

Ombudsman's Determination

Applicant	Mr S
Scheme	Allianz Retirement and Death Benefit Fund (the Fund)
Respondents	Allianz Pension Fund Trustees Limited (the Trustees), JLT Benefits Solutions Limited (JLT)

Outcome

1. I do not uphold Mr S' complaint and no further action is required by the Trustees or JLT.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr S complains about a delay in transferring his benefits in the Fund to a drawdown provider after he left pensionable employment. The Fund is administered by JLT.
4. Mr S says that part of this delay was due to JLT Wealth Management Service (**JLT WMS**), a section of JLT authorised to provide advice which is separate to the pension administration team, taking no action. Mr S has said that the delay resulted in a reduction in the value of his benefits as they were disinvested at a later date than they could have been.

Background information, including submissions from the parties

5. On 29 April 2015, following a request from Mr S, JLT issued retirement paperwork quoting the value of Mr S' benefits at £119,499.31.
6. On 6 May 2015, Mr S returned his retirement option forms requesting to transfer. He believed that this constituted an instruction to disinvest. JLT has said that it is its standard practice not to disinvest until all the information relating to the proposed transfer is received. However, no provider had been designated on the retirement option forms, no transfer paperwork had been completed, the contribution for April 2015 required allocation and JLT had not received confirmation from Mr S' employer that he had left employment.
7. On 20 May 2015, Mr S contacted JLT for advice. Mr S says that during the call he was told his details would be passed on to JLT WMS and someone would get back to

him. However, JLT has said that it informed Mr S of the cost of JLT WMS and that Mr S opted not to proceed at that time, but was given details of JLT WMS in the event he changed his mind. Mr S has supplied an email trail between JLT and JLT WMS which shows that JLT did contact JLT WMS following the call on 20 May 2015, asking if JLT WMS could assist Mr S. It is unclear from the email trail if any further action was taken at this time.

8. On 15 June 2015, Mr S contacted JLT and he was referred to JLT WMS. On 19 June 2015, JLT WMS arranged with JLT for disinvestment of Mr S' benefits to begin early the following week, prior to the completed transfer paperwork being received.
9. On 22 June 2015, confirmation of Mr S' date of leaving was received from his employer, and the following day, transfer paperwork quoting a transfer value of £117,112.81 was issued and disinvestment instructed.
10. On 25 June 2015, JLT received the completed transfer paperwork along with all other transfer requirements. On 30 June 2015, the transfer payment was authorised and confirmation issued, the final value was £116,863.39.
11. Mr S maintains that if the transfer paperwork had been included with the retirement paperwork, or his retirement paperwork had been treated as a disinvestment instruction, he would have received a higher transfer value. In addition, his disinvestment could have been instructed earlier had JLT passed his details to JLT WMS on 20 May 2015 and JLT WMS had taken action as he understood it would. Mr S says that if the delay is caused by his employer not notifying JLT of his leaving date then JLT should have requested this, and both are at fault for the delay.
12. JLT has said that it would not have been possible to process Mr S' transfer prior to 22 June 2015 in any case. This is when JLT received confirmation from the employer of Mr S' leaving date. JLT says that it is its standard process not to disinvest until all information has been received, however due to JLT WMS' request to disinvest early and the receiving scheme being known at that point, it was agreed with Mr S' consent.
13. Mr S complained to the Trustees under the Fund's two stage internal dispute resolution procedure (**IDRP**). The complaint was not upheld at either stage and Mr S brought his complaint to this office.

Adjudicator's Opinion

14. Mr S' complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustees or JLT. The Adjudicator's findings are summarised briefly below:-
 - The telephone recording from 20 May 2015 is no longer available. Nonetheless, the Adjudicator did not believe that this is a point upon which the complaint turns. The transfer could not be processed until after the employer had confirmed Mr S'

leaving date. As this did not occur until 22 June 2015, the delay due to no contact between JLT WMS and Mr S had no impact on the final transfer date. In any event, it appears that JLT did request that JLT WMS contact Mr S. The Adjudicator cannot consider a complaint against JLT WMS as it is authorised and regulated by the Financial Conduct Authority meaning a complaint against it is not within the Pension Ombudsman's jurisdiction.

- Mr S has said that JLT should have contacted the employer to request confirmation of his leaving date. While it may have been prudent to do so, there is an established procedure for the employer to notify JLT of leavers and there is no requirement for JLT to make individual requests. Therefore no maladministration was found in JLT not requesting notification from the employer sooner. The employer is not party to the complaint and as such the Adjudicator did not comment on its actions.
 - Mr S has commented that JLT agreed to disinvest prior to all of the transfer requirements being satisfied, and that they could have done this earlier. However, there is no evidence to suggest that Mr S requested disinvestment to begin at an earlier date than it did. JLT and the Trustees have a transfer process in place where disinvestment is not instructed until all transfer requirements are met. This is a fairly standard process adopted across the industry. While Mr S' fund value dropped due to market conditions, equally the fund value could have increased due to market conditions and he could have lost out had his funds been disinvested earlier. The Trustees put a procedure in place to ensure that all members are treated equally.
 - There is a legislative requirement for transfers to be processed within six months of instruction upon the return of the completed forms. JLT completed the transfer well within this deadline. In fact JLT completed the transfer within four working days from receiving the completed transfer paperwork. In the Adjudicator's opinion JLT's actions are in line with what the Ombudsman would expect, in addition it agreed to begin disinvestment early upon request from JLT WMS.
 - While it is unfortunate that Mr S' fund value dropped between him receiving his retirement quotation and completion of the transfer, no maladministration was found. The retirement paperwork explained that the value of Mr S' benefits was not guaranteed, further paperwork would be required to complete a transfer, and that it can take several weeks to pay benefits.
15. Mr S did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr S provided his further comments which are briefly summarised below:-
- Mr S has said that if JLT and JLT WMS are separate entities should JLT have led him to believe that JLT WMS would contact him when it had no control over JLT WMS' actions. In addition, should JLT have passed on his details without his written consent.

- The role the employer played was not adjudicated upon, however he says that JLT failed to notify him that it was awaiting confirmation of his date of leaving from his employer and that if JLT had informed him he could have chased his employer.
 - The lack of telephone recording for the call of 20 May 2015 was accepted without further investigation into JLT's policy. Mr S says that JLT were aware that he was not happy and would likely pursue a complaint so they should have kept the telephone recording, unless it was damning to them.
16. The comments do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr S for completeness.

Ombudsman's decision

17. I understand that Mr S gave his verbal consent for JLT to pass his contact details to JLT WMS. Mr S has said that it was his understanding that his details would be passed on. If Mr S preferred to give his consent in writing he could have done so. Equally he could have declined the offer to pass his details on. I do not think it unreasonable that JLT said that JLT WMS would contact Mr S. It is reasonable for JLT to expect JLT WMS to act upon a request to contact a potential client. I cannot find maladministration in JLT's actions. As Mr S is aware, I cannot consider a complaint about JLT WMS as it is authorised and regulated by the Financial Conduct Authority and falls outside of my jurisdiction. In any event I do not agree that this perceived delay caused a delay in the transfer of Mr S' benefits.
18. Mr S' employer is not included in this complaint, therefore I am unable to make any findings on the role it played. However, Mr S has said that if had JLT informed him that it was waiting for his employer to confirm his leaving date he would have chased them. There is an established procedure in place for the employer to notify the Scheme of members leaving employment. Even if Mr S had been made aware that JLT was awaiting confirmation from his employer it is unlikely that his employer would have acted quicker.
19. I do not agree that the lack of telephone recording implies that the recording was damning to JLT. The email trail collaborates Mr S' recollection of the call. Yet, ultimately the transfer could not take place before JLT had received confirmation of Mr S' date of leaving from his employer, regardless of the outcome of the call on 20 May 2015. It is therefore not necessary to make further investigations into JLT's telephone recording management policy in this case as it will not impact the outcome.
20. The process may have taken longer than Mr S expected, and as a result his fund value dropped. Nevertheless I have not found maladministration by JLT in the transfer of Mr S' benefits.

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21. Therefore, I do not uphold Mr S' complaint.

Karen Johnston

Deputy Pensions Ombudsman
26 October 2017