

Ombudsman's Determination

Applicant Mrs E

Scheme Civil Service Pension Scheme (**the Scheme**)

Respondents MyCSP;
Cabinet Office (**the CO**)

Outcome

1. I do not uphold Mrs E's complaint and no action is required by MyCSP or the CO.

Complaint summary

2. Mrs E has complained that: -
 - MyCSP caused delays in the transfer of her pension funds from the Local Government Pension Scheme (LGPS) into the Scheme.
 - Her pension funds were misplaced by MyCSP during the transfer, which caused further delays in the process.
 - She should be compensated for the excessive amount of time it has taken to continually chase the matter, and for the severe anxiety, worry and stress that was caused.

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. The Scheme is governed by the Public Service (Civil Servants and Others) Pensions Regulations 2014, (**the Scheme Regulations**).
5. The Public Sector Transfer Club, also known as the Club, allows easier movement of employees and their pensions from one employer to another. Members who move between Club schemes can transfer their pension on special terms, so they will receive a similar amount of pension in their new scheme. The Scheme and the LGPS both operate within the Public Sector Transfer Club.

6. The CO is the Scheme Manager and MyCSP is the administrator of the Scheme.
7. On 4 November 2019, Mrs E commenced employment with the Meteorological Office and joined the alpha section of the Scheme.
8. On 20 January 2020, Mrs E informed MyCSP that she wanted to transfer her pension from the LGPS into the Scheme. MyCSP provided a provisional transfer application form to complete and return on the same day.
9. On 14 February 2020, MyCSP received a transfer quotation from Peninsula Pension (PP), the administrator of the LGPS, with the transfer discharge forms completed by Mrs E.
10. The transfer quotation from PP had been calculated in non-Club terms, which was incorrect as MyCSP operated within Public Sector Club terms. MyCSP advised Mrs E about the issue and wrote to PP on 27 February 2020 to request a revised transfer quotation on the correct terms.
11. On 8 April 2020, MyCSP received an email from Mrs E with a transfer quotation from PP, which had been calculated on Club terms. When reviewing the second transfer quotation, MyCSP identified that PP had not revalued the pension figure in accordance with its in-service revaluation, as per the Club memorandum. MyCSP requested clarifications from PP on this and informed Mrs E about it on the same day.
12. On 27 April 2020, Mrs E emailed MyCSP to request an update. MyCSP sent its request to PP again on the same day, as it had not received a response.
13. Mrs E received confirmation from PP that a revised transfer quotation was sent to MyCSP on 29 April 2020.
14. Mrs E posted the completed transfer discharge forms and sent an email to MyCSP to confirm this on 6 May 2020.
15. On 14 May 2020, MyCSP received a response from PP regarding the in-service revaluation, however this was deemed inadequate, and it was necessary to request the relevant information again on the same day.
16. On the same day MyCSP also informed Mrs E that her transfer discharge forms were received but that it did not contain the requested information. It also informed her that it would have to further liaise with PP regarding the way in which the benefits had been calculated.
17. On 18 May 2020, Mrs E provided MyCSP with an email from PP, which explained it did not provide enhanced in-service revaluation for active members and therefore the figures it had previously provided were correct.
18. MyCSP proceeded to calculate the benefits the transfer value would purchase Mrs E within the Scheme. During this process, it identified that further clarification was needed in respect of Mrs E's spouse pension.

19. On 19 May 2020, MyCSP asked PP to confirm why the Career Average Revalued Earnings (**CARE**) spouse percentage used to calculate the spouse pension was 28.474% rather than the usual 30.625%. PP advised, on the same day, that the percentage was different because Mrs E had bought additional pension.
20. As a result of this information, MyCSP asked PP to provide a separate calculation of the added pension that Mrs E had purchased within PP. MyCSP considered the additional pension to be an Additional Voluntary Contribution and that it therefore needed to be calculated separately and on different terms to the core pension benefits.
21. On 28 May 2020, MyCSP informed Mrs E that the case had been referred to the CO. This was necessary to ensure that the correct calculations were completed, as PP had explained that the added pension was included within Mrs E's core pension benefits and did not require a separate calculation.
22. MyCSP received confirmation from the CO on 5 June 2020, that any added pension bought in a CARE scheme made under the Public Service Pensions Act 2013, should be transferred along with the rest of the inner Club transfer and converted into normal CARE benefits by the receiving scheme. For this reason, it was determined that the transfer quotation from PP was correct and compliant with Club terms.
23. The transfer quotation was calculated and issued to Mrs E's registered home address on 8 June 2020, with documentation for Mrs E's completion and return.
24. MyCSP received the completed acceptance forms on 1 July 2020.
25. On 11 July 2020, MyCSP acknowledged Mrs E's transfer from PP to the Scheme and informed her that it had asked PP to pay the transfer value.
26. On 29 July 2020, PP confirmed the transfer value calculation with MyCSP and advised that it would make the payment "shortly".
27. Mrs E contacted MyCSP on 11 August 2020 with an email from PP that confirmed the payment was processed on 29 July 2020, and asked MyCSP to confirm the receipt of the payment.
28. On the same day, MyCSP informed Mrs E by email that it was unable to trace the payment from PP. MyCSP also informed PP that it could not trace the transfer value of £185,321.24 and asked for more details.
29. On 14 August 2020, Mrs E wrote to MyCSP because she was extremely concerned that it could not trace the payment.
30. On 17 August 2020, MyCSP confirmed that it was still unable to trace the payment. It also informed Mrs E that it had written to PP again to request further details and evidence of the payment, as it was unable to proceed with the transfer until it had received confirmation that the transfer payment had been received.

31. On 19 August 2020, Mrs E expressed her frustrations to MyCSP again that the process had taken so long.
32. On 20 August 2020, MyCSP informed Mrs E that the payment had to be traced for audit purposes and that it was unable to proceed with the transfer without evidence of the transfer value payment.
33. On 21 August 2020, PP confirmed to MyCSP that a BACS payment of £185,312.24 was made on 29 July 2020. PP also confirmed the sort code and account number reference.
34. On 24 August 2020, MyCSP wrote to PP stating that it had checked its accounts for payments made between £180,000 and £190,000 and it could still not trace the transfer value. MyCSP asked for further details again.
35. MyCSP confirmed to Mrs E that the payment had been traced on 25 August 2020. It explained the delay in tracing the payment was due to misinformation from PP. Mrs E's transfer value was paid as part of a bulk payment so the figure it had been looking for was not the amount that was paid. MyCSP also informed Mrs E that it would now finalise the transfer at the earliest convenience.
36. On 28 August 2020, Mrs E emailed MyCSP to ask if the transfer had been finalised and for an updated statement of benefits.
37. On 4 September 2020, MyCSP asked PP to confirm if the CARE benefits had been revalued.
38. Mrs E emailed MyCSP again on 10 September 2020, asking for confirmation that the transfer had been finalised as well as an updated statement of benefits.
39. On 16 September 2020, Mrs E wrote to MyCSP explaining that she was dissatisfied that the matter had been ongoing for 10 months. She also attached a summary of her transfer value. Mrs E also complained that she had not received any responses to her emails of 25 August, 28 August, and 9 September 2020, and asked for an update by the next day.
40. MyCSP emailed Mrs E on 17 September 2020, informing her that it had contacted PP regarding her case. It required further information from PP, and it would complete the transfer as soon as this was received.
41. On 18 September 2020, MyCSP sent an email to Mrs E to inform her that it needed an in-service revaluation figure for her CARE pension with PP.
42. On 21 September 2020, MyCSP received an updated quotation from PP. In response to this MyCSP wrote to PP because the calculation did not provide the CARE benefits figure.
43. On 23 September 2020, PP advised that it had previously responded that it does not provide enhanced in-service revaluation, and that the figure was correct.

44. MyCSP told Mrs E that the transfer from PP had completed on 24 September 2020.
45. On 29 September 2020, Mrs E received a confirmation email that the transfer was finalised, and that the confirmation letter was posted on 24 September 2020.
46. Mrs E requested an updated statement of benefits on the same day.
47. On 30 September 2020, Mrs E asked MyCSP for details about its complaints procedure because she was unhappy with how long it took to complete the transfer. On the same day, Mrs E was given the details of the complaint process.
48. On 7 October 2020, MyCSP received a formal complaint from Mrs E regarding the service she had received.
49. As Mrs E advised that she did not receive confirmation of the transfer being finalised, it was reissued by MyCSP on 6 October 2020.
50. On 12 October 2020, MyCSP responded to Mrs E's complaint, explaining that it took longer to complete the transfer, because it was necessary to request clarifications on multiple occasions to ensure that Mrs E's entitlements had been calculated correctly.
51. On 16 October 2020, Mrs E contacted MyCSP again as she felt its response to her complaint did not explain the delays in processing the transfer and why it was unable to trace the payment. She informed MyCSP that she would contact The Pensions Ombudsman (**TPO**).
52. Mrs E brought her complaint to TPO on 19 October 2020.
53. On 20 October 2020, Mrs E was informed of the Scheme's Internal Dispute Resolution Procedure (**IDRP**). MyCSP also reiterated why it could not trace the payment.
54. Mrs E submitted a complaint under stage one of the Scheme's IDR P on 5 November 2020. On the same day, she also requested an updated benefit statement.
55. On 27 November 2020, Mrs E received the Scheme's stage one IDR P response upholding her complaint in part. MyCSP accepted that it caused delays by contacting PP unnecessarily on 4 September 2020. It apologised for this delay but concluded that the other requests made to PP and the CO were appropriate and necessary.
56. Mrs E remained dissatisfied and raised a complaint under stage two of the Scheme's IDR P on 15 December 2020.
57. On 1 April 2021, Mrs E received the stage two IDR P response from the CO. It agreed with the decision made in the stage two IDR P response and that there was no maladministration and as such it did not warrant any financial compensation.
58. **Summary of Mrs E's position:**
 - The length of time that it had taken to process the transfer of her pension funds from PP to the Scheme was excessive. The process took nine months.

- Her funds were misplaced during the transfer and could not be traced, which led to a further delay in the process.
- She did not receive written confirmation regarding the finalisation of the transfer and an updated statement of benefits.
- She should be compensated for the time it took to continually chase the matter, and for the worry and stress from losing the transfer payment and the delays in the process.

59. **Summary of MyCSP's position: -**

- The requests made by MyCSP to PP were made within the approved Service Level Agreement (**SLA**), as agreed by the CO, and the transfer was completed within 12 months of Mrs E joining the service. The issues therefore did not materially affect the outcome of Mrs E's transfer.
- MyCSP's unnecessary contact with PP on 4 September 2020, subsequently caused further delay in the process until 23 September 2020. It acknowledged this delay and apologised for it.
- All other contact by MyCSP with PP and the CO was necessary in order to accurately calculate the benefits purchased following the transfer.
- MyCSP did not address Mrs E's request for an updated statement and compensation in its initial response to her complaint of 12 October. It apologised for this oversight. MyCSP issues Annual Benefits Statements (**ABS**) annually. Mrs E should have received the ABS which included her transfer-in figures in 2021.
- MyCSP was unable to trace the payment from PP because it did not provide the information it needed to find the payment in its system. As such, it is not to blame for this delay.
- There has been no maladministration on MyCSP's part, and it has apologised for the delay it caused.

Caseworker's Opinion

60. Mrs E's complaint was considered by one of our Caseworkers who concluded that no further action was required by the CO and MyCSP. The Caseworker's findings are summarised below: -

- The CO has acknowledged that MyCSP caused an unnecessary delay on one occasion. However, it has said that all other contacts made were necessary to calculate the benefits purchased following the transfer.

- MyCSP was within its right to ask for clarification and the correct information on multiple occasions, to assure that the benefits purchased following the transfer were accurately calculated. In the Caseworker's view, MyCSP's actions did not amount to maladministration.
- MyCSP is not responsible for the delay that was caused by it being unable to trace the transfer payment from PP. MyCSP did not receive the necessary information to trace the payment from PP, and it contacted PP on several occasions to ask for the correct information. It was unable to proceed with the transfer without confirmation that the transfer payment had been received.
- MyCSP acted reasonably by relying on the information it was provided by PP, and it was appropriate to contact PP to clarify the details and request evidence of the payment, as it did on several occasions. It was the Caseworker's view that MyCSP's actions in this incident did not amount to maladministration.
- The CO has agreed that MyCSP caused an unnecessary delay by contacting PP on 4 September 2020 and asking for information that it had already received. The CO has apologised for this delay, but it does not agree that this amounts to maladministration and that it warrants redress.
- MyCSP's action on 4 September 2020 was unnecessary and did cause a delay of 13 working days to the completion of the transfer. It was the Caseworker's view that this amounted to maladministration.
- The normal course of action would be to put the applicant back into the position she would have been in, had the maladministration not occurred. The transfer was finalised on 24 September 2020, and completed within 12 months of Mrs E joining the service, and as such Mrs E has not suffered any actual financial loss as a result of the delays, and there is no financial loss to remedy.
- The Caseworker recognised that Mrs E has suffered some distress and inconvenience in dealing with this matter, however, she said that the degree of non-financial injustice which Mrs E has suffered due to maladministration by MyCSP, does not reach the threshold for the minimum award of £500.
- Mrs E also complained that MyCSP did not address her request to provide an updated statement of benefits. The CO admitted to this oversight in its complaint handling process and explained that MyCSP only issue statements once a year. The CO apologised for not addressing the issue earlier, which the Caseworker considered to be an adequate remedy.

61. Mrs E did not accept the Caseworker's opinion and her complaint was passed to me to consider. I agree with the Caseworker's Opinion.

Ombudsman's decision

62. Mrs E has complained that MyCSP caused delays in the transfer of her pension funds into the Scheme. Mrs E requested the transfer on 20 January 2020, and it was not finalised by MyCSP until 24 September 2020. She wants to be compensated for distress and inconvenience caused.
63. I find that MyCSP's requests, seeking clarification and further information, do not amount to maladministration. This was only done to ensure the benefits purchased following the transfer were accurately calculated.
64. I also find that MyCSP was not responsible for the maladministration that led it to not being able to trace the transfer payment from PP. MyCSP was not provided with the correct information to trace the payment and acted reasonably by trying to contact PP on several occasions.
65. I find that there has been maladministration on one occasion. MyCSP caused an unnecessary delay by contacting the transferring scheme for information that it had already received. This caused a delay of 13 working days to the completion of the transfer.
66. I accept that Mrs E has suffered some distress and inconvenience in dealing with this matter. However, I agree with the Caseworker that the degree of non-financial injustice which Mrs E has suffered due to maladministration by MyCSP, does not reach the threshold for the minimum award of £500.
67. The Trustee has apologised for not addressing Mrs E's request to provide an updated statement of benefits. I agree with the Caseworker that this is an adequate remedy.
68. I do not uphold Mrs E's complaint.

Anthony Arter CBE

Deputy Pensions Ombudsman
23 October 2023

Appendix

The Public Service (Civil Servants and Others) Pensions Regulations 2014

Application of Chapter

148. This Chapter applies in relation to an active member of this scheme who has accrued rights under another pension scheme (P).

...

Request for acceptance of a transfer payment

150. (1) P may by notice to the scheme manager request that a transfer payment be accepted in respect of some or all of P's accrued rights to benefits under another pension scheme.

(2) A transfer payment request—

(a) must specify—

(i) the pension scheme from which the transfer payment is to be made; and

(ii) the anticipated amount of the transfer payment;

(b) must meet any other conditions the scheme manager requires; and

(c) subject to paragraph (3), must be made during the period of 12 months beginning with the day on which P commences service in scheme employment.

(3) A request that a transfer payment be accepted from the Civil Service Additional Voluntary Contribution Scheme must be made—

(a) within the period of 3 months ending with the day on which P is first entitled to receive retirement benefits under this scheme; or

(b) if the scheme manager considers it reasonable in the circumstances, within any longer period the scheme manager directs.

(4) The scheme manager may direct that a transfer payment request is to be treated as having been made earlier than it was if the scheme manager considers it reasonable to do so in the circumstances.

(5) Subject to paragraph (6), on receiving a transfer payment request, the scheme manager may accept the transfer payment if all of such conditions as the scheme manager may have required are met.

(6) The scheme manager may not accept a transfer value payment if—

(a) it would be applied in whole or in part in respect of—

(i) the member's entitlement to a guaranteed minimum pension; or

(ii) the entitlement of the member's spouse to a guaranteed minimum pension; and

(b) it is less than the amount required for that purpose, as calculated in accordance with guidance and tables determined by the Minister for the purposes of this paragraph, after consultation with the scheme actuary.

Transfer statement

151. (1) This regulation applies in relation to a request by P for a transfer value payment to be accepted from another pension scheme.

(2) The scheme manager may require that, before making a transfer payment request, P must ask the scheme manager to provide a statement of the amount of transferred pension that P will be entitled to count under regulation 152 if the transfer date falls within the period of 2 months beginning with the date of that statement.

(3) The amount specified in the transfer statement must be an amount calculated by the scheme manager in accordance with actuarial guidance and tables by reference to—

(a) factors relating to P's circumstances at the end of that 2-month period;
and

(b) any other factors as at the date of the statement that the scheme actuary considers should apply.