

## Ombudsman's Determination

Applicant	Mr D
Scheme	DHL Group Retirement Plan ( <b>the Plan</b> )
Respondents	DHL Trustees Limited ( <b>the Trustee</b> ); and DHL Pensions ( <b>the Administrator</b> )

### Outcome

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

### Complaint summary

2. Mr D's complaint concerns the service and delays caused by the Administrator following his request to transfer his pension funds. The transfer was initially requested in November 2021, but it was not completed until June 2022.
3. Mr D has said that this resulted in a substantial loss in the value of his pension. He would like to be put back in the financial position he would have been in had the delay not occurred. He also said that he should be compensated for the distress and inconvenience caused.

### 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. According to The Occupational Pension Schemes (Transfer Values) Regulations 1996 (**the Regulations**), the statutory time limits for a transfer quotation to be provided in a Defined Contributions (**DC**) scheme is within three months of the transfer request. The Pension Schemes Act 1993 (**the Act**), also states that trustees must pay a transfer within six months of receiving a written application.
6. In November 2021, Mr D contacted the Administrator and requested to transfer his benefits through its online pension portal.

7. On 22 December 2021, Mr D sent an email to the Administrator regarding his intention to take a 25% tax free cash payment and transfer the residual fund.
8. The Administrator acknowledged the request on the same day, and informed Mr D that it was operating with a reduced staffing level and experiencing a high volume of enquiries. It also said that it aimed to provide a response in the next seven working days, but that there might be a delay of 20 to 25 working days.
9. On 20 January 2022, Mr D contacted the Administrator again and confirmed that he did not wish to transfer his benefits and instead wished to take a 25% tax free cash lump sum.
10. On 28 January 2022, the Administrator acknowledged Mr D's request and said it would provide him with a retirement quotation instead. It also said that it was currently working to "a turnaround of approximately 40 working days" from the date the request was first logged, 22 December 2021.
11. On 3 February 2022, the Administrator received a request from Mr D's Independent Financial Advisor (**the IFA**) asking for details about the Plan, along with a Letter of Authority (**LOA**).
12. On 11 February 2022, Mr D received paperwork from the Administrator to complete and return. He also received a statement which quoted the fund value, as of 10 February 2022, to be £93,405.92.
13. On 16 February 2022, the IFA sent an email to the Administrator requesting information about Mr D's Plan again. The IFA also confirmed that it had enclosed a LOA.
14. On 18 February 2022, the Administrator issued a retirement quotation to Mr D. Mr D was also informed that he would need to transfer his pension to another provider if he wanted to access only part of his pension, as the Administrator did not provide that drawdown option.
15. On 25 February 2022, the Administrator informed the IFA that it had received the request and the LOA on 3 February 2022. It said it would contact Mr D with its General Data Protection Regulations (**GDPR**) forms to complete and return before it could deal with the IFA directly. The Administrator also said that it was currently working towards a 40 working day turnaround.
16. On 22 March 2022, the IFA contacted the Administrator again to ask for information about Mr D's Plan. The IFA said that it had tried to contact the Administrator by phone on a number of occasions.
17. On 25 March 2022, the Administrator issued the GDPR forms to Mr D. It said that it required the forms to be completed before it could give any information to the IFA. The Administrator also issued a letter to the IFA which explained that it required the GDPR forms to provide it with information about Mr D's Plan.

18. On 29 March 2022, Mr D sent an email to the Administrator to confirm his wish to transfer his pension to another provider. He also requested the relevant paperwork.
19. On 4 April 2022, the Administrator responded to the IFA and said it had provided Mr D with the GDPR forms on 25 March 2022 to complete and return. It also provided a link to a general factsheet about Mr D's pension fund.
20. On 6 April 2022, Mr D sent an email to the Administrator and asked if it could confirm receipt of the LOA for his IFA.
21. On 12 April 2022, the Administrator received a letter from Standard Life requesting the transfer of Mr D's funds.
22. On 20 April 2022, the Administrator informed Mr D that it was yet to receive signed GDPR forms from Mr D's IFA.
23. On the same day, Mr D said that he had already sent the LOA and that he had been unable to contact the Administrator on the phone after the receipt of its email. He asked to be contacted by the Administrator as soon as possible.
24. On 10 May 2022, the Administrator received a letter from the IFA. The letter confirmed that the IFA had tried to contact the Administrator on a number of occasions to get information about Mr D's Plan, but it had not received any responses. It asked for the matter to be addressed urgently and within the next seven working days.
25. On the same day, Mr D sent an email to the Administrator. He said he did not receive a response to his last email and that he still wanted to transfer his funds to a new pension provider. He also said that he had tried to contact the Administrator on a number of occasions by phone and email. He reiterated that he had sent the LOA and asked the Administrator to explain what was required to progress the transfer.
26. On 12 May 2022, the Administrator responded to Mr D and said that it required its GDPR form which was sent to Mr D on 25 March 2022. This needed to be completed for all third-party requests before it could disclose further information. It reissued the GDPR forms and asked for the forms to be completed for both the IFA and Standard Life.
27. On the same day, the Administrator received the completed GDPR forms from Mr D.
28. On 13 May 2022, Mr D emailed the Administrator and confirmed that he had also sent hard copies of the forms. He asked for confirmation that the Administrator had everything it needed to now correspond with the IFA.
29. The Administrator confirmed receipt of the hard copies on 16 May 2022. It said that the paperwork would now be reviewed and that it would contact Mr D if anything further was required. It also stated that this could take up to 40 working days due to its current high turnaround time.

30. On 24 May 2022, the Administrator issued the transfer quotation along with the transfer paperwork to be completed by Mr D. The fund value as of 24 May 2022 was quoted to be £87,695.04. The transfer quotation statement also confirmed that the transfer value was an estimate and was not guaranteed.
31. On 25 May 2022, Mr D invoked the Plan's Internal Dispute Resolution Procedure (**IDRP**). Mr D said that his Plan value had reduced as a result of the delays and miscommunication by the Administrator.
32. On 1 June 2022, the Administrator received the completed transfer paperwork.
33. On 21 June 2022, Mr D's pension funds were disinvested.
34. On 24 June 2022, the Administrator made a transfer payment of £83,979.82 to Standard Life.
35. On 13 July 2022, the Trustees sent its Stage One IDR response to Mr D. It did not uphold his complaint, however acknowledged that there were delays in providing the requested information. It offered him compensation of £500 for the distress and inconvenience caused.
36. On 15 July 2022, Mr D appealed the Stage One IDR response.
37. Mr D brought his complaint to The Pensions Ombudsman (**TPO**) on 25 July 2022.
38. On 24 August 2022, the Trustee sent Mr D its Stage Two IDR response, again not upholding his complaint. The Trustee agreed with the decision made in the Stage One response and that £500 compensation was an appropriate offer.
39. **Summary of Mr D's position:-**
  - He is unhappy with how long it has taken to complete the transfer of his funds. The transfer was initially requested in November 2021, but it was not completed until June 2022.
  - He is unhappy with the Administrator's response time and said it did not respond to his emails and phone calls in a timely manner. It also did not respond to the IFA.
  - He was not provided with the correct transfer paperwork when he initially requested the transfer in November 2021 and when he received forms from the Administrator on 11 February 2022.
  - He believed the delays caused a significant drop in the value of his pension and that the Administrator should pay the fund value of 10 February 2022.
40. **Summary of the Trustee's Position:-**
  - The Administrator did not provide the transfer quotation as quickly as it had hoped

when first requested. However, the timeframe was explained to Mr D at the time and the Administrator provided responses as quickly as it possibly could.

- As this was a delay caused by the Administrator, the Trustee offered £500 as compensation for the distress and inconvenience caused. It considers this offer to be reasonable and to reflect the additional time taken to provide the retirement and transfer information.
- Once the transfer information was provided, Mr D changed his mind, on a number of occasions, on whether he wanted to transfer out of the Plan.
- There were no delays in the process that justify paying a higher transfer value, as a fluctuation in the Plan value was an inherent part of a DC scheme, and the Administrator processed the transfer swiftly and without delay once the necessary paperwork was received on 12 May 2022.
- Mr D and the IFA were informed that the necessary paperwork had to be in place for the Administrator to process the transfer and correspond with different parties on behalf of Mr D.

## **Caseworker's Opinion**

41. Mr D'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 Administrator was not responsible for the delays that occurred after the final request to transfer was made on 29 March 2022, and was unable to proceed with the transfer without the necessary paperwork. The IFA and Mr D were informed by the Administrator that it needed certain forms to be completed in order to comply with the GDPR regulations. The completed forms were not received until 12 May 2022.
- The Caseworker recognised that Mr D and the IFA tried to contact the Administrator on a number of occasions and wanted responses to be quicker. However, the Administrator had informed Mr D and the IFA of the timescales that it was operating on. The Caseworker was of the view that the timescales were reasonable in the circumstances and it did not amount to maladministration.
- Once the necessary paperwork was received, the Administrator completed the transfer of Mr D's pension funds in a timely manner and without further delay. The transfer quotation was issued, and the transfer of Mr D's funds was completed well within the statutory timescales. It was therefore the Caseworker's opinion that Mr D has not suffered a financial loss due to any delay caused by the Administrator.
- Mr D has said that he would have completed the transfer of his pension at an

earlier date, if the Administrator had provided the transfer paperwork in November 2021, when he first requested it. On the balance of probabilities, considering the sequence of events, it was the Caseworker's view that Mr D may have again changed his mind on the transfer of his pension funds even if he had received the transfer quotation earlier, in November 2021. Under the Regulations, the statutory time limit following a transfer request, for the provision of a transfer quotation, is three months, and Mr D changed his mind about wanting the transfer before the statutory time limit had passed.

- Mr D is a DC pension scheme member, which means that the value of his pension funds is not guaranteed. Mr D had been informed of this by the Administrator. Since the transfer value quotations were estimates, Mr D's decision to change his mind regarding the transfer naturally affected timescales, and subsequently, the value of his pension fund at the time of transfer.
- Mr D has also said that he was not provided with the transfer paperwork on 11 February 2022, when the Administrator sent him other forms to complete. It was the Caseworker's view that it was reasonable for the Administrator to not issue the transfer paperwork at this point, as Mr D had informed the Administrator on 20 January 2022, that he no longer wished to continue with the transfer.
- The Trustee acknowledged that the Administrator did not provide the transfer quotation as quickly as it had hoped when first requested, and it has accepted that this might have caused some distress and inconvenience. The Trustee has offered £500 to compensate Mr D for the distress and inconvenience caused. The Caseworker considers the award offered to be sufficient and in line with any award the Ombudsman might make in the circumstances.

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

- He only changed his mind about wanting the transfer out of frustration over how long it was taking to process and to try to stop the fund from further dropping in value.
- The Administrator did not have sufficient resources to respond in a timely manner. It has admitted that its staff were working from home and that response times were eight to eleven weeks.
- He tried repeatedly to complete the transfer of his fund, but he received little or no response from the Administrator. The Trustee has agreed that its performance was well below their usual standards. He does not agree that he should suffer financially as a result of the Administrator's failure to respond in a timely manner.

43. I have considered the additional points made by Mr D, but I agree with the Caseworker's Opinion.

### **Ombudsman's decision**

44. Mr D has complained that the Administrator caused a delay in transferring his pension funds out of the Plan. The Trustee has said that the Administrator did not provide a transfer quotation as quickly as it hoped when it was first requested. However, it does not agree that it needs to pay a higher transfer value as it processed the transfer swiftly and without delay once it had received the necessary paperwork.
45. I find that the Administrator did not cause any further delay in the transfer of Mr D's funds once the final transfer request was made on 25 March 2022. The transfer was completed well within the statutory timescales, as stated in the Regulations and the Act.
46. The Administrator was unable to proceed with the transfer without the necessary paperwork. Mr D and the IFA were informed that the Administrator needed its own GDPR forms to be completed and returned in order to comply with GDPR regulations. Once the necessary paperwork was received on 12 May 2022, I find that the transfer was completed in a timely manner and without excessive delays.
47. Mr D has said that he had changed his mind on wanting to transfer out only because of the frustration on how long it was taking, and to try to stop a further drop in the fund value. Whilst I appreciate and completely understand Mr D's frustration, I find that his decision to withdraw his transfer request from November 2021, cannot be reasonably attributed to any failings or shortcomings by the Administrator's handling of the transfer.
48. Under the Regulations, the Administrator is required to provide a transfer quotation within three months of receiving a transfer request, and Mr D changed his mind before this period had passed. Ultimately, it was Mr D's decision to take that action and I do not agree that the Administrator should be held accountable with regard to any possible investment loss which occurred because of the consequential additional time incurred before the transfer was made.
49. I also find that the Administrator acted reasonably by not issuing the transfer forms on 11 February 2022. Mr D had informed the Administrator on 20 January 2022 that he no longer wished to transfer his pension funds. So, it is understandable that Administrator did not send him the transfer forms.
50. I can understand Mr D's concern about the slow response times and instances of little or no response from the Administrator, but I find that the Trustee is not responsible for any financial loss. The poor responses did not ultimately, cause the transfer to be delayed as it was clear what information was required before the matter could proceed, although I accept the lack of communication or contact will have been incredibly frustrating to Mr D.

51. Mr D and the IFA were informed of the timescales on which the Administrator was operating, but the Administrator was still able to complete the transfer within the statutory timescales. Mr D was also informed by the Administrator that the value of the Plan was not guaranteed and that it could go up or down depending on how his chosen investment funds performed between the time the transfer quotation was issued and when the pension funds were taken out of the Plan.
52. The Trustee has acknowledged that there were instances where the Administrator's performance was below its usual standard and has offered £500 to compensate Mr D for the distress and inconvenience this might have caused. I find that its performance did amount to maladministration, however, I consider the award offered to be sufficient in the circumstances, and in accordance with TPO guidance on such awards.
53. I do not uphold Mr D's complaint and no further action is required by the Trustee or the Administrator. Mr D should contact the Trustee if he wishes to accept its offer of £500 in respect of the distress and inconvenience which he has suffered.

**Anthony Arter CBE**

Deputy Pensions Ombudsman

18 March 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.

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## Appendix

### Occupational Pension Schemes (Transfer Values) Regulations 1996

#### Regulation 11 Disclosure

- (1) Subject to paragraphs (1A) and (1B), a member to whom paragraph (1C) applies is entitled to receive from the trustees, on request, the information mentioned in Schedule 1 in writing.
- (1A) Paragraph (1) does not apply where the request is made within 12 months of the last occasion that such information was provided to the member.
- (1B) Information provided under paragraph (1) is to be provided by the trustees as soon as reasonably practicable, and in any event within three months after the date that the member makes the request.
- (1C) This paragraph applies—
- (a) to a member who is currently accruing rights to one of the categories of benefits; and
  - (b) to a member who is no longer accruing rights to money purchase benefits unless, in respect of those benefits, a crystallisation event under section 93(7) has occurred.

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#### Schedule 1 - Information to be Made Available to Members

##### Regulation 11

- 1 Whether any cash equivalent (within the meaning of [Chapter 1 of Part 4ZA] of the 1993 Act) is available to the member or would be so available if [the conditions specified in section 93(2) to (4) of the 1993 Act were met] and if so —
- (a) an estimate of its amount, calculated and verified in accordance with regulations 7 to 7E on the basis that [the conditions specified in section 93(2) to (4) of the 1993 Act are met or were to be met on a particular date];
  - (b) the accrued rights to which it relates;
  - (c) whether any part of the estimated amount of the cash equivalent is attributable to additional benefits —
    - (i) which have been awarded at the discretion of the trustees, or
    - (ii) which will be awarded at their discretion if their established custom continues unaltered

and in either case whether that part is attributable to the whole or only to part of those benefits; [and]

(d) . . .

(e) if the estimated amount of the cash equivalent [included a reduction of the initial cash equivalent under Schedule 1A] —

[(i) a statement of that fact, a statement of the amount by which the initial cash equivalent has been reduced and an explanation of the reason for the reduction, which must refer to the paragraph of Schedule 1A relied upon,

(ii) an estimate of the date (if any) by which it will be possible to make available a cash equivalent which is not so reduced, and

(iii) a statement of the member's rights to obtain further estimates.

2 Whether any transfer value (not being a cash equivalent within the meaning of [Chapter 1 of Part 4ZA] of the 1993 Act) is available to the member or would be so available if the member's pensionable service were to terminate and if so —

(a) an estimate of its amount, calculated on the basis that the member's pensionable service terminated or will terminate on a particular date;

(b) the accrued rights to which it relates;

(c) whether any part of the estimated amount of the transfer value is attributable to additional benefits —

(i) which have been awarded at the discretion of the trustees, or

(ii) which will be awarded at their discretion if their established custom continues unaltered

and in either case whether that part is attributable to the whole or only to part of those benefits; and

(d) if the estimated amount of the transfer value [in relation to the member's rights to benefits other than money purchase benefits] has been reduced to an amount which is less than it otherwise would be because of an actuary's opinion that the scheme's assets are insufficient to meet its liabilities in full —

(i) a statement of that fact and an explanation,

(ii) an estimate of the date (if any) by which it will be possible to make available a transfer value the amount of which is not so reduced, and

(iii) a statement of the member's rights to obtain further estimates.

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