

Ombudsman's Determination

Applicant	Mr R
Scheme	QinetiQ Pension Scheme (the Scheme)
Respondent	QinetiQ Group PLC (the Employer)

Outcome

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

Complaint summary

2. Mr R has complained that he suffered a financial loss due to systemic maladministration by the Employer following a request for it to inform Scottish Widows (**the Scheme administrator**) that his employment had ended.
3. Mr R has claimed that the financial loss suffered was in the region of £6,500 due to a decrease in the value of his pension prior to its transfer to an annuity provider.

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.
5. On 13 November 2019, Mr R provided the Employer with his formal resignation, which was to take effect on 29 February 2020.
6. On 17 January 2020, the Employer confirmed to Mr R that his resignation had been accepted. This correspondence provided a checklist which asked Mr R to confirm that he had read the 'Leaving QinetiQ – guidance for those leaving or managing a leaver', as shown in Appendix One.
7. On 30 January 2020, Mr R's financial adviser obtained a valuation of his pension account, which amounted to £117,260.49.
8. On 4 February 2020, Mr R's financial adviser provided him with an annuity purchase quotation, calculated by the pension provider LV, based on it receiving £117,260.49. The transfer quotation was valid until 5 March 2020.
9. On 6 February 2020, an employer's pension contribution of £1,162.13 was paid to Scottish Widows.

10. On 29 February 2020, Mr R retired from his employment with the Employer.
11. On 5 March 2020, a further payment of £1,162.13 was paid to the Scheme administrator as an employer pension contribution.
12. On 13 March 2020, Mr R's financial adviser began a process with the Scheme administrator for the transfer of his pension account to LV, with a scheduled completion date of 25 March 2020.
13. On 31 March 2020, at 16:29, Mr R emailed the Employer to request that it urgently action his leaver notification. At 17:04, the Employer acknowledged Mr R's email.
14. On 1 April 2020, at 15:02, Mr R received an email from the Employer which said it had sent a leaver notification to the Scheme administrator.
15. On the same day, Mr R's pension account with the Scheme was valued at £109,807.02.
16. On 3 April 2020, Mr R received a further LV annuity quotation with the amount also given as £117,260.49, with the annuity purchase funds to be received by 12 April 2020.
17. On 8 April 2020, at 15:14, the Employer apologised to Mr R as the leaver notification had not been sent to the Scheme administrator. The Employer said it would send the leaver notification that day.
18. On the same day, at 15:28, Mr R emailed his financial adviser a copy of the Employer's response.
19. On 9 April 2020, at 10:32, Mr R's financial adviser emailed LV with a copy of the Employer's response of 8 April 2020 and asked if it was possible to chase the Scheme administrator.
20. On 9 April 2020, at 10:44, Mr R emailed the Employer requesting that it contact him as he had been unsuccessful when calling it. Mr R's email was acknowledged at 11:46.
21. On 12 April 2020, Mr R's LV annuity quotation for £117,260.49 expired.
22. On 14 April 2020, at 16:05, Mr R's financial adviser emailed LV requesting an update on whether it had contacted the Scheme administrator.
23. On 15 April 2020, at 11:48, LV emailed the Scheme administrator a copy of the Employer's message of 8 April 2020 and the financial adviser's email of 9 April 2020.
24. On the same day, the Scheme administrator began the disinvestment of Mr R's pension account.
25. On 24 April 2020, the disinvestment of Mr R's pension account was completed when the Scheme administrator paid £113,041.69 to LV.

26. On 28 April 2020, LV provided Mr R with a third annuity quotation, with a transfer amount of £113,041.69. The income start date was given as 24 April 2020.
27. On 6 July 2020, a representative for Mr R complained to the Employer.
28. On 10 August 2020 and 1 September 2020, Mr R's representative requested an update from the Employer.
29. On 2 September 2020, the Employer apologised for not responding to the representative and requested further details to help investigate the complaint.
30. On the same day, Mr R's representative provided the Employer with a timeline for the complaint.
31. On 16 September 2020, the Employer rejected Mr R's complaint as its three-month period for issuing a leaver notification was implemented in case pensionable payments still had to be processed after an employee's service ended.
32. On 25 September 2022, Mr R submitted a complaint form to The Pensions Ombudsman (**TPO**) about the Employer and was advised on 26 September 2022 to formally complain to it first.
33. On 15 January 2023, Mr R complained to the Employer about the processing of his leaver notification following his retirement in 2020.
34. On 23 February 2023, Mr R contacted the Employer requesting a response to his complaint.
35. On 24 February 2023, the Employer rejected Mr R's complaint and referred him to its correspondence of 16 July 2020 issued to his representative. On the same date, Mr R told the Employer that he did not accept its response.
36. Mr R's financial loss calculation is shown in Appendix Two.
37. On 17 December 2024, the Employer told TPO that whilst it did not agree it was at fault for any shortfall in the amount transferred from his pension account, it accepted he had suffered poor service and offered £1,500 to resolve his complaint.
38. On 28 December 2024, Mr R rejected the Employer's settlement offer.
39. On 21 February 2025, the Employer told TPO its three-month leaver notification timescale was a business decision it was entitled to implement. It added that its process was communicated to staff internally, so Mr R should have been aware prior to his retirement.
40. On 24 April 2025, the Employer confirmed to TPO that it was unable to provide a copy of the leaver notification emails sent to Scheme administrator. Instead, it provided TPO with a copy of records showing amendments made internally for Mr R.
41. On 12 June 2025, TPO provided Mr R with a copy of the confirmation of resignation issued to him on 17 January 2020 along with a copy of an accompanying document

called 'Global Portal Guidance for Leavers'. The resignation letter under 'Leaving Actions', point 1, referred Mr R to the guidance for those leaving employment.

42. On 18 June 2025, Mr R told TPO he did not agree that the Guidance for Leaver's document provided a clear explanation of the leaver notification timescales.
43. TPO asked Mr R why the second LV quotation dated 3 April 2020 was provided with a short expiry date of 12 April 2020, which fell over an Easter Bank holiday. Mr R was unable to provide an explanation to TPO.
44. TPO asked the Scheme administrator to explain its processing timescale for completing a disinvestment transfer such as Mr R's. It stated that it generally set customers' expectations of up to 15 working days to accommodate for any potential blockers/unforeseen circumstances. The Scheme administrator explained that once a request was picked up the disinvestment process requires three to five working days for the pension account to clear into cash and then the funds are issued via BACS and a further three to five working days are required being they reach the recipient.
45. TPO asked the Scheme administrator to confirm when the disinvestment of Mr R's pension account began. It confirmed it received an email from LV on 15 April 2020 and the disinvestment of Mr R's pension account started from this date. It also confirmed the following: -
 - On 20 April 2020, the sale of units under the disinvestment of Mr R's pension funds cleared at 19:35.
 - On 21 April 2020, the fifth working day of the disinvestment process, Mr R's pension funds were paid via the BACS system, at 13:11, with an estimated receipt date of between three to five working days.

Summary of Mr R's position

- He would not have been subject to falling market conditions had the Employer kept a promise to communicate his leaver notification in a timely manner.
- The Employer's policy to delay sending a leaver notification for three months was not in line with market practice, and unnecessarily and unreasonably delayed the Scheme administrator from processing leavers from the Employer.
- The 'Leaver's Guidance – section 13' was highly ambiguous and inadequate, and the wording did not warn that his pension account was effectively unavailable for up to three months.
- The information and promises provided to him by the Employer were false and led to the expiry of the initial LV valuation and a loss to him of £6,518.80.
- Mr R's financial adviser emailed LV on 14 April 2020, at 16:05, requesting an update on whether it had contacted the Scheme administrator. The adviser added

that the Scheme administrator should have been in a position by that point to transfer the funds and asked LV to chase it several times that week.

- Mr R said the Employer's settlement offer fell short of his expectations for his financial loss and the stress he had suffered since requesting the transfer of his pension account.

Summary of the Employer's position

- The Employer apologised to Mr R on 8 April 2020 for misinforming him that the leaver notification had been issued to the Scheme administrator earlier. It said there may have been a training error in what needed to be completed in that process. The Employer's message also explained it had spoken to its payments team who would send the leaver notification to the Scheme administrator that day. The Employer went on to say it had also spoken to the Scheme administrator, and Mr R should make contact with it the following day to ensure the leaver's notification was processed swiftly.
- The Employer said it had introduced a three-month period for issuing leaver notifications in case pensionable payments still had to be processed after an employee's service ended. The Employer also said it understood that for Defined Contribution schemes a transfer had to be made within six months of a request, so it did not see it was in breach of that requirement. The Employer apologised for the stress caused to Mr R and recognized he had suffered a potential loss from the volatile finance market due to the Covid-19 pandemic.
- The Employer later told TPO it had contacted the Scheme administrator, and it had been confirmed that the three month 'notification' period was not captured in the Scheme Rules, so on that basis the timescale was a business decision it was entitled to implement. The Employer added that its process was communicated to staff via its Global Portal, so that they were aware and could make relevant decisions with the time frames in mind.
- The Employer told TPO that it was unable to provide a copy of the leaver notification emails sent to Scheme administrator for Mr R. Instead, it provided TPO with a copy of the following:-
 - A screenshot called 'Leavers QPSDC confirmation', which showed an update made to the Employer's internal record for Mr R was modified, which appeared to be on 31 March 2020.
 - A screenshot called 'Leavers QPSDC confirmation', which showed an update made to the Employer's internal record for Mr R was modified, which appeared to be 9 April 2020.
 - A screenshot called 'Leavers QPSDC submitted' was provided which showed an entry for Mr R dated 9 April 2020, at 12:56, on the Employer's internal record titled 'Leavers QPSDC March 2020'.

- The Employer accepted Mr R had suffered poor service and made an offer to pay him £1,500 to resolve his complaint. But it did not accept it was at fault for any shortfall in Mr R's transferred pension funds.

Adjudicator's Opinion

46. Mr R's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Employer. The Adjudicator's findings are summarised below:-

The Employer's Leaver Process

- The Adjudicator said that while Mr R complained that the Employer's policy of delaying the submission of an employee's leaver notification to the Scheme administrator for three months was unnecessary, it was not within TPO's remit to comment on the decision process in place for issuing leaver's documentation.
- TPO can consider whether Mr R was reasonably informed of the Employer's leaver notification process before he left the company, and when his service ended he was provided with a checklist which included reading its 'Leaving QinetiQ – guidance for those leaving or managing a leaver'.
- The Employer's guidance was not specific to the leaver notification process, but given the periods it referred to, and that Mr R's LV original quotation was provided to him on 4 February 2020, he had time to clarify the process and if it would apply to his leaver notification.

The disinvestment of Mr R's pension account

- The Adjudicator was of the view that the value of Mr R's pension account on 30 January 2020 was £117,260.49, and while Mr R calculated his loss from £119,584.75 when including two further pension contributions of £1,162.13, these figures were not guaranteed by the Scheme administrator. He said Mr R's pension account was subject to market conditions which were volatile at that time due to the Covid-19 pandemic. So, he did not agree that the Employer was required to pay Mr R the difference between £119,584.75 and the £113,041.69 which was paid to LV.
- The Adjudicator considered, however, the position if the disinvestment had begun on Wednesday 1 April 2020, as Mr R's contact with the Employer was late on 31 March 2020. The Scheme administrator had told TPO that on 1 April 2020 the value of Mr R's pension account was £109,807.02. This figure included the two pension contributions of £1,162.13.
- The Scheme administrator had told TPO its pension disinvestment process required up to 15 days for an Occupational Money Purchase pension account. This timescale included 48 hours to pick up a disinvestment request, the disinvestment

itself required three to five working days to clear into cash and then three to five days for a BACS payment to be processed through to the receiving Scheme.

- If the Scheme administrator received the Employer's leaver amendment on 31 March 2020, or 1 April 2020, given the process required for disinvesting Mr R's pension account, there were insufficient business working days to complete the transfer before 9 April 2020. He said that from 1 April 2020, there were only seven working days to complete the transfer by Thursday 9 April 2020. This was because 10 April 2020 was a bank holiday, and the LV quotation expired on 12 April 2020, Easter Sunday. The Adjudicator added that this seven-day period also did not include any time LV required to complete its processing of the annuity Mr R was purchasing from it.
- The Scheme administrator's disinvestment process began on 15 April 2020, when it received a copy of the email exchanges involving the Employer, Mr R, the financial adviser and LV. While Mr R had been seeking to meet the deadline of 12 April 2020, there was no evidence of a guarantee by the Scheme administrator, or LV, that their processes would complete the sale of pension funds and purchase of the annuity before the quotation expired.
- On 24 April 2020, the disinvestment of Mr R's pension account completed and the Scheme administrator paid £113,041.69 to LV. The Adjudicator noted that on 28 April 2020, LV calculated a new annuity quotation backdated to 24 April 2020, which was the third working day after the Scheme administrator transferred the funds. He said this further demonstrated that from 31 March 2020 there was insufficient time for Mr R to achieve an annuity of £117,260.49 using his former employer's pension account, before his LV quotation expired on 12 April 2020.
- The Adjudicator acknowledged Mr R was assured by the Employer that the leaver notification had been sent on 31 March 2020. The Employer has also been unable to provide evidence that it issued the notification on 8 April 2020 to the Scheme administrator.
- The Employer offered Mr R £1,500 for distress and inconvenience. The Adjudicator said he was of the opinion that the level of non-financial injustice suffered by Mr R amounted to £1,000 because of the serious distress and inconvenience caused. As the Employer's offer of £1,500 exceeded this amount, it was his view that the offer put forward by the Employer was reasonable, and it was unlikely a different decision would be reached.

47. Mr R did not accept the Adjudicator's Opinion, and the complaint was passed to me to consider. I essentially agree with the Adjudicator's Opinion.

Ombudsman's decision

48. Mr R has complained that the Employer's handling of his leaver application process between 31 March 2020 and 12 April 2020 amounted to maladministration. He says that, as a result there was a delay in the transfer of his pension account, which caused him to suffer a financial loss.
49. The financial loss for which Mr R seeks compensation is essentially that the value of his pension account under the Scheme fell between 30 January 2020 when his financial adviser first obtained a valuation of his pension account to seek annuity purchase quotations and 24 April 2020 when the disinvestment of his pension account was completed. It fell from £117,260.49 to £113,041.69 despite the addition of two contribution payments of £1,162.13. The timing was unfortunate as the Covid-19 market crash occurred in late February 2020. This had the effect that the annuity he was able to purchase in April 2020 was lower than the annuity he would have been able to purchase had his pension account been disinvested on 30 January 2020. Had his pension account been disinvested on 1 April 2020, it would have been lower (£109,807.02) as markets recovered during April.
50. I agree with the factual findings set out by the Adjudicator at paragraph 46. The Employer has accepted that Mr R was misinformed about the leaver notification being issued to the Scheme administrator on 1 April 2020 and it was only sent on 8 April 2020. Mr R also argues that the leaver notification should have been sent earlier. The Employer has a practice of sending leaver notifications to the Scheme administrator three months after the termination of employment of an employee which Mr R contends is too long. The Employer also contends that there is a six month statutory period for paying transfers under defined contribution schemes.
51. As I find that the essential cause of Mr R's loss is that his pension account remained invested in market-related investment funds between 30 January 2020 and 24 April 2020, the issue I need to determine is whether the Employer is responsible for such loss and, amongst other matters, whether the timing of its provision of the leaver notification to the Scheme administrator was maladministration or a breach of a legal duty it owed to Mr R and whether it was the cause of the loss.
52. I do not find that service of the leaver notification on 8 April, one month after the last contribution payment on 5 March and six weeks after Mr R's termination on 29 February could be maladministration or a breach of any legal duty to Mr R. The effect of the leaver notification was to close Mr R's pension account under the Scheme to new contributions. It is an administrative matter and not a process provided for in the Scheme Rules which provides only for the termination of active membership, including on ceasing to be an employee (see Rule 30). It seems reasonable not to close a member's pension account for a period after termination of employment given the possibility of late contributions being paid. So I find no maladministration or breach of law in having a general practice of providing leaver notifications to the Scheme administrator up to three months after the employment of the member terminates or in having, in Mr R's case, issued the leaver notification on 8 April less

than 6 weeks from the end of Mr R's employment and only a month after the last contribution payment.

53. But that is not really the point. The leaver notification was not a disinvestment instruction or a transfer instruction.
54. No doubt the transfer to LV could not proceed until the pension account was closed. Rule 74 of the Scheme Rules provides for transfers of a cash equivalent transfer value to another scheme or to purchase an insurance policy but does not allow partial transfers. No doubt also that the Scheme administrator was required to disinvest Mr R's pension account in order to pay his transfer to LV and that, in the absence of any other disinvestment instructions, the Scheme administrator would not and did not disinvest his pension account until it was in a position to pay the transfer. Mr R had the right to instruct the Trustee (and Scheme administrator administering the Scheme on the Trustee's behalf) on the investment and disinvestment of his pension account at any time, before and after the leaving notification: Rule 69 of the Scheme Rules provides that while the Trustee may determine what investment funds to offer and may allocate a member's pension account in the absence of instructions (a default option), it provides that a member may alter the allocation for his account at any time by notice to the Trustee. Knowing he wished to transfer the value of his pension account as soon as possible after his termination to purchase an annuity, it might have been prudent of Mr R to ask for his pension account to be disinvested in preparation. The quotation he received from his IFA expressly stated that the valuation of his pension account used for the annuity quotation was not guaranteed.
55. But that is not the issue. The point is that the Employer was not responsible for Mr R's pension account being invested in investment funds linked to investment markets in January 2020 and remaining so invested through the Covid-19 market crash. There is no provision for the Employer to give any instructions on investment or disinvestment of a member's pension account.
56. I have seen nothing to suggest that the Employer assumed responsibility for the investment of Mr R's pension account in the period from January 2020 or that it provided any information that was reasonably relied on by Mr R in choosing not to disinvest ahead of his transfer. The Employer incorrectly stated that the leaver notification had been issued on 1 April 2020. This statement was not relied on by Mr R to his detriment: whatever reliance there might have been, the evidence I have been provided is that value of his pension account rebounded between 1 April and 24 April 2020 when it was disinvested and the transfer payment would not have been higher if the Scheme administrator had been able to pay it sooner in April.
57. I understand that this outcome will not be one that Mr R was hoping for. While there were some insufficient aspects to the way in which his Leaver's application was handled, there is no reason to say that the Employer is liable for the loss he says he suffered.

58. The Employer offered Mr R a payment of £1,500 in recognition of the distress and inconvenience he experienced. This amount is higher than the level of non-financial injustice I would usually award in similar cases. As the Employer's offer exceeds what would ordinarily be considered appropriate in these circumstances, Mr R should contact the Employer if he wishes to accept this offer.
59. I do not uphold Mr R's complaint.

Camilla Barry

Deputy Pensions Ombudsman
5 November 2025

Appendix One

Leaving QinetiQ – guidance for those leaving or managing a leaver

13. Pension Contributions

13.1 If you are a member of the Group Personal Pension Plan or the QPS (DC) Scheme and are not drawing your pension benefits you will be contacted by the pension's administrator regarding the choices available to you. This will be 2 to 3 months after your leaving date as we need to ensure that there are no further investments to be made.

15.4 Please be aware that the pension administrators require at least two months' notice to arrange for the payment of your benefits, sometimes longer. Therefore, it would be prudent to budget for a period of at least 4 months with no income if you plan to use your drawdown from your pension to fund your retirement.

Appendix Two

Mr R's original calculation: -

The loss comprises the difference in original and final valuations (£4218.80) plus the final two months pension payments which were not included in the original valuation (so had they been, the original valuation would have been approximately £119,560.49, and the difference in valuations would have been (£6,518.80).

Mr R's loss calculation: -

- I was provided with a quotation based on an "Estimated fund value" of £117,260.49 valid for 30 days
- In the eventuality that my transfer had taken place within the quotation period of validity then any additional funds would have resulted to a pro rata uplift of my annuity benefits
- This amounts to 1.982% on top of the original quotation of £117,260.49 making the final amount £119,584.75
- £119,584.75 is approx. 5.79% greater than the eventual (late) transfer of £113,041.69
- If I use this percentage to factor my eventual annuity and tax-free lump sum payments I received, they would have been:
 - Lump sum = £29,896.70 (where I actually received £28,260.42), i.e. shortfall of £1,636.28
 - Annuity = £89,078.94 total or £ 17,815.7879 per annum (where I actually received £84,205 or £16,841 per annum), i.e. shortfall of £4873.94
 - Total shortfall = £1,636.28 + £4873.94 = £6,510.22