

Ombudsman's Determination

Applicant	Mr T
Scheme	AJ Bell SIPP (the SIPP) and BMW (UK) Operations Pension Scheme (the Scheme)
Respondents	AJ Bell Investcentre (AJ Bell) BMW (UK) Trustees Limited (the Trustees)

Outcome

1. I agree that part, but not all, of this complaint should be upheld. To put matters right for the part that should be upheld, AJ Bell should compensate Mr T for the financial loss he has suffered due to the delay in sending the transfer documents via first class post. No directions are made against the Trustees.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr T says that both AJ Bell and the Trustees are responsible for the delay in transferring his benefits from the Scheme into the SIPP.

Background information, including submissions from the parties

4. At Mr T's request, AON (as the administrators of the Scheme) sent Mr T's independent financial advisor (**IFA**) a cash equivalent transfer value (**CETV**) on 15 May 2015. This gave a transfer amount of £179,034.83 guaranteed until 15 August 2015.
5. On 12 August 2015, Mr T's IFA contacted AJ Bell. In their response to a complaint made by the IFA, AJ Bell said:

"On 12 August 2015 you emailed ... from our Adviser Sales Support team and asked to visit our Manchester office to deliver some transfer paperwork. You advised you would visit on 13 August 2015 and that the paperwork must be posted to AON, the ceding scheme's administrator on the same day because the customer's guarantee period for the transfer expired on 15 August 2015.

On the same day, ... telephoned you to discuss the matter. He confirmed that the paperwork would be completed as soon as possible and would be posted by special delivery to ensure it was received on time.

The following day, 13 August 2015, you delivered the transfer paperwork to our Manchester office and this was completed, countersigned and posted on the same day by first class post.”

6. AON received the completed transfer paperwork on 17 August 2015, two days after the guarantee date (which fell over the weekend). On the same day, AON requested further information from AJ Bell, which it later admitted was not relevant in order to process Mr T's transfer from the Scheme.
7. As a result of missing the guarantee date of 15 August 2015, Mr T's CETV was recalculated as £171,095.31 and the transfer was completed on 27 November 2015.
8. Mr T was unhappy with the drop in the transfer value and his IFA complained to both AJ Bell and AON (which the Trustees responded to under the Scheme's internal dispute resolution procedure).
9. AJ Bell did not uphold the request to have the higher transfer value honoured. It agreed that there had been a conversation with the IFA with a promise that the paperwork would be sent via special delivery and that this was not done. However, it did not feel it was responsible for the delay as AON incorrectly requested further information which would have delayed the transfer beyond the guarantee date. It offered to pay the transfer charge of £60, plus VAT.
10. The Trustees also did not uphold the complaint, on the basis that the paperwork was not received by AON until 17 August 2015, after the guarantee date. It acknowledged that if the paperwork had been received before the guarantee date, it would have honoured the higher CETV. It also offered Mr T £1,000 to recognise the distress and inconvenience caused because AON provided incorrect information to AJ Bell on 17 August 2015.
11. Mr T remained unhappy with the responses from the parties and made a complaint to this service.

Adjudicator's Opinion

12. Mr T's complaint was considered by one of our Adjudicators who concluded that further action was required by AJ Bell. The Adjudicator's findings are summarised briefly below:-
 - The Adjudicator's view was the complaint against AJ Bell should be upheld on the basis that it made a promise to Mr T that the documents would be sent via special delivery and it failed to do so. AJ Bell were aware of the urgency of the cut off

date and raised Mr T's expectation that the documents would be with the Trustees by 14 August 2015. Therefore, AJ Bell were responsible for Mr T's financial loss.

- In relation to the Trustees, the Adjudicator noted that it did provide incorrect information to AJ Bell, but this was after the guarantee date of 15 August 2015. Therefore, the Adjudicator's view was that the Trustees actions had not impacted on the delay in meeting the guarantee date and therefore there was no maladministration on their part in relation to Mr T's complaint. It was up to the Trustees to consider whether it would still offer Mr T the £1,000 and whether Mr T would then accept it.

Ombudsman's decision

13. Mr T agreed with the Adjudicator's Opinion and it is noted that he declines the Trustees' offer of £1,000. AJ Bell and the Trustees did not respond.
14. I agree with the Adjudicator's Opinion and uphold the complaint against AJ Bell.

Directions

15. Within 28 days of the date of this Determination:
 - AJ Bell will calculate the current notional value of Mr T's SIPP as if it had received the higher transfer value of £179,034.83 on 23 September 2015 (the date it was made aware of the drop in the transfer value). In carrying out this calculation, AJ Bell will assume that Mr T would have made the same investment choices and fund switches within his SIPP. AJ Bell should then compare this notional value with the actual current value of his SIPP, and it will then credit Mr T's SIPP with the difference.

Karen Johnston

Deputy Pensions Ombudsman
5 June 2018