

Ombudsman's Determination

Applicant	Ms R
Scheme	Halifax Share Dealing SIPP (SIPP)
Respondents	AJ Bell, Halifax Share Dealing (Halifax)

Outcome

1. I do not uphold Ms R's complaint and no further action is required by AJ Bell and Halifax.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Ms R has complained about:-
 - The charges and fees applied by AJ Bell to her Self-Invested Personal Pension (**SIPP**).
 - AJ Bell's administration of her SIPP concerning the provision of inadequate information and unanswered queries.
 - Halifax's failure to provide annual statements which clearly show investment performance.
 - A failure to send her a welcome pack when she set up the SIPP.
 - The processes used by AJ Bell and Halifax do not give new investors full information and details concerning the fee structure.

Background information, including submissions from the parties

4. AJ Bell is the SIPP provider and administrator. Halifax is the investment manager.
5. On 5 September 2008, Ms R established a SIPP and transferred her personal pension from the HBOS Money Purchase Scheme. She intended to contribute £200 every month to the SIPP with the first contribution to be paid from 1 October 2008.

6. On 10 October 2008, AJ Bell confirmed that £3,483.23 had been received by Halifax.
7. On 28 October 2008, Ms R emailed AJ Bell stating she was concerned she had not heard from them and had not received any letters, statements or information about her new SIPP.
8. AJ Bell replied to Ms R the next day, 29 October 2008, confirming that her SIPP had been set up on 15 September 2008 and her concerns had been passed to Halifax.
9. On 30 October 2008, Halifax emailed Ms R stating that if she had not received a 'Welcome Pack' then she could request a duplicate to be sent.
10. On 6 November 2008, both AJ Bell and Ms R contacted Halifax to say she had not received a Welcome Pack.
11. On 14 November 2008, Ms R's cancelled her monthly direct debit to Halifax. There was no further contact from Ms R with AJ Bell and Halifax.
12. On 24 July 2014, Ms R asked Halifax and AJ Bell for a password, so that she could review her SIPP online.
13. On 15 October 2014, Ms R obtained a statement of SIPP transactions from October 2008 to date and realised that the value of her investment had fallen because of the fees deducted. She emailed Halifax for an explanation regarding this.
14. On 10 February 2015, Ms R received an email stating Halifax was unable to provide information through an email request.
15. On 18 June 2015 Ms R complained to AJ Bell stating she was unhappy with the service she had received and the fees and charges deducted from her SIPP.
16. AJ Bell contacted Ms R the next day and confirmed that the charges deducted from her SIPP were its quarterly administration charges, which she had agreed AJ Bell could deduct when she signed the initial application.
17. Ms R responded the same day and confirmed that she wanted to transfer her SIPP to an alternative provider. She requested a refund of all charges deducted by AJ Bell.
18. On 23 June 2015, AJ Bell responded to Ms R by email and said that a welcome letter was sent to her on 15 September 2008, and it does not believe the level of service she received to be unsatisfactory. AJ Bell confirmed that it would take around 10-14 working days to complete the transfer and close the SIPP.
19. On 9 July 2015, AJ Bell responded to Ms R's complaint and did not uphold it. AJ Bell confirmed that annual statements had been sent since its commencement. AJ Bell further said that having reviewed its files it could not find any evidence that suggested that Ms R's queries had gone unanswered, or that the response time was excessive.
20. On 30 July 2015, AJ Bell wrote to Ms R to confirm that it had transferred £2,988.

21. On 3 August 2015, Ms R raised a query with Halifax concerning the amount received; the £90.00 closure fee; and £90 conversion fee, that AJ Bell applied to the transfer payment.
22. Halifax replied to her email on 7 August 2015, and said that it had forwarded her email to AJ Bell as Halifax was not responsible for the fees and charges.
23. AJ Bell said that with regard to charges applied to her closure payment, there was a £90 closure fee which applies to the closure of all SIPP's opened before April 2015, and a further £90 fee for all one-off uncrystallised pension lump sum payments. AJ Bell apologised for referring to this fee as a conversion fee.

Adjudicator's Opinion

24. Ms R's complaint was considered by one of our Adjudicators who concluded that no further action was required by AJ Bell and Halifax. The Adjudicator's findings are summarised briefly below:-
 - Ms R signed the SIPP application form agreeing to the terms stated therein. The administrative fees were stated within the terms and conditions and fee schedule. As such there had been no maladministration.
 - Halifax has provided copies of the annual statements sent to Ms R, which were addressed correctly. The statements stated the fees and charges AJ Bell deducted. Had Ms R not received the statements, she could have contacted AJ Bell for duplicates, or accessed her SIPP details online.
 - As the level of charges and fees had been provided from the outset, there is no requirement for AJ Bell to inform Ms R on a regular basis that it intended to deduct fees and charges from her SIPP bank account.
 - Halifax and AJ Bell answered Ms R's queries in a timely manner and the time taken to close her SIPP was not excessive.
25. Ms R did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Ms R provided her further comments which do not change the outcome. I agree with the Adjudicator's Opinion, summarised above, and I will therefore only respond to the key points made by Ms R for completeness.

Ombudsman's decision

26. Ms R has said that a reduced lifetime Money Purchase Annual Allowance (**MPAA**) has been imposed due to the closure of her SIPP which means she has limited retirement options. I appreciate the MPAA will cap the amount the pension contributions on which Ms R can receive tax relief to the applicable MPAA, however, I have seen no evidence of Ms R paying pension contributions in excess of £10,000, the MPAA limit at that time.,

27. Ms R has said that her complaint concerns the excessive non-transparent fees charged. She says she was never informed about the extent of these fees. On 28 July 2015, Halifax upheld her complaint that they had not sent her a welcome pack and offered £75 as compensation. However, no evidence has been provided to show that Ms R chased the matter following the initial request on 6 November 2008. If Ms R considered this issue to be important, then I would have expected her to have continued to contact Halifax and AJ Bell until she received the welcome pack.
28. Ms R signed the application form, declaring her agreement with the fees charged by Halifax and AJ Bell, if Ms R had any concern regarding the charges she should have raised them at the time.
29. I find that the £125 offered, of which £50 is from AJ Bell and £75 is from Halifax, to be satisfactory in this instance. I am not persuaded that Ms R has suffered significant distress and inconvenience. It is for Mr R to contact AJ Bell and Halifax if she wishes to accept their offer.
30. Therefore, I do not uphold Ms R's complaint.

Anthony Arter

Pensions Ombudsman
22 March 2017