

Ombudsman's Determination

Applicant	Mr S
Scheme	BlackRock Pension Plan (the Plan)
Respondent	BlackRock

Outcome

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

Complaint summary

3. Mr S has complained that he has suffered a financial loss because there were periods of time in 2014 and 2016, where he was unable to make investment switches.

Background information, including submissions from the parties

4. Mr S was an active member of the Plan established by Philips Healthcare (**Philips**), until he left employment on 2 April 2014. On 15 May 2014, BlackRock received confirmation that Mr S had left Philips' employment. BlackRock wrote to Mr S on 27 May 2014, and explained that because he had left employment his benefits would be moved to a new unit class. The letter also provided a number of options available to him including the option to continue paying into the plan, keep his benefits invested but pay no further contributions, transfer his benefits, or, if he was over age 55, to start taking his benefits.
5. At the time Mr S left Philips in 2014, BlackRock introduced a new online platform across all its managed schemes called Target Plan.
6. Mr S has provided documentation showing his fund value was £98,445.43 as at 28 May 2014, when the fund was moved to a new unit class.
7. On 5 July 2014, Mr S contacted BlackRock and said he had tried to access Target Plan but was unable to do so. BlackRock provided further instructions on 7 July 2014.
8. Mr S submitted a request to make an online investment switch on 12 July 2014. His particular Plan did not allow online switches and the request was processed manually

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on 22 July 2014. The Plan value on 21 July 2014 was £95,011.77 and following the switch was £94,496.14.

9. No further action was taken until February 2016, when Mr S could not make switches again due to an implemented freeze on the Plan. He telephoned BlackRock and raised this as a complaint, he also complained about the period of time in 2014, when he was unable to make switches.
10. On 18 February 2016, BlackRock emailed and explained about the changes to Target Plan made in 2014, and said this was why Mr S could not access to his account online. It pointed out that Mr S would have been able to make any investment switches through other methods i.e. telephone, email or post. BlackRock also mentioned that Mr S took no further action on this matter in 2014, so it was considered to be resolved. BlackRock also explained the reason that Mr S could not access his account again in 2016, was because Philips had put a freeze on the Plan so it could complete a review.
11. BlackRock confirmed that when Mr S requested a fund switch in 2016, the value of the fund was £100,723.96 and his transferred fund following the completed switch was £102,867.86.

Adjudicator's Opinion

12. Mr S' complaint was considered by one of our Adjudicators who concluded that no further action was required by Black Rock. The Adjudicator's findings are summarised briefly below.
 - Mr S complained that he was unable to access his funds for a short period of time whilst BlackRock changed his unit class. He considers this caused a decrease in his fund value. When Mr S left Philips' employment his unit class had to change in compliance with the conditions of the Plan. BlackRock had done nothing wrong in doing this.
 - Mr S provided documentation which showed the Plan fluctuated daily. Although, this shows there were dips in the Plan value, it also shows that the value changed constantly on a daily basis. Therefore, the decrease in value was not due to an error made by BlackRock, but due to market fluctuation.
 - BlackRock processed Mr S' request in a timely manner.
 - BlackRock were not at fault for the reduction in the Plan value that Mr S is claiming.

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- Philips are entitled to freeze the Plan to implement changes. When Mr S requested the switch on 16 February 2016, the value of his Plan was £100,723.96 and his transferred fund following completion of the switch was £102,867.86. Therefore, he did not suffer a loss as a result of the implemented freeze on the Plan.

13. Mr S did not raise any further points, but said he did not agree with the Adjudicator's opinion and his original arguments remained. He requested that the case was passed to me for review. I agree with the Adjudicator's Opinion, summarised above, and I will therefore only respond to the key points made by Mr S for completeness.

Ombudsman's decision

14. Mr S believes that BlackRock are responsible because his fund value went down at the time he made a request to switch funds in 2014. Whilst there was clearly some confusion when Target Plan was introduced that led Mr S to assume he could complete switches online I do not consider that the fault lay with BlackRock. BlackRock advised Mr S without delay that online switches were not available to him. Mr S made his request to switch funds by a different method and this was completed in a timely manner. Furthermore, Mr S has provided documentation which shows how the value of the Plan fluctuated on a daily basis. Therefore, Mr S fund was subject to market fluctuation however quickly the transfer was processed.
15. Mr S has also complained that BlackRock were unable to process switches again in 2016, due to Philips putting a freeze on the Plan so it could implement changes to the Plan. The freeze lasted from 5 February 2016 to 1 March 2016. Mr S requested a switch of funds on 16 February 2016. This meant that Mr S had to wait just under two weeks in order to make the switches. If changes need to be implemented on a Plan then the administrator is permitted to put a freeze on the Plan while those changes are implemented. Furthermore, it should be noted that although there was a delay in the switch being processed the value of the Plan was higher following completion of the switches.
16. Therefore, I do not uphold Mr S' complaint.

Anthony Arter

Pensions Ombudsman
31 January 2017