

Ombudsman's Determination

Applicant	Dr H
Scheme	TPS Benefits Scheme (the Scheme)
Respondents	Trustees of the TPS Benefits Scheme (the Trustee) Buck Consulting (the Administrator)

Outcome

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

Complaint Summary

2. Dr H has complained that the Administrator did not provide a Cash Equivalent Transfer Value (**CETV**) quotation in a timely manner and that he suffered a financial loss as a result of the delay.

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.
4. On 19 August 2021, Dr H received a CETV quotation from the Administrator. The Administrator also issued a letter to Dr H where he was informed that he would be required to pay a fee if he made an additional request for a CETV quotation within 12 months of having received a quotation before.
5. On 2 February 2022, Dr H requested a second CETV quotation from the Administrator.
6. On 16 February 2022, the Administrator sent a request to Dr H for additional personal information as his initial request of 2 February 2022 did not provide sufficient personal information to properly identify him. Dr H provided the requested information on the same day.
7. On 28 February 2022, Dr H wrote to the Administrator asking for an update on the CETV quotation request.

8. On 2 March 2022, the Administrator informed Dr H that it required a payment for a second CETV quotation, as he had previously been issued a CETV quotation within 12 months of his request. Dr H made the requested payment for the second CETV quotation on the same day.
9. On 15 March 2022, Dr H telephoned the Administrator to request an update on the CETV quotation request. Dr H was also unhappy that it took the Administrator a month to request the fee for the CETV quotation. He said he would have paid it straight away, if he had known about the fee earlier.
10. On 24 March 2022, the Administrator issued a non-statutory CETV quotation to Dr H.
11. On 2 April 2022, Dr H raised a formal complaint with the Administrator. He was unhappy with the time taken to produce the CETV quotation.
12. On 6 April 2022, the Administrator responded to Dr H. It said that it did not cause an unreasonable delay as the CETV quotation was issued within three weeks of the date that the fee for the CETV was paid by Dr H.
13. On 8 April 2022, Dr H received the CETV quotation that was issued to him on 24 March 2022. He sent an email to the Administrator to confirm the receipt of the CETV quotation and asked if it could confirm if he had been financially disadvantaged by his request not being processed in February 2022.
14. On 13 April 2022, the Administrator responded to Dr H. It reiterated that did not consider that the time taken to action the request was unreasonable.
15. On 20 April 2022, Dr H sent transfer forms to the Administrator by email. He confirmed that paper versions of the forms were being sent by post.
16. On 4 May 2022, Dr H invoked the Scheme's Internal Dispute Resolution Procedure (**IDRP**).
17. On 10 May 2022, the Administrator received completed transfer forms from Dr H, confirming that he wished to proceed with the transfer on the basis of the CETV quotation that was issued on 24 March 2022.
18. The Administrator made the CETV payment to Dr H's receiving scheme, Aviva.
19. On 8 June 2022, the Trustee issued its Stage One IDRP response. It did not uphold Dr H's complaint.
20. On 18 July 2022, Dr H appealed the Trustee's decision as he remained unsatisfied.
21. On 16 August 2022, the Trustee issued its Stage Two response. It did not uphold Dr H's appeal.
22. Following the complaint being referred to The Pensions Ombudsman (**TPO**), Dr H and the Trustee have made further submissions that have been summarised below.

Summary of Dr H's position:-

- The Administrator did not process his request for a CETV quotation in a timely manner. It failed to respond within the expected Service Level Agreement (**SLA**) timeframes of five working days on two occasions. Had these delays not occurred, the Administrator would have had all the information it needed and the required payment for the CETV quotation to be calculated on 21 February 2022.
- He acknowledges that the Trustee's expectation was that the CETV calculation would be completed within three weeks, however he does not consider that this administrative allowance should cause him to be financially disadvantaged. This would be unfair.
- His CETV quotation was calculated using baseline figures for March 2022 instead of February 2022. He requests that an additional sum representing any lost value arising from the calculation having been carried out in March rather than February, to be paid to his Aviva pension.
- He is also unhappy that his complaint was not treated fairly by the Trustee, and that it made material errors in dates and responsibilities. In the Stage One IDR response by the Trustee it was suggested that his CETV would have been calculated on 9 March 2022 if the Administrator had adhered to the SLA timeframe when it came to its responses. He considers this timeline to be wrong.

Summary of the Trustee's position:-

- According to its SLA with the Administrator, the Trustee expected the Administrator to have contacted Dr H within five working days following his request of 2 February 2022. However, the Administrator did not request the additional security information to identify Dr H until 10 working days later on 16 February 2022.
- The Administrator also used 10 working days to confirm that a charge was due for the second CETV quotation request, when the Trustee's expectation was five working days.
- The SLA timeframes are a matter between the Administrator and the Trustee, they are targets that the Administrator should aim to achieve. No commitments are given to members in relation to the overall time needed to proceed with a transfer request. In any event, the entire process was concluded in 36 working days from Dr H's initial contact, which was well within the statutory timeframe which is set out in The Occupational Pension Schemes (Transfer Values) Regulations 1996 (**the Regulations**).
- The Regulations require that pension schemes provide CETV statements within three months of the date of the request. Dr H's CETV request was his second request in a period of 12 months, and so there was no legal requirement for the Administrator to provide a further CETV quotation within a specified timescale.

However, the Trustee's expectation was that the Scheme Actuary provided the CETV quotation within three weeks of a valid CETV request.

- Dr H's CETV request was only valid once the fee for it was paid, which was done on 2 March 2022. The CETV quotation was issued by the Administrator on 24 March 2022, which was within the expected timeframe.
- Although the Administrator did not respond within the SLA timeframes on two occasions, the Trustee does not agree that the delay impacted the CETV quotation provided to Dr H or that he has been financially disadvantaged.
- The Scheme Actuary has calculated that, had Dr H been issued a CETV quotation based on February conditions, the value would have amounted to £328,745. Comparing this to the £324,400 CETV quotation issued to Dr H in March, the difference between the two is £4,745. The Trustee's position is that the reduction in value between February and March is not a financial loss that has been suffered by Dr H as a result of delays by the Administrator. It considers that pension scheme members cannot be deemed to have suffered financial loss if their CETV quotation fluctuates over a matter of days based on a monthly calculation.

Adjudicator's Opinion

23. Dr H's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustee or the Administrator. The Adjudicator's findings are summarised below:-

- It was the Adjudicator's view that the Administrator issued the CETV quotation in a timely manner. It was issued within three weeks of receiving a valid request and payment for a CETV quotation from Dr H, which was within the timeframe that the Trustee expected the Administrator to process such requests.
- The Administrator did not cause any unreasonable delays, and the Adjudicator was of the view that it was not unreasonable for it to have timescales to adhere to. She also agreed with the Trustee that it would be unrealistic to expect the Administrator to perform certain actions in a shorter timeframe than what the SLA required.
- The Trustee has acknowledged that the Administrator caused delays which amounted to 10 working days in total prior to Dr H's payment of the fee for the CETV quotation on 2 March 2022. 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 the given timeframe. The timescales are not legally binding and missing them by a short amount of time does not automatically amount to maladministration. Although it was unfortunate that the Administrator did not respond sooner, the SLA timeframes were only missed by a short amount

of time, and it was therefore the Adjudicator's view that the Administrator's actions did not amount to maladministration in this instance.

- Calculations carried out by the Trustee shows that the CETV quotation issued in March 2022 did reduce in comparison to the transfer value of Dr H's benefits had they been calculated in February 2022. However, it was the Adjudicator's view that this reduction was not as a result of unreasonable delays or maladministration on part of the Administrator. The CETV quotation may change due to market fluctuations or if the calculation basis is amended, these changes are inherent parts of a pension scheme's process.
- Dr H complained that his complaint was treated unfairly by the Trustee and that material errors in dates and responsibilities were made. The Adjudicator did not agree that this was the case. She was unable to identify any material errors or failure by the Trustee to address the points raised by Dr H.
- Dr H said that he considers that his CETV quotation would have been calculated in February 2022, if the Administrator had used the maximum time of the SLA timeframes agreed with the Trustee. The Adjudicator disagreed and said that the CETV quotation would have been calculated on 9 March 2022 if the maximum SLA timeframes agreed with the Trustee had been applied.
- In any event, it was the Adjudicator's view that the Administrator did not cause any unreasonable delays. Dr H accepted the CETV quotation of 24 March 2022 and the transfer of his pension to Aviva was completed in a timely manner, on the basis of this.

24. Dr H did not accept the Adjudicator's Opinion, and the complaint was passed to me to consider. Dr H submitted further comments in response to the Opinion. In summary he said:-

- He considers that the SLA between the Trustee and the Administrator is a contract and thus it is subject to contract law.
- The Trustee has failed to ensure adequate governance in managing the contract on behalf of the Scheme members.
- He considers that the Administrator exceeded the maximum contract term twice and that this had a material impact on his financial position. Clauses that have a maximum response time are not simply targets. The Trustee and the Administrator have also not claimed that unusual circumstances applied for the two failures to meet SLA timeframes.
- He does not think that it would be fair or ethical for the value of his CETV quotation to be subject to a 'processing lottery', as it would be fully in the hands of the Administrator when his CETV request would be processed.

- He believes that his CETV quotation could have been issued from 21 February 2022 had it not been for the delays by the Administrator, and he is therefore entitled to the higher CETV quotation that was based on the calculation basis in February 2022. In any event, as the processing period transitions across the time when the Administrator updated the basis of its CETV calculations, he considers that the highest valuation from the two options should automatically apply on the grounds of ethical decision-making.

25. I have considered Dr H's further comments, but they do not change the outcome, I agree with the Adjudicator's Opinion.

Ombudsman's decision

26. I do not find that the Administrator caused unreasonable delays in providing Dr H with a CETV quotation.
27. The Administrator issued a CETV quotation on 24 March 2022, which was three weeks after receiving a valid request, with the required fee, from Dr H. Dr H requested a CETV quotation on 2 February 2022. As this was Dr H's second request for a CETV quotation within a 12-month period, he was required to pay a fee for the quotation. The Administrator requested a payment for the second CETV quotation on 2 March 2022, and Dr H paid the fee that was due for the quotation on the same day. It was only once the fee was paid that the request became valid.
28. The Trustee has confirmed that it expected the Administrator to action requests for a CETV quotation within three weeks. I find that the Administrator issued the CETV quotation to Dr H in accordance with this expected timeframe, and also well within the three-month statutory timeframe that would have been expected for statutory CETV requests. Although, I note that Dr H was not entitled to statutory CETV quotation in this instance, as it was his second request within a 12-month period, which meant that the statutory timeframe did not apply.
29. I appreciate that Dr H would have wanted to receive his CETV quotation sooner, however I agree with the Adjudicator that it would have been unrealistic to expect the Administrator to perform certain actions in a shorter timeframe than what the SLA required, and it was not unreasonable for the Administrator to have timescales to adhere to.
30. The Trustee acknowledged that the Administrator failed to respond within the expected SLA timeframe of five working days in two instances after Dr H first made his CETV request on 2 February 2022. Dr H has argued that these delays were a breach of contract, as the SLA is subject to contract law. He has also claimed that he would be covered by the SLA as a Scheme member, as the Trustee is appointed to act on behalf of Scheme members.
31. I have reviewed the Client Services Agreement. It is an agreement between the Scheme, the Scheme's Actuary and the Scheme Administrator. The performance

targets, quoted in the Appendix, are set out in Schedule 2, Part 4 of the agreement, which states “Our envisaged turnaround times and service levels for the specified administration functions are given below...”. I find that the agreement confirms that the timescales are “targets” envisaged for the completion of administrative tasks, and it does not impose a contractual obligation on the Administrator to complete transfer values within the time stated.

32. Furthermore, Clause 30 of the agreement states that none of the terms of the service agreement (which includes the SLA) shall be enforceable by any person who is not a party to it. I find that this wording prevents Dr H from successfully arguing that he has a contractual right to enforce the provisions of the agreement. The Client Services Agreement was made between the Trustee and the Administrator, and it does not give rights to members.
33. As the Adjudicator noted, 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 the given timeframe. The timescales are not legally binding and missing them by a short amount of time does not, in my view, automatically amount to maladministration. The Administrator caused delays which amounted to 10 working days in total prior to Dr H’s payment of the fee for the CETV quotation on 2 March 2022. However, I do not find these delays to be excessive and so they do not amount to maladministration.
34. Dr H has claimed that his CETV request was valid from 21 February 2022, and hence he should have received the higher CETV quotation that was based on the calculation basis in February 2022. However, I do not find that Dr H was entitled to the transfer value of his benefits, as if they had been calculated in February 2022. Even if the Administrator had actioned his requests within the maximum SLA timeframe which was agreed with the Trustee, Dr H would have received a CETV quotation that would likely have been calculated and issued on 9 March 2022, and not in February 2022.
35. In any event, as I have already stated, I do not find that the Administrator caused any unreasonable or excessive delays. Dr H was entitled to the CETV quotation he received on 24 March 2022, which he accepted, and the transfer of his pension to Aviva was completed on the basis of this CETV quotation.
36. I recognise that Dr H considers it ‘unfair’ and ‘unethical’ that there was a level of uncertainty in the calculation of his CETV quotation. Although, the calculations carried out by the Trustee showed that the CETV quotation issued in March 2022 reduced in comparison to the transfer value of Dr H’s benefits had they been calculated in February 2022, I do not find that this reduction resulted from maladministration by the Administrator. It is the reality of pension administration that fluctuations are observed in the value of a CETV quotation due to changes to its calculation basis.
37. I do not uphold Dr H’s complaint, and no further action is required by the Trustee or the Administrator.

CAS-95270-P0X8

Dominic Harris

Pensions Ombudsman
29 May 2025

Appendix**CLIENT SERVICES AGREEMENT – relating to the – TPS BENEFITS SCHEME****11 February 2005****30. RIGHTS OF THIRD PARTIES**

Except as otherwise expressly provided in this Agreement, none of the terms and condition of this Agreement shall be enforceable by any person who is not party to it, and accordingly the Contracts (Rights of Third Parties) Act 1999 shall not apply in relation to this Agreement.

...

Performance targets

Our envisaged turnaround times and service levels for the specified administration are given below and are based on receipt of clean and complete data.

Service	Standard Turnaround Times (e.g 5 working days)
<i>Allocate all work</i>	1
<i>Respond to telephone calls</i>	1
<i>Input new entrant</i>	5
...	...
<i>Transfer value quotation for preserved members</i>	15
<i>Settlement of transfer value once authorisations received</i>	10
<i>Early retirement quotations for preserved members</i>	10
<i>Early retirement quotations for active members</i>	10
<i>Transfer in upon receipt of full data</i>	10
<i>Respond to ad hoc active member queries</i>	5
<i>Respond to ad hoc pensioner queries</i>	5
<i>Respond to ad hoc preserved member queries</i>	5