

Ombudsman's Determination

Applicant	Mr O
Scheme	Citi (UK) Pension Plan (the Plan)
Respondents	CG Pension Trustees Ltd (the Trustee); and Willis Towers Watson (the Administrator)

Outcome

1. I do not uphold Mr O's complaint and no action is required by the Trustee or the Administrator.

Complaint summary

2. Mr O has complained about the time it took the Administrator to transfer his pension funds from the Plan into his chosen Self Invested Personal Pension (**SIPP**), with Fidelity.
3. Mr O has claimed that he suffered a substantial financial loss due to delays, and he wants the Administrator to put him back in the financial position he would have been in had the delays not occurred.

Background information, including submissions from the parties

4. 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.
5. Mr O initiated the transfer of his pension fund into a flexible pension, provided by Fidelity, in early October 2020.
6. On 16 October 2020, Mr O obtained a transfer quotation from the "MyCitiPension" website. A transfer pack accompanied the transfer quotation, which included a copy of the 'Transfer Out Process' leaflet (**the Leaflet**). It confirmed:-

"Once the complete transfer out documentation has been received by Willis Towers Watson, it is estimated to take up to 20 working days to complete the transfer. The timescale will be significantly longer for cases where additional validation checks are required."

7. On 19 October 2020, the Administrator received a letter with the transfer agreement signed by Mr O and a Letter of Authority (**LOA**) appointing Independent Advisory Services.
8. On the same day, the Administrator also received a letter with the transfer out paperwork from Fidelity.
9. On 22 October 2020, the Administrator requested a copy of Mr O's passport.
10. Mr O sent an email to the Administrator on 22 October 2020 and asked for the timescales for the payment of the transfer value.
11. On 23 October 2020, the Administrator informed Mr O about its timescales in an email. It said:-

“Please note, the disinvestment of your funds which will take approximately five working days to complete plus another two to three working days to ensure the transfer out payment is made to Fidelity”.
12. The Administrator requested a copy of Mr O's passport again on 6 November 2020.
13. Also on 6 November 2020, Mr O informed the Administrator that he wished to pause the transfer process. He informed it that he would provide a copy of his passport when he wanted the transfer to proceed again.
14. On 26 December 2020, the Administrator sent an email to Mr O and asked if he still wanted to proceed with the transfer. It also confirmed that it would require a copy of his passport to proceed.
15. On the same day, Mr O sent his passport information to the Administrator and asked it to proceed with the transfer to Fidelity.
16. On 29 December 2020, Mr O called the Administrator, and it confirmed that it had received the outstanding documents. It informed Mr O that disinvestment takes around five working days.
17. The Administrator sent out the disinvestment request on the same day, and the trade took place on 30 December 2020.
18. On 31 December 2020, the unit prices were calculated and applied.
19. The Administrator received the funds on 4 January 2021, and Mr O's record was updated with the number of units sold and price achieved the following day.
20. The Administrator allocated the case for peer review on 7 January 2021.
21. On 11 January 2020, Mr O contacted the Administrator by telephone as the funds had not been received by Fidelity. During this call his was incorrectly told that the payment was sent to Fidelity on 6 January 2021 by BACS and would arrive at the latest by close of business on 13 January 2021.

22. On 11 January 2021, the peer review was completed, and the case was sent for payment authorisation.
23. Due to the size of the payment, the payment authorisation required sign-off by two senior members of staff. The payment authorisation process was completed on 13 January 2021.
24. Mr O contacted the Administrator on 14 January 2021. The Administrator misinformed Mr O again that the funds were sent on 6 January 2021, but did note that there had not been a confirmation letter sent yet. Mr O was then provided with details of the transfer information to help Fidelity track the payment.
25. Later, on the same day, Mr O called the Administrator again, to ask when he would be receiving the confirmation letter. During this call, the Administrator confirmed that the funds had not been sent as it was still awaiting final approval. Mr O was also told that:-
 - The final approval should normally have been completed within one business day of 6 January 2021. However, the Administrator could not explain the delay.
 - The Administrator would try its best to get the approval done by 2pm on 14 January 2021.
 - The funds would be sent by CHAPS as soon as possible.
26. Mr O called the Administrator again later that day and was told that the payment had been completed and that it would have been a CHAPS payment.
27. The Administrator made the final payment to Fidelity, and it received the funds by close of business on 14 January 2021.
28. Mr O complained to the Administrator on 15 January 2021. He said:-
 - His pension funds were out of the market for far longer than was necessary.
 - He incurred losses due to not being able to implement his investment strategies and priorities on the Fidelity platform in a timely and opportunistic basis.
 - He suffered stress, worry and sleepless nights.
29. On 23 February 2021, Mr O sent the Administrator a further email outlining the financial loss he suffered as a result of the delays.
30. The Administrator responded to Mr O's complaint on 11 March 2021. It said:-
 - Mr O was provided with some misleading information regarding the transfer payment date.
 - The transfer of the pension funds was dealt with in a timely manner, as it was still completed within the 20 days as outlined in the Leaflet, which accompanied the transfer quotation.

31. Mr O remained dissatisfied and subsequently invoked the Plan's Internal Dispute Resolution Procedure (**IDRP**).
32. On 12 May 2021, the Trustee sent Mr O its Stage One IDRPs response. It did not uphold his complaint however acknowledged that Mr O had been given conflicting information by the Administrator.
33. On 17 May 2021, Mr O appealed the Stage One decision.
34. On 15 July 2021, the Trustee sent Mr O its Stage Two IDRPs decision, again not upholding his complaint.
35. Mr O brought his complaint to The Pensions Ombudsman (**TPO**) on 12 December 2021.
36. **Summary of Mr O's position:-**
 - He claims that there was a delay in the transfer of his pension funds from the Plan to Fidelity.
 - He believes that he suffered a financial loss of £5,237.50 due to the delay. He was unable to access his funds and was out of the market for an unreasonable and excessive amount of time.
 - He was misinformed by the Administrator on several occasions about when the transfer payment would be completed and the method of payment.
37. **Summary of the Trustee's position:-**
 - Mr O was provided with conflicting information concerning the time it would take to transfer his pension funds. He was informed that it would take eight working days to process the transfer from the commencement of the disinvestment of his funds. The Trustee apologised for this misinformation.
 - The transfer was still made in a timely manner by the Administrator, as the transfer payment was made within the 20 working days as stated in the Leaflet.
 - The Leaflet was provided to Mr O with the transfer quotation he obtained from the "MyCitiPension" website on 16 October 2020. The timeframe quoted in the Leaflet included additional time that might be required for authorisation checks.
 - The transfer took longer to process due to necessary authorisation checks. The transfer had to be peer reviewed by a senior administrator, who confirmed that all the appropriate checks had been carried out and all documentation had been received to enable the transfer to proceed. Furthermore, the transfer payment had to be signed off by two senior members of staff because the payment value was over £250,000. These were checks that could only take place after the funds had been disinvested.

Caseworker's Opinion

38. Mr O's complaint was considered by one of our Caseworkers who concluded that no further action was required by the Trustee and the Administrator. The Caseworker's findings are summarised below:-

- The Trustee acknowledged that the Administrator provided conflicting information to Mr O. However, it did not agree that it is responsible for any financial loss, as the transfer of Mr O's pension funds was made in a timely manner within its normal timeframe of 20 working days and without any excessive delays.
- The provision of conflicting and incorrect information amounted to maladministration. The normal course of action would be to put the applicant back into the position he would have been in had the maladministration not occurred. However, this did not necessarily mean that the Trustee was responsible for any financial loss.
- Mr O's pension fund was disinvested and transferred within the Administrator's Service Level Agreement and without any unnecessary delays. It was necessary to complete additional authorisation checks due to the size of the transfer value. Although Mr O was provided with a different timescale for when the transfer would be completed, the transfer did take place within 20 working days as stated in the Leaflet, which is the Administrator's normal timescale.
- As Mr O was provided with conflicting and incorrect information on several occasions, the Caseworker recognised that Mr O suffered some distress and inconvenience in dealing with the matter. However, she felt that the degree of non-financial injustice which Mr O had suffered due to maladministration by the Administrator, was nominal and did not reach the threshold for the minimum award of £500.
- The Trustee acknowledged that Mr O was provided with conflicting information, and it apologised for this, which the Caseworker considered to be an adequate remedy.

39. Mr O did not accept the Caseworker's Opinion and the complaint was passed to me to consider. Mr O submitted further comments in response to the Opinion. In summary he said:-

- The Leaflet was not provided to him with the transfer quotation he obtained from the "MyCitiPension" website on 16 October 2020. It was provided to him after he complained about the transfer process.
- There were several instances of maladministration and therefore he should be compensated for the financial loss he suffered and for the distress and inconvenience caused.

40. I note the additional points made by Mr O, but I agree with the Caseworker's Opinion.

Ombudsman's decision

41. Mr O has complained that there was a delay in the transfer of his pension funds from the Plan to Fidelity. He claims that the Administrator did not adhere to its own timeframes. He wants to be compensated for the financial loss suffered due to the delay.
42. Pension administrators have set Service Level Agreements within which certain tasks must be completed. These Service Level Agreements therefore form the basis for how an administrator approaches its work on a daily basis. In this case, the Administrator had a Service Level Agreement of 20 working days within which to process Mr O's transfer.
43. I can understand Mr O's frustration regarding the conflicting and incorrect information he was provided with during the transfer process. I also recognise that Mr O has said that he did not receive the Leaflet with the transfer quotation he obtained from the "MyCitiPension" website on 16 October 2020, and that it was only provided to him after he complained about the transfer. However, the transfer was still completed in a timely manner and within 20 working days, which the Leaflet states to be the Administrator's normal timescale.
44. The timescales set by the Trustee and the Administrator are targets and the intention is for the Administrator to aim to perform certain agreed actions within a given timeframe. Even if Mr O was informed of a different timescale than the 20 working days, the timescales are not legally binding and missing them by a short amount of time does not automatically constitute maladministration.
45. The Pension Schemes Act 1993, requires that a pension provider completes a transfer within six months of valid request by the member. In many cases, where it is a straightforward transfer, it should be completed within a shorter timeframe. However, the time taken for Mr O's transfer was not unreasonable. Although the Administrator did perform additional authorisation checks, these were necessary in order to protect Mr O and the Trustee, and I do not agree that these can be regarded as maladministration.
46. I find that the instances of conflicting and incorrect information do amount to maladministration. Although I acknowledge that Mr O will have suffered some distress and inconvenience in dealing with this matter, I consider that the level of this distress and inconvenience would not meet the threshold for an award for non-financial injustice.
47. The Trustee has acknowledged that Mr O was provided with conflicting information, and it has apologised for this. I agree with the Caseworker that this is an adequate remedy.
48. I do not uphold Mr O's complaint and no further action is required by the Trustee or the Administrator.

CAS-76611-W2C4

Anthony Arter CBE

Deputy Pensions Ombudsman

16 January 2024

Appendix

Pension Schemes Act 1993

Section 99 (2) - (2ZA)

Trustees' duties after exercise of option

(1) Where —

(a) a member has exercised the option conferred by section 95; and

(b) the trustees or managers of the scheme have done what is needed to carry out what the member requires,

the trustees or managers shall be discharged from any obligation to provide benefits to which the cash equivalent related except, in such cases as are mentioned in section 96(2), to the extent that an obligation to provide such guaranteed minimum pensions . . . continues to subsist.

(2) Subject to the following provisions of this section, if the trustees or managers of a scheme receive an application under section 95 they must do what is needed to carry out what the member requires—

(a) in the case of an application that relates to benefits other than money purchase benefits, within 6 months beginning with the guarantee date shown in the relevant statement of entitlement, . . .

(b) in the case of an application that relates to money purchase benefits [other than collective money purchase benefits], within 6 months beginning with the date of the application, and

(c) in the case of an application which relates to money purchase benefits that are collective money purchase benefits, within 6 months beginning with the date of the application or such longer period beginning with that date as may be prescribed.

(2ZA) Subsection (2) does not apply if the trustees or managers have been unable to carry out what the member requires because a condition prescribed by regulations under section 95(6ZA) has not been satisfied.

....