

## Ombudsman's Determination

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| Applicant  | Mr E                                       |
| Scheme     | Fidelity SIPP                              |
| Respondent | Fidelity International ( <b>Fidelity</b> ) |

## Outcome

1. I do not uphold Mr E's complaint and no further action is required by Fidelity.

## Complaint summary

2. Mr E has complained that Fidelity provided a substandard service when dealing with an in-specie transfer of his pension assets from the Fidelity SIPP to the A J Bell SIPP. He contends that:-
  - The delays attributable to Fidelity, during the transfer process, have resulted in the loss of the £125 bonus payment which A J Bell had offered him.
  - He has spent a lot of time and effort dealing with this matter for which he should be suitably compensated by Fidelity.

## Background information, including submissions from the parties

3. In September 2019, Mr E instructed A J Bell to carry out an in-specie transfer of his pension assets from the Fidelity SIPP to the A J Bell SIPP.
4. A J Bell referred Mr E's transfer request to Fidelity. It replied by providing a valuation of the assets held in the Fidelity SIPP as at 25 September 2019.
5. A J Bell informed Fidelity, in a letter dated 14 October 2019, that it could accept an in-specie transfer of the assets into the A J Bell SIPP.
6. On 15 October 2019, Fidelity sent a discharge form to A J Bell by post for completion and return. In its covering letter, Fidelity said that A J Bell should ask Mr E to complete the relevant sections of the form if a transfer was to take place.
7. The discharge form stipulated that Mr E should read the Fidelity SIPP Terms and Conditions, and the Key Features Document, before deciding whether to transfer.

8. Furthermore, by signing the discharge form, Mr E would declare to Fidelity that:-
  - He had read and completed all the relevant sections of the discharge form.
  - The information he had provided to Fidelity was correct and he would notify Fidelity of any changes.
  - He had decided to transfer the pension rights available to him from the Fidelity SIPP.
  - The transfer, once completed, would discharge Fidelity of all liabilities held in the Fidelity SIPP in respect of Mr E.
9. A J Bell did not receive Fidelity's letter and discharge form in the post. Fidelity re-sent the documents to A J Bell on 1 November 2019, attached in an e-mail. Fidelity said that it would start the transfer process once it had received the completed discharge form.
10. On 7 November 2019, Fidelity contacted A J Bell and requested the return of the completed form.
11. On 8 November 2019, A J Bell completed sections two and three of the discharge form, headed "Your transfer out" and "Receiving scheme details" respectively, before signing it. In section two, A J Bell did not answer the questions, "How do you wish the transfer out to be processed?" and "Would you like to do a full or partial transfer?" It also left section one: "About You", blank.
12. The discharge form was not signed by Mr E.
13. A J Bell sent the partially completed discharge form to Fidelity by post on 8 November 2019. Fidelity received it on 11 November 2019, and notified A J Bell that the in-specie transfer could not proceed until the form was also completed and signed by Mr E.
14. On 15 November 2019, A J Bell notified Fidelity that:-
  - Mr E lived in Germany, so it had sent him a scanned copy of the discharge form on 4 November 2019 by e-mail.
  - It had asked Mr E to complete the appropriate sections before returning the form by post.
  - It would forward the completed form to Fidelity when Mr E returned it.
15. On 3 December 2019, Fidelity requested an update from A J Bell about the transfer. A J Bell responded the following day that it would contact Mr E. It asked whether a scanned copy of Mr E's completed form would suffice.
16. Fidelity replied on 9 December 2019 and confirmed that it would accept a scanned copy of Mr E's discharge form.

17. On 11 December 2019, Mr E completed section one of the discharge form. He also responded to the two questions in section two left unanswered by A J Bell before signing the form. Mr E indicated that he wanted a full transfer, and the pension assets held in the Fidelity SIPP to be transferred in-specie to the A J Bell SIPP.
18. Fidelity received Mr E's signed discharge form on 12 December 2019 from A J Bell.
19. In its e-mail dated 23 December 2019 to A J Bell, Fidelity said that some of the Stock Exchange Daily Official List (**SEDOL**) numbers, which A J Bell had provided for Mr E's assets, were different from the actual numbers shown on the list. A J Bell replied on the same day that its SEDOL numbers referred to the same holdings.
20. Fidelity informed Mr E in its letter dated 7 January 2020 that it had completed the transfer of the assets and residual cash held in the Fidelity SIPP to the A J SIPP.
21. While the transfer was ongoing, Mr E made a complaint to Fidelity. He was unhappy with: (a) having to partly complete and sign the discharge form, which he deemed unnecessary; (b) the time being taken by Fidelity to finalise the transfer; and (c) the loss of a £125 bonus payment from A J Bell as a consequence of the delay.
22. Fidelity responded to Mr E's complaint as follows:-
  - It required the completion and return of the discharge form by both Mr E and A J Bell before the in-specie transfer could proceed. It is normal for providers in the UK pensions industry to make such a request.
  - Clause 19 entitled "Transferring out to other schemes" in section three of the Fidelity SIPP Terms and Conditions stipulated that, "We will need time to make sure that we comply with the requirements on transfers in the Rules..."
  - In accordance with the Rules, the completed form was necessary for Mr E to formally discharge Fidelity of all liabilities held in the Fidelity SIPP once the transfer was completed.
  - It did not make any mistakes and was not responsible for any delays in the transfer process.
  - Consequently, it would not be compensating Mr E for the loss of the £125 bonus.

## **Adjudicator's Opinion**

23. Mr E's complaint was considered by one of our Adjudicators who concluded that no further action was required by Fidelity. The Adjudicator's findings are summarised below:-
  - Fidelity was entitled to exercise its own commercial judgment when deciding its internal processes and practices when conducting business. In addition, its requirements in respect of third parties was for Fidelity to decide. It was not the role of the Ombudsman to impose such procedures on pension providers.

- According to the Fidelity SIPP Terms and Conditions, Fidelity required the completion and return of the discharge form by both Mr E and A J Bell before it could proceed with the in-specie transfer. In the Adjudicator's opinion, Fidelity had not acted unreasonably by insisting on the return of a fully completed discharge form.
- Mr E said that he provided A J Bell with all the details it needed from him in September 2019. In the Adjudicator's view, he still had to comply with any reasonable request from Fidelity for outstanding information to allow it to complete the transfer.
- Fidelity originally sent the discharge form to A J Bell by post on 15 October 2019. It would appear that the form was lost during transit in the postal system. So, Fidelity had to re-send the form by e-mail on 1 November 2019 at the request of A J Bell. It was not, however, until 12 December 2019 that Fidelity received the fully completed discharge form to proceed with the transfer, which was eventually finalised on 7 January 2020.
- Having carefully examined all the available evidence, it was the Adjudicator's view that the overall time taken by Fidelity to complete the transfer was not excessive.
- Fidelity received notification from A J Bell on 15 October 2019, that it could accept an in-specie transfer of Mr E's assets from the Fidelity SIPP to the A J Bell SIPP. In the Adjudicator's view, it was reasonable for Fidelity to consider this to be the starting point in the transfer process and only send its discharge form to A J Bell on this date.
- Fidelity could not be blamed for any delays in the transfer process caused by: (a) the loss of the discharge form in the post; (b) the lengthy time taken by Mr E to partially complete and return the discharge form to A J Bell, after receiving a scanned copy by e-mail on 4 November 2019; and (c) the discrepancies in the SEDOL numbers of Mr E's holdings that A J Bell provided Fidelity.
- The Adjudicator consequently agreed with Fidelity's position that it was not to blame for any delays during the transfer process, and, in his view, there had been no maladministration on the part of Fidelity.

24. Mr E did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr E provided his further comments which do not change the outcome.

25. Mr E says that:-

- Fidelity probably did not send the discharge form to A J Bell by post in October 2019.

- There was no legal requirement for him to complete the discharge form and Fidelity had to comply with his transfer request.
- The delays in the transfer process were caused by Fidelity trying to put “obstacles” in his way.
- He was unable to reinvest his funds in the Fidelity SIPP after his account was blocked by Fidelity for “a continuous period”.
- It is unacceptable for Fidelity to take: (a) two months to send its discharge form to A J Bell, and (b) one month to finalise the in-specie transfer on receipt of the fully completed form.
- He chased Fidelity multiple times to complete the in-specie transfer.
- He only gave the SEDOL numbers to A J Bell so that it could “receive the funds” from Fidelity. The fact that some of these numbers were apparently different to those shown on the SEDOL should not have affected the transfer process.
- Fidelity’s request for his signature on the discharge form to close the Fidelity SIPP, was a security “risk”. Fidelity did not have his signature in its records for comparison purposes because he had applied for the Fidelity SIPP online.

26. I note the additional points raised by Mr E but I agree with the Adjudicator’s Opinion.

### **Ombudsman’s decision**

27. In order for the in-specie transfer from the Fidelity SIPP to proceed, Mr E had to fully comply with all the transfer requirements stipulated by A J Bell and also Fidelity.
28. According to the Fidelity SIPP Rules, Fidelity required the completion and return of its discharge form by both Mr E and A J Bell.
29. It is not my role to impose internal processes and practices on how Fidelity conducts its business, and what it requires of those that it undertakes business with.
30. Fidelity is entitled to exercise its own commercial judgment when deciding its internal processes and practices. Consequently, I do not find that Fidelity acted unreasonably or unfairly by insisting on the return of the fully completed discharge form before starting the in-specie transfer process.
31. I also consider that it was appropriate for Fidelity to only issue the discharge form on 15 October 2019, after A J Bell had specified that it could accept an in-specie transfer of Mr E’s assets from the Fidelity SIPP to the A J Bell SIPP.
32. Mr E has alleged that Fidelity did not send the discharge form to A J Bell on 15 October 2019. I have seen no evidence which substantiates this.

33. It is regrettable that A J Bell provided Fidelity with some SEDOL numbers for Mr E's assets which were different to those shown on the list. I consider it was proper for Fidelity to seek an explanation from A J Bell to account for the discrepancy. Fidelity received a satisfactory response from A J Bell on 23 December 2019 and completed the in-specie transfer on 7 January 2020. Allowing for the Christmas break, I do not consider that the time taken by Fidelity to finalise the transfer was unduly excessive.
34. I find that Fidelity was not to blame for the delays in the transfer process and there has been no maladministration on its part.
35. Mr E's original complaint (PO-29035) that Fidelity refused to allow him to reinvest dividend income into the Fidelity SIPP when he ceased to be a UK resident, due to cross border regulations was not upheld in my Determination dated 9 September 2019 and will not be reconsidered by me here.
36. I do not uphold Mr E's complaint.

**Anthony Arter**

Pensions Ombudsman  
24 May 2022