

Ombudsman's Determination

Applicant	Mr X
Scheme	LifeSight Master Trust (the Scheme)
Respondents	Trustee of the LifeSight Master Trust (the Trustee) Willis Towers Watson (Willis)

Outcome

1. I do not uphold Mr X's complaint and no further action is required by the Trustee or Willis Towers Watson.

Complaint summary

2. Mr X complained that he may not have been fully reimbursed for being out of market during the transition of his funds from the Fujitsu UK Pension Plan (**the Plan**) to the Scheme.
3. Mr X asked to be reimbursed the amount he believes he lost during the transition, which is around £1,000.

Background information, including submissions from the parties

4. The Scheme is a defined contribution (**DC**) occupational pension scheme. It is a 'master trust' – providing benefits to a number of unconnected participating employers. Willis is the Scheme's provider. Fujitsu is one of the Scheme's participating employers.
5. Mr X was a member of the Plan, a DC occupational pension scheme. The Plan's provider was Fidelity. Fujitsu was the Plan's principal employer.
6. In May 2019, Fujitsu held a meeting with the Plan's members to discuss the possibility of transferring members from the Plan to the Scheme (including members' existing benefits held in the Plan). It should be noted that this complaint is not being made against Fujitsu, Fidelity or the trustee of the Plan. A slide pack was presented at the meeting (**the Slide Pack**).

7. On 6 September 2019, the Plan's trustees issued a document to members titled "Fujitsu UK Pension Plan – Improving your options – Frequently Asked Questions" (**the 2019 FAQs**). It provided information about the Scheme and stated the following about the possible asset transfer from the Plan to the Scheme:

"Any transaction costs incurred as a result of transferring your FJUK Plan pension savings will be covered by LifeSight and are included in the fund charges."

"If you don't want your existing funds to be part of the proposed transfer, you could choose to transfer your benefits out to a personal pension arrangement instead... You will not be able to leave benefits in the FJUK Pension Plan as if the proposal goes ahead, once all of the assets have been transferred to LifeSight, the FJUK Pension Plan will be wound up as it will no longer have any assets in it."
8. Neither the Slide Pack nor the 2019 FAQs mentioned out of market risk.
9. The Plan's trustees subsequently agreed to transfer members from the Plan to the Scheme, including carrying out a recognised bulk transfer of beneficiaries' existing benefits to the Scheme (**the Asset Transfer**). It was expected that the Plan would eventually wind up.
10. On 31 October 2019, the Plan's trustees wrote to Mr X and explained how his funds in the Plan would be mapped across to the Scheme.
11. On 8 November 2019, the Plan's trustee emailed Mr X with information about the Asset Transfer (**the November 2019 email**). The November 2019 email stated:

"Your funds will be transferred to ensure that any out of market exposure is managed as far as possible. This means that we will try to keep your funds invested as much as possible throughout the transition period."
12. On 11 November 2019, a deed of amendment for the Plan (**the Deed of Amendment**) set out provisions in the event of the Plan's closure. Subject to Fujitsu's agreement, the Deed of Amendment allowed the Plan's trustees to make a recognised transfer to another pension scheme. The transfer payment would be calculated on a basis decided by the Plan's trustees and with Fujitsu's consent. The recognised transfer could be made without obtaining consent from the Plan's beneficiaries, in accordance with the requirements of legislation.
13. Northern Trust was appointed to manage the Asset Transfer (**the Transition Manager**). The total value of the assets to be transferred was around £750m.
14. Mr X was invested in four of the Plan's funds: the Fujitsu Passive Global Equity Fund (**the Passive Equity Fund**), the HSBC Amanah Global Equity Fund (**the Amanah Equity Fund**), the Fidelity L&G Ethical Equity Fund (**the Ethical Fund**) and the Fujitsu Medium Term Growth Fund (**the Growth Fund**). The total value of his funds was approximately £210,000.
15. The Asset Transfer took place during the period 8 January to 4 February 2020.

16. Willis said that Mr X's funds were transferred from the Plan to the Scheme by the following methods:-
- The Amanah Equity Fund and the Ethical Fund were re-registered to the Scheme and held in temporary policies until they could be moved to the Scheme's main policy. There was no out market exposure or transaction costs incurred during the transfer of these funds.
 - The Growth Fund was transferred by a combination of cash and re-registration of underlying assets to the Transition Manager. As the fund was not unitised during the Asset Transfer, the value of the underlying assets was tracked by creating 'synthetic blended' units. The assets that were re-registered were subsequently sold over a period of six days. Out of market exposure was covered by the Transition Manager and transaction costs were reimbursed.
 - The Passive Equity Fund was transferred as cash. Out of market exposure was covered by the Transition Manager and transaction costs were reimbursed.
17. On 4 February 2020, the Transition Manager calculated transaction costs for each member and reimbursed them by allocating additional units.
18. Mr X contacted Willis and queried some aspects of the transfer process. He said that prior to the Asset Transfer, he had been assured that his funds would not be out of market during the transition period. However, he believed that his funds had been out of market from 8 January to 4 February 2020.
19. On 27 February 2020, Willis told Mr X that during the Asset Transfer, his funds had remained invested, but it was possible they were out of market for a few hours.
20. On 14 April 2020, Willis offered to arrange a telephone call with Mr X to explain the Asset Transfer in more detail. Later the same day, a telephone call took place, but it did not answer Mr X's queries to his satisfaction.
21. On 15 April 2020, Willis sent Mr X a document titled "LifeSight (Fujitsu) - Transition of assets from the Fujitsu UK Pension Trust to LifeSight - Frequently Asked Questions" (**the 2020 FAQs**). The 2020 FAQs provided the following information about the Asset Transfer:-
- The transfer took place in a number of stages over several weeks. During the transition period, known as the 'blackout period', funds were transferred as cash or by re-registering units. The process was designed to limit market exposure and reduce transaction costs.
 - Monies remained invested in the Fidelity funds until the actual point they were moved into the LifeSight funds, so funds remained invested during the transition process and were "subject to market fluctuations up to the point that your funds were transitioned from your previous Fidelity funds to LifeSight funds."

- Any market exposure or transaction costs were paid for by the Scheme, so members were not worse off from the transfer.
- Members could view their assets at various points during the transfer process in the 'My Transactions' area of their online account.
- Details of the transactions in members' online accounts showed that the values of the Fidelity funds were the same as the LifeSight funds, but the number of units had changed. This was because the transfer used 'synthetic blended' prices when updating transactions to ensure that the value of the Fidelity funds was the same as the amount reinvested in the LifeSight funds. So, the number of Fidelity units sold was different to the number of LifeSight units bought.
- Additional units were purchased to cover transaction costs.
- It showed notional transactions for an example member.

22. The 2020 FAQs also stated the following:

"Please note – the unit price history details that are available on your LifeSight Account for all of the LifeSight funds will be different to the pricing used in this transaction as a result of the use of 'synthetic' blended prices as mentioned above. This does not affect the actual units purchased as part of this transaction and these will be based on the prices in force at the point of the trade."

23. On 22 April 2020, Mr X asked Willis if his online account could show that the Fidelity funds were switched to the LifeSight funds on a single day by matching the unit prices on 8 January and 4 February 2020. This would show that his funds had not been out of market. He said that it was important that the records accurately reflected what had happened, otherwise he would lose confidence in how his investments were being managed.
24. On 27 April 2020, Willis told Mr X that there was a period when the assets sold were out of the market, and the Scheme had addressed this by pre-purchasing an estimate of the number of units required. When the transactions settled, a balancing payment was made to ensure that funds were not affected by out of market exposure and transaction costs. His transaction history showed that he had been protected during the transition period.
25. On 28 April 2020, Mr X contacted Willis and said that there was a small shortfall in the value of his funds. He stated the following:

"...on 8 January 2020, the date at which LifeSight's and Fidelity's records both show that my old funds were sold, £71,400.77 from the old Fujitsu Passive Global Equity fund should have been reinvested in the LifeSight Equity fund. If, as you say, that member funds were not affected by out of market exposure during the transition, then I think it would be a fair supposition that the number of units purchased in the new fund should have been equivalent to those that could have been purchased on the date that they were taken out of the old fund – 8 Jan."

“The price that day for the LifeSight Equity fund was 1.7928 (taken from the LifeSight’s website). This would indicate that 39,826.4 units should have [been] bought, but only 39,620.14 units were purchased. A difference of 206.26 units; which at the market value at the time, is a difference of £369.78. If my calculations are correct, across all 4 of the funds in my pension there is a small shortfall, at 8/1 prices, of ~£1,000.”

26. Later the same day, Mr X sent Willis his calculations for determining the shortfall.

27. On 1 May 2020, Willis told Mr X the following:-

- The Amanah Equity Fund and the Ethical Fund had been transferred by re-registering units on 10 January 2020, so these funds were not traded during the Asset Transfer.
- The Passive Equity Fund and the Growth Fund had been sold over several days between 10 and 17 January 2020 before being transferred to the Scheme on 24 January 2020. There was no out market exposure for these funds during this period. As the funds were sold over several days, a single price could not be used to assess any differences. Further units were then bought to reimburse transaction costs.
- The Trustee was looking after every member’s interest, which was the “ultimate safeguard” he could rely on.
- A report on the process and outcome of the Asset Transfer was going to be presented to the Trustee.

28. On 4 May 2020, Mr X asked Willis to provide transaction details for his online account. He said that the unit numbers and prices on 10 January 2020 for the Amanah Equity Fund and the Ethical Fund did not correlate with Willis’ description.

29. On 15 May 2020, Willis’ representative responsible for the Asset Transfer offered to arrange a telephone call with Mr X.

30. On 18 May 2020, Mr X told Willis that he wanted to obtain transaction records that showed the transfer of his funds without gaps between 8 January and 4 February 2020, and without the £1,000 shortfall.

31. On 19 June 2020, Willis informed Mr X that it could not provide member level transaction records as the transfer was completed at a total scheme level. The Trustee would be carrying out an independent audit on the scheme level transactions and would select sample members to check that different member groups had been transferred correctly.

32. On 22 June 2020, Mr X asked for his detailed transaction records again.

33. On 10 July 2020, Willis provided the following information to Mr X:-

- The unit prices and number of units exchanged for the Amanah Equity Fund and the Ethical Fund. It said that he had been allocated the correct number of units for these funds.
- It was not possible to provide individual member transaction records for the Passive Equity Fund and the Growth Fund, as these funds were transferred at a total scheme level.
- All transaction contract notes had been given to an auditor to ensure that members funds were transferred correctly.

34. On 13 July 2020, Mr X contacted Willis and made the following points:-

- He did not accept that it was not possible to provide individual member transaction records. It would have needed this information to determine the correct number of units to allocate to each individual member's account.
- It appeared that the Amanah Equity Fund and the Ethical Fund were out of market for two days.
- Based on unit prices on its website, it appeared that insufficient units had been purchased for him. Across all members, the loss could be significant.
- The lack of credible transaction records was a serious concern.
- He asked for a resolution before he submitted his complaint to The Pensions Ombudsman (**TPO**).

35. On 8 September 2020, Mr X complained to Willis and said that his funds had been out of market for 27 days from 8 January to 4 February 2020. He had prepared a spreadsheet which he used to support his argument. He said that this had caused him to incur financial loss of around £1,000.

36. On 28 January 2021, Willis telephoned Mr X. During the telephone call, Mr X said that he did not accept that all the out of market exposure had been covered as the 'synthetic blended' units used 'blended' prices and not the actual funds they were trying to replicate. He had been told that all out of market exposure would be covered. He wanted members to be told that their funds had been out of market, and for him to be given reassurance that he would be reimbursed for the consequences.

37. On 2 March 2021, Willis emailed Mr X and said that it did not believe he had incurred financial loss. An independent auditor had reviewed the process, including a cross section of sample members. It and the Trustee were satisfied that the objectives of the Asset Transfer had been achieved.

38. Mr X asked Willis for details of the calculations used to derive the prices for each of the 'synthetic blended' funds. Willis told Mr X that it could not do so as they were carried out at a scheme level. It said that the 2020 FAQs explained the use of 'synthetic blended' prices.
39. On 18 March 2021, Mr X informed Willis that he would be complaining under the Scheme's Internal Dispute Resolution Procedure (**IDRP**). Later the same day, Mr X submitted a complaint under the Scheme's Stage One IDRP. His complaint was as follows:-
- He did not receive accurate transaction records for the Asset Transfer.
 - He believed there was a 27 day gap from when his funds were disinvested from the Plan and reinvested with the Scheme, so his funds had been out of market during this period.
 - Without understanding the 'blended' prices, he could not validate the number of units he had been allocated for each fund or verify that his funds had not been out of market.
 - He wanted to know how the 'blended' prices had been determined and be shown how they had covered his out of market exposure and how he had been reimbursed for transaction costs. Alternatively, he wanted to be allocated the number of units he believed were missing.
40. On 18 July 2021, Willis replied to Mr X's Stage One IDRP complaint with the following points:-
- The transactions explained to him accurately reflected the process undertaken.
 - The Trustee and Willis had worked in his best interest during the Asset Transfer.
 - Due to the complexities of the process, providing individual member breakdowns of transactions was not possible. It had been as transparent as possible by giving him a detailed explanation and regular updates and he had received further clarifications about the matter.
 - It did not uphold his complaint.
41. On 24 August 2021, Mr X submitted his complaint under the Scheme's Stage Two IDRP. He made the following points:-
- He accepted that explanations had been provided, but not about the 'blended' prices, which meant that the process had not been accurately explained to him.
 - He did not accept that providing individual member breakdowns was not possible as he had been allocated units at an individual level at the end of the transfer process.
 - He had shown that he incurred financial loss.

42. On 28 October 2021, Willis replied to Mr X's Stage Two IDRP complaint with the following points:-

- The Trustee had discussed his complaint on 14 October 2021. It was satisfied that the Asset Transfer had been completed correctly and in accordance with agreed procedures and protocols.
- He had not submitted evidence of financial loss.
- It did not uphold his complaint.

43. Following the complaint being referred to TPO, Mr X and Willis made further submissions that have been summarised below.

44. Mr X's further submissions:-

- He disagreed that a transition could be too complex to be able to provide members with their individual transaction reconciliations.
- Willis had stated before the Asset Transfer that funds would not be out of market for any significant period of time.
- Willis had failed to properly account for what it said would happen.
- There should be an additional accounting entry to show that Willis had made up any shortfall or removed excess units to reflect market changes during the 27 day period.

45. Willis' further submissions:-

- The Transition Manager was contractually obliged to reimburse out of market risk. His funds were not out of market during the Asset Transfer.
- The number of units allocated to Mr X was higher than the number he would have been able to purchase. This reflected the increase in value of his funds during the Asset Transfer and the additional units bought to reimburse transaction costs.
- During the Asset Transfer, unit prices were 'synthetic' and consisted of a combination of multiple unit prices to cover the various trades that took place. So, the effective date of the 'synthetic' price was irrelevant.

46. During TPO's attempt to resolve Mr X's complaint with the Respondents, it made the following points to him:-

- Willis had been extremely helpful and transparent. It had discussed the Asset Transfer with Willis' head of transition management on several occasions and was satisfied that Willis did as much as could be reasonably expected to explain the process.

- It believed that the information Willis provided to him was the closest he was going to receive to demonstrate that he had not been disadvantaged. There was no additional information that Willis could provide him.
- The Trustee had made every effort to make the transfer process as transparent as possible. It also limited potential risks by appointing the Transition Manager. So, he should not have any concerns that the process had been detrimental to him.
- He had received additional units to cover out of market loss and transaction costs.
- By conducting an independent audit, the Trustee had done everything that was reasonable and necessary to ensure the correct outcome for members.
- It could not see that there had been any maladministration or that he had suffered financial loss. So, if his complaint was referred to the Pensions Ombudsman (**the PO**), it was unlikely that the PO would uphold his complaint.

47. Mr X elected to continue his complaint.

Adjudicator's Opinion

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

- The Deed of Amendment, in accordance with overriding legislation, allowed the Plan's trustees to transfer members' benefits without their consent and to establish the basis by which members' transfer payments would be calculated. While the Plan's trustees were not a respondent to the complaint, there was no dispute that they had acted within their power when they transferred Mr X's benefits. Mr X was given the option to transfer his existing benefits to a personal pension of his choice, but it appeared that he did not choose to do so.
- Being out of market meant that a member's benefits did not participate in market returns during the period from when funds were sold to when the proceeds were transferred to the new arrangement and invested. Two of Mr X's funds were not out of market at all and did not incur transaction costs. This is because the funds were available in both the Plan and the Scheme and so there was no need to sell the funds. The ownership of the funds was simply re-registered from one arrangement to the other.
- The transfer of Mr X's other two funds was more complicated because they involved selling some underlying assets gradually and re-registering others. To track the value of the funds during the transition process, the manager created notional 'synthetic' units that represented a combination of the underlying assets. This was done to ensure that members could be compensated for any market gains they might have missed while the transition was in process.

- Mr X complained that he may not have been fully reimbursed for his funds being out of market. However, the root of his complaint was that Willis did not provide him with sufficient information to enable him to conclude satisfactorily that his funds had participated in market gains during the transition.
- Taking into account the fact that the transactions were conducted at a scheme level, and not applied to each individual member's account, Willis made every effort, by telephone and in writing, to provide Mr X with as much information as it could. In doing so, it attempted to explain the transfer process to him as transparently as possible. While the Adjudicator appreciated that the information was insufficient to satisfy Mr X's requirements, the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013¹ (**the 2013 Regulations**) do not specifically require trustees of occupational pension schemes to provide this level of information to members about bulk transfers. Willis' actions in providing the level of information it did, did not amount to maladministration.
- Prior to the Asset Transfer, Mr X was provided the following information about out of market risk and transaction costs:-
 - The 2019 FAQs said that he would be reimbursed any transaction costs incurred as a result of the Asset Transfer.
 - The November 2019 email said that while his funds were being transferred, any out of market exposure would be "managed as far as possible" by keeping his funds "invested as much as possible" during the Asset Transfer.
- While Mr X may have been under the impression that the Trustee had committed to remove all out of market risk, it appeared that this was not the case.
- Given the scale and complexity of the Asset Transfer, the Trustee decided to employ a specialist transition manager. The key role of a transition manager is to minimise out of market risk and transaction costs. So, given the involvement of a specialist transition manager and the subsequent information provided to Mr X, the Adjudicator was satisfied that out of market risk was managed appropriately and in accordance with the communications he received prior to the transfer. The Adjudicator did not accept Mr X's allegation that some of his funds were out of market for 27 days.
- After the Asset Transfer the Trustee commissioned an independent audit to check that everything was in order. The Trustee acted responsibly to protect members' best interests during the transfer process. The Asset Transfer was conducted in accordance with the information provided to Mr X in the 2019 FAQs and the November 2019 email. The Trustee's actions did not amount to maladministration.

¹ <https://www.legislation.gov.uk/uksi/2013/2734/contents>

49. Mr X did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr X provided further comments in response to the Adjudicator's Opinion and these have been detailed below:-

- He did not believe that the Adjudicator had adequately considered the use of 'blended' prices or the fact that Willis had not provided sufficient information to allow him to check that the 'blended' prices were correct.
- The 2013 Regulations do not say that trustees should not provide accounting detail with regards to bulk transfers. So, in the interests of transparency and accountability, there was no logical reason why a trustee should not provide this information. This was particularly relevant when 'blended' prices were used during an asset transition.
- The Occupational Pension Schemes (Charges and Governance) Regulations 2015² (**the 2015 Regulations**) requires trustees to:-
 - Provide clear and comprehensive information to members about a bulk transfer and how it would affect their savings. Sections 6 and 6A in Part 2 Restrictions on Charges, limit scheme charges, which implies an obligation to disclose relevant information. For Willis to show compliance with the limits, it needed to show all the charges that had been applied. In doing so, it would need to show that the 'blended' prices had not introduced any hidden costs and that the prices were derived fairly.
 - Ensure that a transfer represents good value for members, in particular:
 - Section 17, in respect of a scheme's annual governance statement, requires trustees to prepare a statement in relation to the charges and transaction costs that ... state the level of charges and transaction costs applicable... and explain the trustees' assessment... of the extent to which the charges and transaction costs represent good value for members.
 - Section 19, in respect of the assessment of charges and transaction costs, requires trustees to (a) calculate (i) charges, and (ii) transaction costs borne by members, and (b) assess the extent to which those charges and transaction costs represent good value.

Without understanding how the 'blended' prices were derived, it was not possible for him to know whether the transfer was good value.

² <https://www.legislation.gov.uk/uksi/2015/879/contents>

- The Trustee was required to maintain detailed records of the transfer process, including the rationale. Section 12 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996³ (**the 1996 Regulations**) requires trustees to keep books and records relating to any of the following transactions: (i) any amount received in respect of any contribution payable in respect of an active member of the scheme...(v) any movement or transfer of assets from the trustees to any person...(vi) the receipt or payment of money or assets in respect of the transfer of members into or out of the scheme...(x) other payments to, and withdrawals from, the scheme. Willis failed to do so.
- Providing comprehensive information and maintaining records are implicit in the demonstration of good value and the requirement to state the level of charges and transaction costs to members. So, trustees need to show detailed records to members. Willis claims that the transfer was good value by saying that there were no transaction costs. To prove this, it needed to publish the 'blended' prices.
- The 2013 Regulations place obligations on trustees to disclose information about pension transactions. For example, Section 12A requires statements to be issued on request to members containing the information listed in Schedule 3 Part 6 Information to be given about pooled funds, paragraph 35, which includes items like the amount that represents the member's share of the available assets of the scheme and details of any deductions. This would include any deductions hidden in the 'blended' prices.
- Entities regulated by the Financial Services Authority (**FCA**) have a duty to provide certain information about costs and charges when requested as per section 137FA, FCA general rules, disclosure of information about pension scheme transaction costs etc., of the Financial Services and Markets Act 2000⁴ (**the 2000 Act**). This requires the disclosure of information about transaction costs and administration charges to pension members.
- Section 49 (2) of the Pensions Act 1995⁵ (**the 1995 Act**), says that trustees must keep...books and records relating to any prescribed transaction.
- Given the effort Willis had gone to in not disclosing the relevant information to him, it was difficult for him to draw a positive conclusion on the matter.

50. I have considered Mr X's comments, but they do not change the outcome. I agree with the Adjudicator's Opinion.

³ <https://www.legislation.gov.uk/ukxi/1996/1715/contents>

⁴ <https://www.legislation.gov.uk/ukpga/2000/8/contents>

⁵ <https://www.legislation.gov.uk/ukpga/1995/26/contents>

Ombudsman's decision

51. Mr X complained that he may not have been fully reimbursed for being out of market during the transition of his funds from the Plan to the Scheme.
52. Mr X's main concern is that he was not provided sufficient information about the 'blended' prices to allow him to verify that his funds were not out of market during the transition, and that transaction costs were correctly reimbursed to him. However, as identified by the Adjudicator, providing members with the very granular level of information he has requested is not a requirement of trustees in the 2013 Regulations, or indeed any other regulations.
53. I note that this was a 'without consent' transfer made in accordance with the provisions of the Pension Schemes Act 1993 and the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 – and so Mr X's benefits would transfer to the Scheme come what may, unless he elected to transfer his benefits elsewhere before the transaction.
54. Prior to the transfer, the Trustee informed Mr X that out of market exposure would be "managed as far as possible". The Trustee did not set an expectation to members that it would remove all out of market risk. The Trustee (and the trustee of the Plan) attempted to mitigate the extent of the risk by appointing a specialist transition manager. Given the size and complexity of the transfer, this was a reasonable (and relatively common) action by the parties and should provide some comfort to Mr X that the transfer was managed appropriately.
55. Having made the transfer, and in responding to Mr X's complaint, Willis went to considerable and commendable lengths to provide comfort that the transition of assets had, on a very large transaction, taken place as expected. However, as the Passive Equity Fund and the Growth Fund were transferred at fund level using a transition manager, it was not possible to provide individual calculations for those funds to Mr X. Nonetheless, an independent audit had been carried out at the end of the process, which, as set out in the IDRP response sent to Mr X, would have highlighted whether or not he had suffered financial loss. In my view, this was a reasonable process and, in light of this, I am not of the view that there is sufficient evidence to suggest that Mr X has suffered a loss such that it would be able to justify a complaint.
56. Concerning "transaction costs" and the various Regulations that Mr X has identified in his response to the Adjudicator's Opinion, I note that his complaint is centred on 'out of market' investment risk, rather than a 'charge' or 'transaction cost' (defined in the 2015 Regulations he identifies as the "costs incurred as a result of the buying, selling, lending or borrowing of investments"). Furthermore, these are new issues that he has raised, that have not been put to the Trustee or Willis. However, in any event, I am not of the view that these arguments assist him, and so, for his information, my comments are as follows:-

- Regulation 6 of the 2015 Regulations is referring to limits on ongoing scheme charges (not transaction costs, which are specifically excluded from that definition, or out of market investment risk). Section 6A is not applicable to this transaction.
- Regulation 17 of the 2015 Regulations sets out the requirements for a scheme's annual governance statement. It requires the inclusion of the level of ongoing charges and transaction costs incurred for trading assets within each fund or default strategy in a scheme over the course of the year. It does require the Trustee to "describe how the requirements of regulation 24 of [the 1996 Regulations] (requirements for processing financial transactions) have been met during the scheme year" – with those core transactions including the "transfers of assets relating to members into and out of the scheme". However, the information provided in a governance statement is at a macro level, not individual member level – and, in any event, the information thus far provided to Mr X would go beyond that needed to satisfy these requirements. The Scheme's annual governance statements should be available to Mr X online.
- Regulation 19 of the 2015 Regulations sets out the requirements for schemes to calculate members' charges, and in so far as they are able to do so, transaction costs. These then need to be assessed for good value. In my view this would not include out of market investment 'loss' (to the extent there was loss) of the type at issue here.
- Section 12 of the 1996 Regulations requires trustees to keep books and records relating to any of the following transactions:
 - "(i) any amount received in respect of any contribution payable in respect of an active member of the scheme";
 - "(v) any movement or transfer of assets from the trustees to any person including a professional adviser and such records to include the name and address of the person to whom the assets were moved or transferred and the reason for that transaction";
 - "(vi) the receipt or payment of money or assets in respect of the transfer of members into or out of the scheme and such records to include...in the case of a member who has transferred out of the scheme, the name of that member, the terms of the transfer, the name of the scheme transferred to, the date of the transfer, and the date of receipt or payment of money or assets"; and
 - "(x) other payments to, and withdrawals from, the scheme, including the name and address of the person the payment was made to or from whom it was received.

While I have not seen the granular details of the ‘blended’ prices that Mr X is asking for, the evidence provided to me by Willis is sufficient for me to be able to draw the conclusion that both the Plan’s trustees and the Trustee retained adequate records of the asset transfer. Furthermore, I conclude that the Scheme was compliant with Section 12 of the 1996 Regulations in respect of the above transactions.

- Section 12A of the 2013 Regulations requires trustees, when requested by a member, to provide information set out paragraph 35 of Schedule 3, which essentially requires trustees to give members the names and identification numbers of pooled funds available in a scheme. This does not require the Trustee to provide Mr X with the information he is asking for.
- Section 137FA of the 2000 Act requires the FCA to make rules requiring information about the transaction costs of a “relevant scheme” to be given to scheme members. A ‘relevant scheme’ in this case has a different meaning to that found in the 1996 Regulations (which would include the Scheme). Rather ‘relevant scheme’ here only includes personal pension schemes (see Section 137FA(8)). However, the Scheme is a trust based, occupational pension scheme (hence it being regulated by The Pensions Regulator).
- Section 49 (2) of the 1995 Act says that Regulations may require trustees to keep books and records relating to transactions. However, those regulations are the 1996 Regulations, which have already been discussed above, and so adds nothing in this case.

57. I do not uphold Mr X’s complaint.

Dominic Harris

Pensions Ombudsman
17 October 2025