

Ombudsman's Determination

Applicant	Mrs H
Scheme	Teachers' Pension Scheme (the Scheme)
Respondents	Teachers' Pensions

Outcome

1. I do not uphold Mrs H's complaint and no further action is required by Teachers' Pensions.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mrs H's complaint about Teachers' Pensions is that it failed to issue a transfer value quotation in time for her to submit a completed Discharge form by 5 April 2015 (**the Deadline**). Mrs H says she needed the funds to start a new venture after deciding on a change of career.
4. Mrs H says she expected the transfer to be completed before the Deadline as she made a request to transfer in sufficient time.

Background information, including submissions from the parties

5. The Pension Schemes Act 2015 amended the Pension Schemes Act 1993 to restrict transfers out of unfunded public service defined benefit schemes to schemes offering flexible benefits. The restriction did not apply to members who had already made a valid application to transfer before 6 April 2015.
6. Teachers' Pensions' says its website stated that in order to process transfer applications ahead of the legislative changes coming into effect either a faxed copy or the original completed discharge form 350 (**the Discharge form**) was required by no later than 5 April 2015. Teachers' Pensions says the requirement to complete the Discharge Form was prominently featured on its website.

7. On 16 February 2015, Mrs H, then aged 59, completed a request to transfer benefits and an opt-out form to withdraw from pensionable service and submitted the forms to her employer. The notes on these forms stated that Part B of each needed to be completed by Mrs H's employer and returned to Teachers' Pensions and that Mrs H may be able to opt back in if she changed her mind.
8. On 23 February 2015, Mrs H's personal pension provider (**the Receiving Scheme**) wrote to Teachers' Pensions enclosing its transfer request form completed by Mrs H.
9. At the time of receiving the transfer request Teachers' Pensions say Mrs H was recorded as an active member of the Scheme. Teachers' Pensions says that in order to deal with Mrs H's transfer request before the Deadline it would have needed the completed opt-out form and a completed Discharge form.
10. On 26 February 2015, Teachers' Pensions alerted the Receiving Scheme that the transfer value quotation might be delayed if information was required from third parties. Teachers' Pensions said it would update the Receiving Scheme if that proved to be the case.
11. On 3 March 2015, Teachers' Pensions notified Mrs H that it was currently unable to provide a transfer value quotation as they were awaiting service and salary details from her employer, and Guaranteed Minimum Pension (**GMP**) details from HMRC. They said they were unable to proceed any further with the transfer until these details were received and they would write again when they were in a position to proceed further. At the same time, Teachers' Pensions requested GMP figures from HM Revenue & Customs (**HMRC**), and service and salary details from Mrs H's employer. Shortly after this Teachers' Pensions received GMP figures from HMRC.
12. On 11 and 27 March 2015, the Receiving Scheme wrote to Teachers' Pensions chasing the transfer payment. Teachers' Pensions did not reply to either letter.
13. It says it did not respond to the Receiving Scheme's letters chasing the transfer value because it was prioritising applications which it could process before the deadline.
14. On 13 April 2015, Teachers' Pensions incorrectly advised the Receiving Scheme it was in a position to issue the transfer payment - Mrs H says the Receiving Scheme was also informed that the transfer would be completed by the end of April 2015 at the latest, and that no further action was required by either her or the Receiving Scheme.
15. On 22 April 2015, Teachers' Pensions notified the Receiving Scheme it would not be processing Mrs H's transfer request because it had not received Mrs H's Discharge Form by the Deadline (**the April Letter**). Around the same time, Teachers' Pensions notified Mrs H the transfer could not be completed post 6 April 2015 unless it was to a defined benefit scheme.

16. Teachers' Pensions says its subsequent email to Mrs H, advising she could only transfer to a defined benefit scheme, and the April Letter are sufficient evidence that it quickly put right its earlier mistake on 13 April 2015 and confirmed the correct position.
17. On 29 April 2015, Teachers' Pensions received Mrs H's opt-out form (part B had been completed by her employer with an opt-out date of 1 March 2015), a request to transfer application signed by Mrs H (**the Transfer Request Form**) and Mrs H's salary and service details. It is not clear what prompted Mrs H's employer to send the information to Teachers' Pensions at that time. The Transfer Request Form stated that unless the transfer was to the Scheme in Scotland the transfer would not be made without Mrs H's formal consent.
18. Mrs H took normal retirement benefits from the Scheme on 22 January 2016 (aged 60).
19. Teachers' Pensions says in order to deal with Mrs H's transfer request before the Deadline it would have needed the completed opt-out form and a completed Discharge form. Since the completed opt-out form was not received until after the deadline had passed it was unable to issue the GTV before the deadline. Mrs H says Teachers' Pensions failed to chase her employer for her opt-out form and as a result she was unable to submit a Discharge Form in time. Mrs H says, after Teachers' Pensions acknowledged her request to transfer in February 2015, she did not receive any further correspondence or request for information from Teachers' Pensions until after the Deadline. Mrs H says she was not informed that Teachers' Pensions required the Discharge Form to be completed - neither were the receiving scheme or her financial adviser.
20. Mrs H estimates her financial loss to be significant. She says had she known her transfer request would be rejected she would have remained an active member until the end of August 2015. Mrs H says she would also have seriously considered remaining with the same employer until age 60. Mrs H considers backdating of her pension to March 2015, and redress for the five months between her last teaching post and when she received her pension as reasonable compensation.
21. Teachers' Pensions do not accept Mrs H has suffered a financial loss. It says Mrs H could have opted back into the Scheme after she was notified of its decision on her transfer request and that she could have applied to take her benefits before age 60.

Adjudicator's Opinion

22. Mrs H's complaint was considered by one of our Adjudicators who concluded that no further action was required by Teachers' Pensions. In summary, the Adjudicator said Mrs H had not been financially disadvantaged as a direct consequence of any maladministration on the part of Teachers' Pensions.

23. Mrs H did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mrs H provided further comments but they 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 Mrs H for completeness.

Ombudsman's decision

24. Mrs H says, having received her application to transfer, Teacher's Pensions should have either chased her employer or notified her sooner that it had not received her completed forms.
25. I am satisfied that Teachers Pensions made the necessary process clear on its website. I am also satisfied that it set an information gathering process in motion on 3 March, very quickly after it was put on notice of Mrs H's desire to transfer. It told Mrs H that it was unable to proceed with her application because it was waiting for information from her employer. Mrs H does not recall the contents of this letter, but I am satisfied that it is more likely than not that it was sent.
26. Teachers Pensions told Mrs H and her employer that they needed additional information. They were dependent on receipt of that information before they could calculate the GTV. In the event the forms containing the basic information needed were only countersigned by her employer after the Deadline had already passed.
27. I have considered whether the outcome was likely to have been different if Teachers Pensions had answered the receiving scheme's emails of 11 and 27 March. I cannot conclude on the balance of probabilities that it would. Even if Teachers Pensions had told the receiving scheme it was still waiting for information from the employer, to conclude that the receiving scheme would then have chased the employer I would have to assume that it understood the urgency and the extent of the process which still needed to be completed before the Deadline. Mrs H's evidence is that it did not. I would also have to assume that the employer would have responded promptly if chased by the receiving scheme even though it had not responded promptly to Teachers Pensions. I can see no reason to assume that.
28. Mrs H says had the transfer been processed she would have been in a position to take retirement income from 1 September 2015. She says, contrary to the Adjudicator's Opinion, that she has been financially disadvantaged.
29. I find that Teachers' Pensions were not in a position to issue a transfer value quotation before the Deadline and therefore not responsible for the fact that the no discharge form was received. Consequently, I do not agree that Teachers' Pensions should be held responsible for any financial loss Mrs H may have suffered.

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30. Therefore, I do not uphold Mrs H's complaint.

Karen Johnston

Deputy Pensions Ombudsman

20 October 2016