

Ombudsman's Determination

Applicant	Mr T
Scheme	FP1 Retirement Pension Scheme (the Scheme)
Respondents	Fast Pensions

Outcome

1. Mr T's complaint is upheld and to put matters right Fast Pensions should contact Mr T and assist him with exercising his statutory transfer rights, and his transfer application to Hargreaves Lansdown. Fast Pensions should also pay £1,000 to Mr T, to reflect the distress and inconvenience caused to him by their maladministration.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr T complains that Fast Pensions have failed to respond to his enquiries about the status and security of the pension fund he transferred into the Scheme, and most importantly failed to complete his requested transfer to Hargreaves Lansdown.
4. Mr T says that he would like Fast Pensions to allow him to transfer his pension fund to Hargreaves Lansdown, to allow him to access his funds and pay a tax bill for the financial year 2014 to 2015.
5. He also says that debts and general living expenses have meant he has borrowed money from his family, and the worry of the situation, including having to chase Fast Pensions, has affected his health.

Background information, including submissions from the parties

6. Mr T is a member of the Scheme, for which there is limited documentation available, so it is difficult to ascertain the exact nature of the arrangement. However, from Fast Pensions' website it appears that it was intended to be an occupational pension scheme.
7. In 2012 Mr T applied for two loans for some home improvements and to consolidate some debts with a company called Blu Loans, to which he had been introduced by a lending specialist broker.

8. The loan was offered on the basis that the accumulated interest and outstanding debt would be repaid from his tax free lump sum available from the pension arrangement at 55. He was not required to make any repayments before this point.
9. However, he was told by Blu Loans that the deferred pensions he held with his previous employers, Prudential and Rolls Royce, did not fit the required criteria for the loan.
10. Instead he was advised to transfer these pensions to a pension arrangement of an associated company called Fast Pensions.
11. In November 2012 he transferred the two pensions, with a combined value of £96,866.02, to the Scheme operated by Fast Pensions, and the promised loans were then paid out.
12. In October 2014 Mr T took a 25% tax free lump sum from his pension, which Fast Pensions told him they used in part to pay off the loans from Blu Loans; he received the remaining balance.
13. He continued to receive yearly statements and fund values and did not experience any problems until 2015.
14. In 2015 Mr T was in need of money to pay off some debts and clear a tax bill. He asked Fast Pensions for a flexible drawdown payment from the Scheme, in line with the new pension freedoms introduced on 6 April 2015.
15. However, he was advised by Fast Pensions that the rules of the Scheme would not allow them to offer this, and that he could not access his benefits before the age of 65.
16. In response to this Mr T attempted to transfer his pension fund to Royal London but they refused to deal with Fast Pensions.
17. In December 2015 he applied to Fast Pensions to transfer his pension fund to Hargreaves Lansdown but there was a delay until February 2016, when he was informed that he had submitted the wrong transfer papers, and would have to pay Fast Pensions £250 for the correct ones.
18. Hargreaves Lansdown sent replacement transfer papers on 18 February 2016, but despite querying this matter many times with Fast Pensions, he is still waiting for the transfer, minus a 28% charge to release the funds, to be completed.
19. Mr T has sent Fast Pensions emails, letters and faxes, but other than an acknowledgement email of 5 May 2016 in response to a 'live chat' session, there has been no reply.
20. On 24 May 2016 Hargreaves Lansdown contacted Mr T to say that they were still waiting to receive an update on his transfer from Fast Pensions, and although they

had been informed that information had been sent to them on 11 May 2016, nothing has yet been received.

21. On 28 July 2016 Mr T submitted a complaint under Fast Pensions' Internal Dispute Resolution Procedure.
22. However, after waiting two months for a response Mr T has subsequently brought the complaint to The Pensions Ombudsman.

Adjudicator's Opinion

23. Mr T's complaint was considered by one of our Adjudicators who concluded further action was required by Fast Pensions. The Adjudicator's findings are summarised briefly below.
 - Fast Pensions failed to respond to Mr T over a prolonged period of time, and failed to complete his requested transfer to Lansdown Hargreaves or provide a transfer refusal with valid reasons. This constituted maladministration, and lost him the opportunity to place his funds with a preferred provider. This has also caused him significant distress and inconvenience.
 - A formal request from Mr T to transfer the Fund has been made, and Mr T cannot be deprived of his statutory right to transfer under Section 94 of the Pension Schemes Act 1993.
 - Therefore, Mr T's complaint should be upheld because the adjudicator was satisfied that Fast Pensions failed to respond to Mr T over a prolonged period of time and complete his requested transfer to Hargreaves Lansdown, or provide any valid reason why he would not have a statutory right to the transfer.
24. Fast Pensions did not respond to the complaint and the Adjudicator's Opinion was returned to sender. Despite attempts to communicate with Fast Pensions by email, no new correspondence address has been provided or defence to the complaint put forward.
25. Mr Hackett agreed that in the absence of a response from Fast Pensions the complaint would be passed to the Pensions Ombudsman for a determination to be issued.
26. The complaint has now been passed to me to consider.

Ombudsman's decision

27. I agree with the Adjudicator's Opinion, summarised above, and as Fast Pensions have not responded to the complaint, my decision will be based upon the information and documents provided by Mr T.

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28. I note that the Opinion sent to Fast Pensions registered address in London has been returned to sender.
29. We have dealt with a number of other cases recently involving Fast Pensions, where there have been continued failures to respond to members' requests and transfer applications. Fast Pensions have also failed to communicate with this office.
30. Based on the evidence that we do have, I agree that maladministration has been established, and therefore I uphold Mr T's complaint.

Directions

I direct that Fast Pensions will:

- within 14 days, make contact with Mr T, and if he confirms that he still wishes to transfer his funds, provide him with an up-to-date Cash Equivalent Transfer Value and assist him in exercising his statutory right of a transfer to a provider of his choice;
- within 14 days, pay Mr T £1,000 to reflect the significant distress and inconvenience caused to him by their maladministration.

Anthony Arter

Pensions Ombudsman
23 November 2016