

Ombudsman's Determination

Applicant Mr R

Scheme Growth Plan & Social Housing Pension Scheme (**the Scheme**)

Respondents TPT Retirement Solutions Limited (**TPT**)

Outcome

1. I do not uphold Mr R's complaint and no action is required by TPT.

Complaint summary

2. Mr R has complained that:-

- TPT mismanaged and mishandled his request to transfer his pension funds from the Scheme causing unnecessary delay.
- As a result of the delay, he has suffered a financial loss.

Background information. Including submissions from the parties

3. The sequence of events is not in dispute, so I have only set out the salient points. I acknowledge there were other exchanges of information between all the parties.
4. On 1 September 2005, Mr R joined the Scheme's Growth Plan Series 3 (**GP3**).
5. On 1 October 2008, Mr R's employer ceased to offer GP3 and transferred all members to the new Growth Plan Series 4 (**GP4**).
6. On 30 September 2010, Mr R became a deferred member of GP4.
7. On 1 October 2010, Mr R joined the Social Housing Pension Scheme (**SHPS**).
8. On 9 July 2015, Mr R had a meeting with Attivo Financial Planning Ltd (**Attivo**), a firm of independent financial advisors, to review his finances.
9. On 14 July 2015, Mr R received a letter from Attivo which recommended that he transfer all of his funds out of the Scheme.
10. On 29 August 2017, Mr R emailed TPT as he was dissatisfied that he had previously contacted it to request a transfer, but no action had been taken.

11. On 1 September 2017, TPT responded to Mr R and confirmed the transfer pack had been sent to Attivo.
12. On 1 February 2018, TPT wrote to Mr R regarding his transfer request. It confirmed that it required confirmation from Mr R's employer that he had left the Scheme before a transfer quotation for SHPS could be provided.
13. On 16 March 2018, Mr R emailed TPT and confirmed that he had spoken to Attivo who had confirmed the transfer had still not been completed.
14. On 28 March 2018, TPT confirmed it had issued transfer paperwork directly to Mr R, however it had not received the required documents in order to complete the transfer.
15. On 11 May 2018, Mr R called TPT to request a statement of benefits and a transfer pack.
16. On 17 May 2018, TPT wrote to Mr R and confirmed the value of his funds. It also said that, as he was still an active member of SHPS, it required confirmation from his employer that he had left before the benefits could be transferred. TPT quoted the benefits held in GP3 and GP4 as £43,906.91. The benefits Mr R held in SHPS were £101,214.04.
17. On 23 July 2018, Mr R called TPT and confirmed that he intended to transfer his pension benefits to Royal London and requested confirmation in writing of whether the funds were crystallised or uncrystallised.
18. On 24 July 2018, TPT wrote to Mr R and informed him of the value of his benefits upon leaving SHPS.
19. On 27 July 2018, TPT wrote to Mr R and confirmed the value of the GP4 and SHPS benefits and that the funds were uncrystallised. It said the GP4 benefits were £44,186.03, of which £20,294.68 consisted of the funds which were transferred in from GP3. It said the value of the SHPS was £101,310.72.
20. TPT also said that the fund prices changed daily so the valuations given should only be used as a guide.
21. On 30 July 2018, TPT sent Mr R a transfer pack which was based on a date of 30 September 2018. The total value of all his benefits was £145,738.42. TPT stated that:-

“If any parts of the benefits are based on financial conditions at the time benefits are actually payable, such as investment market conditions and annuity rates, it should be recognised that the final benefits could be reduced from those shown...

If unchangeable financial decisions are made based on this illustration, you are reminded this is an estimate of your benefits only.”

22. On 18 October 2018, TPT wrote to Mr R and confirmed it had received a request for transfer information. It said that it had received a Letter of Authority (**LOA**) and a request to facilitate a transfer.
23. TPT sent a disinvestment request to its investment manager and said that the disinvestment process could take around 10 working days.
24. On 30 October 2018, TPT received confirmation of the final disinvested funds and completed the transfer to Royal London on the same day.
25. On 15 November 2018, Royal London contacted TPT and advised that it was unable to accept the GP3, as this was deemed to be a "protected benefit".
26. On 16 November 2018, TPT spoke to Royal London and confirmed GP3 could be returned, but all the other benefits should remain with Royal London. TPT followed this up with a letter confirming a breakdown of Mr R's benefits and the bank details for the GP3 funds to be transferred back to TPT.
27. On 26 November 2018, TPT received both the GP3 and GP4 funds back from Royal London.
28. On 9 January 2019, TPT transferred £23,559.89, which was the value of GP4 to Royal London. The value of the GP3 fund remained with TPT.
29. On 22 January 2019, Mr R called TPT and requested confirmation of which benefits had been transferred out and which were still held by TPT. He also requested details of the value of the fund that remained with TPT.
30. On 15 February 2019, Mr R called TPT and chased the information requested.
31. On 21 February 2019, TPT wrote to Mr R and confirmed a payment of £98,652.28 was sent to Royal London on 18 October 2018. This was followed by a payment of £23,559.89 on 9 January 2019.
32. On the same day, Mr R called TPT and chased the progress of his query. TPT confirmed a letter had been issued that day. Mr R requested a breakdown of his contribution history to GP3 and expressed dissatisfaction at the service he had received from TPT.
33. On 28 February 2019, TPT wrote to Mr R with a breakdown of his contributions into GP3.
34. On 6 March 2019, Mr R made a formal complaint to TPT. He said the transfer of the funds took many months due to inactivity by TPT and questioned why the value of the SHPS had reduced from £101,214.04 in May 2018 to £98,652.28 by the time the transfer occurred in October 2018. Due to the delay, Mr R said he suffered a financial loss in the difference in value of his benefits between the dates.
35. On 14 March 2019, Mr R wrote to TPT and said he had received a letter from Royal London which informed him that the transfer of SHPS benefits had taken place on 31

October 2018, however, the GP4 was not passed to Royal London until 11 January 2019. He said he had completed the paperwork for both transfers in July 2018 and was informed the transfers had taken place in October 2018.

36. On 20 March 2019, Mr R received his first response from TPT. It said that in July 2018, it had provided Mr R with fund values for GP3, GP4 and SHPS, however it had not received a transfer request from Royal London until 15 October 2018.
37. TPT did not uphold Mr R's complaint as it was unable to identify any unnecessary delay in the transfer. It also said that the July 2018 figures were not guaranteed and subject to possible increases and decreases in value due to market conditions.
38. On 3 April 2019, Mr R called TPT and enquired about the status of his complaint.
39. On 16 April 2019, Mr R submitted a formal complaint under Stage One of the Internal Dispute Resolution Process (**IDRP**).
40. On 17 June 2019, TPT provided its IDRPs Stage One response, which did not uphold Mr R's complaint. It maintained that its position was in line with Rule 12.2 and Rule 20.11 for the TPT Retirement Solutions Rules (**the Rules**). These are set out in the Appendix.
41. On 22 November 2019, following Mr R's request to reconsider its decision, TPT provided Mr R with its IDRPs Stage Two response, which again, did not uphold his complaint.
42. On 6 December 2019, Mr R brought his complaint to The Pensions Ombudsman (**TPO**).

Summary of Mr R's Position

- TPT informed him that the transfer process would be straightforward and should take no more than six weeks. However, some of his funds were not transferred until November 2018 and the remainder were not transferred until January 2019.
- He had completed and signed the transfer paperwork in July 2018, however GP4 was not transferred until 11 January 2019. A delay of six months was unacceptable. If TPT had acted promptly the transfer value quoted in February 2018, could have been matched or exceeded.
- He wanted written evidence setting out the transfer values for the months of July 2018 to January 2019 for assurance that he had not been financially disadvantaged as a result of the delay.
- TPT should have informed him that Royal London had declined to accept the GP3. The explanation that Royal London declined to accept the GP3 funds is inaccurate as it was TPT who told him in July 2018 that, as GP3 was a Defined Benefit (**DB**) Scheme, it could not be transferred unless he obtained independent

financial advice. Mr R had elected not to do so as it would have diminished the value further.

- He had initiated the process to transfer out but 18 months later was still trying to complete the process and transfer GP3 elsewhere. Although the Department of Work & Pensions did not require the use of an Independent Financial Advisor (IFA) if the fund value was less than £30,000, Royal London required use of an IFA. He had since commissioned an IFA to transfer the GP3 to another provider, Standard Life.
- He has said that while he was aware that the final valuation was not guaranteed, it was unacceptable for there to be a delay of six months and he believes he should be compensated.
- TPT took two months to respond to both IDRPs Stage One and Stage Two requests and Attivo had been met with prevarication and delay throughout the process.

Summary of TPT's Position

- It had acted in accordance with the Rules and did not cause a delay in transferring the benefits as it had acted promptly once it had received the relevant information required to make the transfer.
- It had informed Mr R, on a number of occasions, that it required the completed paperwork to be returned before a transfer could proceed. It also told Mr R that it needed confirmation from his employer that he had left the SHPS.
- It only received confirmation Mr R had left SHPS on 24 July 2018 and it was not until it had received the relevant information from Royal London that it contacted Mr R on 18 October 2018. Following this it instructed the disinvestment of funds and transferred the benefits on 30 October 2018, the same day the disinvested funds were received by Royal London.
- Royal London declined to accept GP3 and those funds had to be returned to TPT. When arranging the return of funds it instructed Royal London to retain all funds except for GP3. Despite this instruction Royal London returned both GP3 and GP4
- While it acknowledged there had been a drop in the transfer value, it was satisfied that it had made it clear in the transfer pack and correspondence that the value of the figures quoted was not guaranteed and provided as an estimate only. It said that fund prices changed on a daily basis and the funds had been affected by market conditions at the time.

Caseworker's Opinion

43. Mr R's complaint was considered by one of our Caseworkers who concluded that no further action was required by TPT. The Caseworker's findings are summarised below:-
- The transfer process could only begin once TPT had received the completed paperwork from Mr R's employer, along with the information requested and LOA from Royal London. It was not until 18 October 2018 that TPT received the required information from Royal London to allow it to instruct the funds to be disinvested. The funds were transferred to Royal London on the same day, so TPT did not cause a delay to this aspect of the transfer.
 - Royal London was unable to accept the transfer of GP3 which led to the return of both GP3 and GP4 to TPT which caused a delay. However, the Caseworker did not believe that TPT was responsible for this delay, or that the delay was unreasonable. TPT acknowledged the issue promptly and transferred the GP4 funds back to Royal London.
 - It was made clear to Mr R, as stated in the transfer pack, that the figures quoted were not guaranteed and were provided as an estimate only. Mr R was aware the funds were uncrystallised and unit prices fluctuated on a daily basis. TPT also stated in the transfer pack that the final benefits could be lower than those previously quoted as it was only an estimate of the benefits.
 - In the Caseworker's opinion, Mr R did not suffer an actual financial loss but rather a loss of expectation because the figures he was quoted were not guaranteed.
44. Mr R did not accept the Caseworker's opinion and his complaint was passed to me to consider, however, I agree with the Caseworker's Opinion.

Ombudsman's decision

45. Mr R has complained that TPT caused a delay in processing his transfer to Royal London which resulted in a lower transfer value being paid than originally quoted. He requested the transfer in July 2018, but it was not finalised by TPT until 9 January 2019.
46. TPT were required to wait until it received all the completed paperwork from Mr R's employer, and the required information from Royal London before it could proceed with the transfer. Consequently, I do not find any maladministration when the transfer was initially completed on 30 October 2018.
47. I also find that TPT was not responsible for Royal London returning both the GP3 and GP4 funds. I agree with the Caseworker that TPT was right to acknowledge the issue promptly and return the GP4 funds to Royal London within a reasonable time-frame having previously liaised with Royal London to rectify this matter.

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48. Mr R has not suffered a financial loss as TPT made it clear in the transfer pack that the figures provided were only quotations and were not guaranteed. As there were no unreasonable delays it follows that Mr R has not suffered a financial loss and that any short fall in the transfer value was a result of market fluctuations and events outside of TPT's control
49. I accept that Mr R has suffered some distress and inconvenience in pursuing his complaint, however, I have not found any maladministration by TPT so, consequently, Mr R has not suffered a financial injustice for which an award can be considered.
50. I do not uphold Mr R's complaint.

Anthony Arter CBE
Deputy Pensions Ombudsman
1 February 2024

Appendix

Rules of The Growth Plan & Social Housing Pension Scheme

“Rule 12.2

The Trustee may decide whether or not any person is entitled to any pension or other benefit in accordance with the Rules, all other claims on the fund and all matters, questions and disputes concerning the fund...

...Rules 20.11

‘The Trustees may delegate its powers, duties or discretions to any person, person, sub-committee, corporate body or chief executive on any terms (including terms that allow the delegate to sub-delegate).’