final CETV**).
23. On 15 November 2019, XPS paid £452,240 to the pension arrangement nominated by Mr R’s ex-spouse to receive her pension credit after deducting charges amounting to £2,340 for implementing the PSO.
24. On 19 November 2019, XPS issued a Notice of Discharge to both parties.
25. On 21 November 2019, Mr R complained under the Internal Dispute Resolution Procedure (the **IDRP**). He asserted that:-
 - He received a letter from XPS on 21 November 2019. It indicated it had paid £454,580. This amount had not previously been notified to him, or else he would have queried it.

- The October 2017 Valuation was used during the divorce negotiations. He was subsequently asked to “seek further assurance [from XPS]”. The Updated Valuation was lower by £100,000, when compared with the October 2017 Valuation. He queried this at the time.
 - He was assured that the November 2018 Valuation was correct. He has since discovered that it was understated by approximately £50,000. The level of service he had received from XPS was “very poor”. It had made mistakes in the calculations and had failed to check the figures.
 - The shortfall of £50,000 should be returned to him, so that he could repay the loan, which he had subsequently taken out.
26. On 22 November 2019, XPS acknowledged that the service Mr R had received fell below the level it wanted to provide to its members. It reassured him that it would carry out a thorough investigation of his case.
27. On the same day, Mr R queried why XPS had not given any timescales for issuing its response or provided a copy of its complaint procedure.
28. On 27 November 2019, XPS issued a response under the IDRP. In summary, it said:-
- The October 2007 Valuation stated that the calculation was provided for divorce purposes. Consequently, it was not guaranteed.
 - The Updated Valuation was issued before the court proceedings on 27 November 2018. It agreed that an error had been made in the calculation and immediately issued a revised valuation of £398,834. It confirmed that, due to changes in market conditions, and inflationary rates, the valuation could not be guaranteed.
 - The Trustee was required to recalculate the CETV of Mr R’s benefits before the value of the pension credit was paid to his ex-spouse.
 - The relevant benefits were those at the effective date of the PSO (“the transfer day”), which was 24 June 2019.
 - The actual CETV used for implementing the PSO was calculated as at the “valuation day”, which must be within four months of the start of the implementation period.
 - The implementation period started on 16 September 2019; the pension credit was paid on 15 November 2019. As a result, the change in the CETV was not advised to him at an earlier stage.
 - A distinction needed to be drawn between:
 - the valuation of pension benefits provided for pension sharing purposes in accordance with regulation 3 of the 2000 Regulations, and

- the CETV used for implementation purposes, which must be calculated and verified in accordance with the Pension Sharing (Valuation) Regulations 2000.
 - Mr R should contact XPS if he wants to discuss the matter further.
29. Mr R then complained under Stage Two of the IDRPs. He questioned the suggestion that his CETV could have increased by “12% ... over a period of less than a year.”
30. During the exchanges that followed, XPS explained that:-
- The 2018 Valuation stated that “if a Pension Sharing Order is made, the cash equivalent will be recalculated at that time”.
 - CETVs can fluctuate significantly; they are sensitive to market conditions. In this case, the CETV increased significantly. However, it could have decreased; there is no way it would have known the final figure until the PSO was implemented.
31. On 6 December 2019, Compass Group’s pensions & benefits manager (the **Pensions & Benefits Manager**) acknowledged Mr R’s complaint.
32. In the intervening period, Mr R explained that:-
- His ex-spouse’s solicitor (the **Solicitor**) “was not convinced” about the accuracy of the October 2017 Valuation. The Solicitor had come across several cases where the valuation had decreased after agreement had been reached between the parties.
 - He offered another valuation, in the knowledge that the figures would not have moved much as the UK “has basically stood still for about 3 years in terms of interest rates and investment returns.”
 - XPS provided him with a “guarantee” that the November 2018 Valuation had been checked and that it was correct. “This guarantee was handed to” the Solicitor.
 - As part of their divorce settlement, he agreed to give his ex-spouse an additional £50,000, to balance out their division of assets on divorce. This was accepted by the court in April 2019.
 - Had the correct figures been provided, it would not have been necessary for him to take out the loan. While he acknowledges that the November 2018 Valuation decreased slightly, when compared with the October 2017 Valuation, he cannot accept that “you can suddenly make a 12 + % [return] in less than a year.”
33. On 10 January 2020, the Trustee issued a response under the IDRPs. Briefly, it said:-
- The PSO had been complied with and implemented in accordance with the statutory guidelines.
 - A CETV represents the Trustee’s best estimate of the cost of providing Mr R’s pension through the Plan. As the cost will ultimately depend on a number of

unknown factors, such as investment returns, inflation and life expectancy, financial assumptions are determined by the Trustee, having taken advice from the Plan Actuary.

- When calculating Mr R's CETV, his pension was projected to his normal retirement age. It was then discounted back to the calculation date using gilt yields, allowing for expected investment returns on the Plan's assets.
- The assumptions are market related; they vary over time and are specific to the Plan. There was approximately 1.5 years' difference between the calculation dates in his case. UK gilt yields fell during this period. Consequently, the cost of providing £1 per annum of pension increased by approximately 15%. "A number of other factors also had an impact (increase/decrease) but collectively broadly acted to cancel each other out." This accounted for the difference in his CETV.
- The Trustee is obliged to pay benefits in accordance with the trust deed and rules of the Plan and cannot pay Mr R an additional £50,000.

34. Mr R has also provided a copy of an email from a Relationship Manager at Santander. It confirms that a loan of £75,000 was provided for his divorce settlement: £50,000 was originally provided as part of Santander's assessment. It also confirms that, on receipt of Mr R's divorce agreement, this was increased to cover the additional £25,000, "less amortisation of the existing loan".

35. **Mr R's position:-**

- The matter is causing him financial hardship and distress. He is £50,000 "out of pocket" due to "incompetence" on the part of XPS. This does not include loss of interest.
- After he got over the "shock" of the Updated Valuation, he contacted XPS. It reassured him that the November 2018 Valuation was correct and had been checked by a manager. The figures were used for his divorce settlement. He subsequently had to take out a loan of £50,000 at the "last minute", to balance the division of assets to achieve a "50/50" split.
- A key part of his complaint is his communication exchanges with XPS. A copy of the "final statement", prior to XPS giving away his money, arrived after the payment had been processed. He should have received this before the money was transferred. He would have then stopped the "transaction". A company looking after the funds or assets of an individual owes at least a duty of care to its client, this includes when communicating information.
- XPS stated that there was every possibility the CETV may decrease. In other words, it was more likely to go down not up. It also stated that the November 2018 valuation had been checked and verified by a supervisor. There comes a point when you have to "take these professionals at their word!"

- Although he was aware that “investments can go up and down”, the markets were relatively calm, due to “Brexit”. Consequently, he questions the sudden increase in the CETV. This was his money; his investment, but XPS seemed to treat it differently.
- The pound was very weak; company profits were generally weak, and inflation was also weak, although there were some exceptions. Despite this, the value of his pension increased by 12.4% in six months. He could understand a variance of up to 3%, either way, on a calculation that had been checked and verified by a supervisor.
- He is open to agreeing a figure that reflects the true state of the market in 2019. A variance of £40,000 in the CETV would be more reasonable.

36. The Trustee’s and XPS’ position:-

- There does not appear to have been any conditions attached to the additional sum Mr R paid to his ex-spouse.
- The Trustee does not accept that it is liable for the financial loss Mr R is claiming. The terms of the divorce settlement, and the value attributed to various assets, is a matter for the divorcing parties and the court. The Trustee has no part to play in that process.
- The Trustee had a duty to provide Mr R with a valuation on request and to implement the PSO. It could not have foreseen the change in market conditions. Nor could it have implemented the PSO based on an earlier CETV, as this would have amounted to a breach of the legislation.
- Prior to the Trustee receiving the PSO, Mr R was provided with a valuation for divorce purposes in October 2017 and then in November 2018. The figures were calculated in accordance with the legal requirements for calculating CETVs and were issued within the statutory timeframe.
- The Trustee made it clear that the CETV could not be guaranteed until the PSO had been implemented. The October 2017 Valuation and November 2018 Valuation made it clear that the CETV was provided for divorce purposes, was an estimate, and could not be guaranteed.
- By requesting an updated valuation for divorce purposes, Mr R demonstrates that he was aware that the October 2017 Valuation was not guaranteed and could change.
- Mr R identified straightaway that there was an error in the calculation of the Updated Valuation. The November 2018 Valuation was provided the following day. XPS did not state that it was a guaranteed figure. The Trustee understands that the November 2018 CETV was not used in the divorce proceedings.

- The Trustee accepts that there is a significant variance in the November 2018 Valuation when compared with the Final CETV. This is due to a change in gilt yields. The Trustee can only pay out a CETV in line with the legislative requirements and the PSO. Consequently, it cannot be held responsible for the change in the value of the CETV between the date of the valuation and the date of the Final CETV. Nor can it be held responsible for the impact this has had on Mr R's other financial arrangements.
- XPS took all the necessary steps to ensure it had sufficient information to implement the PSO. The PSO was implemented within the four-month period prescribed under legislation.

Adjudicator's Opinion

37. Mr R's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustee or XPS. The Adjudicator's findings are summarised below:-

- Mr R considered that he had reasonably relied on the October 2017 Valuation to his detriment. The Adjudicator noted that his reason for taking this view was because XPS had indicated that there was "every possibility" that the November 2018 Valuation "may decrease instead". Specifically, that it would not increase in value. The Adjudicator was not persuaded that this was a reasonable conclusion for Mr R to have reached in the circumstances.
- The Adjudicator noted that the October 2017 Valuation and November 2018 Valuation were provided for illustration purposes, rather than a guarantee of entitlement. The Adjudicator also noted that both valuations stated that the figures were estimated. XPS explained at the time that the factors were reviewed and updated on a monthly basis. The Adjudicator accepted that the figures were used for the purpose of reaching an agreement on division of matrimonial assets. However, the Adjudicator said XPS had made it sufficiently clear that the figures were not guaranteed.
- The Adjudicator said that the trustees or managers of a pension scheme has a duty to discharge liability for the pension credit. The Adjudicator also said that they must implement it by transferring the appropriate percentage of the CETV of the member's relevant benefits to the ex-spouse. While they could choose any day within this period as the "valuation day", they do not have the discretion to implement the PSO using a CETV provided in an earlier illustration.
- Regarding the implementation period, the Adjudicator highlighted that it does not begin to run until the later of:
 - I. the effective date of the PSO; and

II. the date on which the trustees are in receipt of all the information required to implement the PSO.

- The Adjudicator noted that under the 2000 Regulations, the Notice of Discharge must be issued to the parties within 21 days of the PSO being implemented. The Adjudicator was of the view that the Trustee had complied with this duty. There was no legal obligation on trustees or managers of a pension scheme to notify the member of the value of the pension credit in advance of discharging the liability under the PSO. Consequently, in the Adjudicator's view, the Pensions Ombudsman would not conclude that Mr R should have been notified of the Final CETV before XPS issued the payment.
- The Adjudicator considered that it is for the Trustee to take actuarial advice on the calculation of CETVs. Having taken that advice, it is for the Trustee to determine the economic, financial, and demographic assumptions that will be used in the calculation. In the Adjudicator's opinion, it is not within the statutory jurisdiction of the Pensions Ombudsman to question the appropriateness of actuarial factors and assumptions adopted by pension trustees.
- In the Adjudicator's view, the fact that the Final CETV was significantly higher than the November 2018 Valuation, was not in itself evidence of maladministration. The Adjudicator noted that the Final CETV had been calculated by the Plan actuaries. The Adjudicator said that the evidence did not indicate that the figures had been independently reviewed and found to be incorrect.
- The Adjudicator accepted that the provision of the Updated Valuation, which had been significantly understated by XPS, amounted to maladministration. However, the Adjudicator noted that the error was quickly corrected. Consequently, the Adjudicator did not consider that the matter warranted an award of £500, the minimum the Ombudsman would direct for non-financial injustice.

38. Mr R did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr R 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 R.

39. **Summary of Mr R's comments:-**

- The pension credit was paid out before the global pandemic, when the economy was on a downturn and interest rates were at their lowest since records began. The markets were also underperforming. This scenario had persisted for many years due to the financial impact of the 2008 recession.
- Over the past 10 years the return on Gilts has been approximately 1/1.5% per annum. He questions how XPS could pay out an extra 12%. Particularly, after it confirmed in writing that the figures had been checked by a supervisor.
- His pension had been "dormant" for approximately 16 years and was growing at a rate of approximately 1% per annum. "It was always guaranteed to go up with a

ceiling of 5%.” A 12% increase in a year is “outrageous when the market was so bad due to amongst other things Brexit”.

- XPS “clearly” stated that the CETV, displayed in the November 2018 Valuation, was accurate and had been checked. As a layperson, he accepted those assurances in good faith and that it represented the value of his pension. He questions whether there should have been accompanying notes on divorce, or on “anything else” he should have been made aware of at the time.
- It would be wrong for the Adjudicator or XPS to suggest that he was made aware of the position. “In law it is the difference between asking for a quote or an estimate”. He requested details of what his pension was worth and was given an accurate figure. Having undertaken the same exercise, many times over the years, he was aware of “the numbers and the changes.”
- It is incorrect to say that he relied on the 2017 Valuation. The “guaranteed valuation”, issued after he identified the mistake in the calculations, was used in the final negotiations.
- The Trustee/XPS failed in its duty of care to him. These large companies use the latest software: “there should be no mistakes to the extent that the [member] has to inform the company that it has [made an error]”.
- XPS made mistakes and only corrected matters after he raised the issue. He has provided evidence “beyond any reasonable doubt” that he has lost £50,000. There is no explanation for the sudden increase of 12% in the CETV, which occurred without his knowledge. Had he taken the legal route, the court would have requested evidence to explain this increase.

Ombudsman’s decision

40. I note that the corrected CETV of £398,834, that is the November 2018 Valuation, was used in the final negotiations between the divorcing parties.
41. For Mr R to have a claim for financial loss he must demonstrate that he reasonably relied on the November 2018 Valuation when paying the additional funds of £50,000 to his ex-spouse.
42. I find that Mr R was aware, or reasonably ought to have been aware, that the divorce valuations were estimated and not guaranteed.
43. I do not agree that the Statement amounted to an assurance that subsequent CETVs would be lower than the corrected CETV of £398,834.
44. The Trustee had a legal duty to choose a “transfer day,” within the four-month implementation period. The Trustee also had a legal duty to provide the parties with a Notice of Discharge within the timescales prescribed in the 2000 Regulations.

45. The evidence does not support the view that the Trustee took on an additional duty of care towards Mr R to alert him to a change in the valuation of his benefits, or otherwise.
46. I am satisfied on reviewing the evidence that the Trustee has provided an appropriate and proportionate explanation for the increase in the Final CETV when compared with the November 2018 Valuation. While I appreciate that Mr R has concerns about the accuracy of the calculations, his claim to monetary loss is unsubstantiated.
47. The provision of the incorrect CETV, quoted in the Updated Valuation, amounts to maladministration on the part of XPS. I note that the calculation was understated by approximately £100,000.
48. However, the matter does not warrant £500, which is the minimum I would direct for non-financial injustice. In taking this view, I have considered the fact that Mr R promptly contacted XPS on discovering the error and that it promptly issued Mr R with corrected figures.
49. I do not uphold Mr R's complaint.

Anthony Arter

Pensions Ombudsman
8 June 2022

Appendix

The Pensions on Divorce etc. (Provision of Information) Regulations 2000:

“Provision of information after the implementation of a pension sharing order or provision

8.—(1) The person responsible for the pension arrangement shall issue a notice of discharge of liability to the transferor and the transferee, or, as the case may be, the person entitled to the pension credit by virtue of regulation 6 of the Implementation and Discharge of Liability Regulations no later than the end of the period of 21 days beginning with the day on which the discharge of liability in respect of the pension credit is completed.

(2) In the case of a transferor whose pension is not in payment, the notice of discharge of liability shall include the following details—

(a) the value of the transferor’s accrued rights as determined by reference to the cash equivalent value of those rights calculated and verified in accordance with regulation 3 of the Valuation Regulations (calculation and verification of cash equivalents for the purposes of the creation of pension debits and credits);

(b) the value of the pension debit;

(c) any amount deducted from the value of the pension rights in accordance with regulation 9(2)(c) of the Charging Regulations (charges in respect of pension sharing activity—method of recovery);

(d) the value of the transferor’s rights after the amounts referred to in subparagraphs (b) and (c) have been deducted; and

(e) the transfer day.

(3) In the case of a transferor whose pension is in payment, the notice of discharge of liability shall include the following details—

(a) the value of the transferor’s benefits under the pension arrangement as determined by reference to the cash equivalent value of those rights calculated and verified in accordance with regulation 3 of the Valuation Regulations;

(b) the value of the pension debit;

(c) the amount of the pension which was in payment before liability in respect of the pension credit was discharged;

(d) the amount of pension which is payable following the deduction of the pension debit from the transferor’s pension benefits;

(e) the transfer day;

(f) if the person responsible for the pension arrangement intends to recover charges, the amount of any unpaid charges—

(i) not prohibited by regulation 2 of the Charging Regulations (general requirements as to charges); and

(ii) specified in regulations 3 and 6 of those Regulations;

(g) how the person responsible for the pension arrangement will recover the charges referred to in sub-paragraph (f), including—

(i) whether the method of recovery specified in regulation 9(2)(d) of the Charging Regulations will be used;

(ii) the date when payment of those charges in whole or in part is required; and

(iii) the sum which will be payable by the transferor, or which will be deducted from his pension benefits, on that date.

(4) In the case of a transferee—

(a) whose pension is not in payment; and

(b) who will become a member of the pension arrangement from which the pension credit rights were derived,

the notice of discharge of liability to the transferee shall include the following details—

(i) the value of the pension credit;

(ii) any amount deducted from the value of the pension credit in accordance with regulation 9(2)(b) of the Charging Regulations;

(iii) the value of the pension credit after the amount referred to in sub-paragraph (b)(ii) has been deducted;

(iv) the transfer day;

(v) any periodical charges the person responsible for the pension arrangement intends to make, including how and when those charges will be recovered from the transferee; and

(vi) information concerning membership of the pension arrangement which is relevant to the transferee as a pension credit member.

(5) In the case of a transferee who is transferring his pension credit rights out of the pension arrangement from which those rights were derived, the notice of discharge of liability to the transferee shall include the following details—

(a) the value of the pension credit;

(b) any amount deducted from the value of the pension credit in accordance with regulation 9(2)(b) of the Charging Regulations;

(c) the value of the pension credit after the amount referred to in sub-paragraph (b) has been deducted;

(d) the transfer day; and

(e) details of the pension arrangement, including its name, address, reference number, telephone number, and, where available, the business facsimile number and electronic mail address, to which the pension credit has been transferred.

(6) In the case of a transferee, who has reached normal benefit age on the transfer day, and in respect of whose pension credit liability has been discharged in accordance with paragraph 1(2), 2(2), 3(2) or 4(4) of Schedule 5 to the 1999 Act (pension credits: mode of discharge—funded pension schemes, unfunded public service pension schemes, other unfunded pension schemes, or other pension arrangements), the notice of discharge of liability to the transferee shall include the following details—

(a) the amount of pension credit benefit which is to be paid to the transferee;

(b) the date when the pension credit benefit is to be paid to the transferee;

(c) the transfer day;

(d) if the person responsible for the pension arrangement intends to recover charges, the amount of any unpaid charges—

(i) not prohibited by regulation 2 of the Charging Regulations; and

(ii) specified in regulations 3 and 6 of those Regulations; and

(e) how the person responsible for the pension arrangement will recover the charges referred to in sub-paragraph (d), including—

(i) whether the method of recovery specified in regulation 9(2)(e) of the Charging Regulations will be used;

(ii) the date when payment of those charges in whole or in part is required; and

(iii) the sum which will be payable by the transferee, or which will be deducted from his pension credit benefits, on that date.

(7) In the case of a person entitled to the pension credit by virtue of regulation 6 of the Implementation and Discharge of Liability Regulations, the notice of discharge of liability shall include the following details—

(a) the value of the pension credit rights as determined in accordance with regulation 10 of the Implementation and Discharge of Liability Regulations (calculation of the value of appropriate rights);

- (b) any amount deducted from the value of the pension credit in accordance with regulation 9(2)(b) of the Charging Regulations;
- (c) the value of the pension credit;
- (d) the transfer day; and
- (e) any periodical charges the person responsible for the pension arrangement intends to make, including how and when those charges will be recovered from the payments made to the person entitled to the pension credit by virtue of regulation 6 of the Implementation and Discharge of Liability Regulations”.