

## **Ombudsman's Determination**

**Applicant: Mr D**

**Scheme: Xchanging Stakeholder Pension Plan (the "Plan")**

**Respondent : Friends Life**

### **Outcome**

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

### **Complaint Summary**

3. Mr D's complaint against Friends Life is that he is unhappy with the date it has used to calculate his transfer value, as he believes the units were actually sold at a later date and Friends Life has profited from this.

### **Background information, including submissions from the parties**

4. Mr D requested a partial transfer of 125,000 units from his fund with Friends Life to Hargreaves Lansdown.
5. Friends Life has confirmed that Mr D's completed transfer forms were received on 27 September 2016.
6. Friends Life has also confirmed that the unit price used in the transaction was £1.2449106 on 27 September 2016.
7. Mr D says he logged in to his online account with Friends Life on the morning of the 30 September 2016, and saw that his transfer had not been completed. He logged on again in the afternoon of the same day, and saw his account had been updated to show that his funds had left his account on 27 September 2016.
8. Mr D says that during a telephone call with an adviser at Friends Life, he was given conflicting information about the date on which his units were sold.
9. Mr D believes that Friends Life has therefore carried out the transaction for the sale of his units after the 27 September 2016; using a higher unit price but only crediting him with the 27 September 2016 value.

10. This has led Mr D to believe that Friends Life has profited from the transaction, and that it has retained some money that should have been transferred to his new provider.

### **Adjudicator's Opinion**

11. Mr D's complaint was considered by one of our Adjudicators who concluded that no further action was required by Friends Life. The Adjudicator's findings are summarised below.
  - Friends Life's conduct did not amount to maladministration.
  - Crystallisation of the unit price on the date at which Friends Life received the applicant's final and complete instructions to transfer, was in accordance with the terms and conditions of the Plan.
  - There was no evidence to suggest that the units had been sold at a different unit price to that on 27 September 2016.
  - The transaction was completed in approximately two weeks from Mr Flood's transfer forms being received by Friends Life. This was not considered unreasonable and was within industry standards.

### **Summary of the Ombudsman's Determination and reasons**

12. Having carefully considered the evidence provided, I am satisfied that the terms and conditions of Mr D's Plan make it clear that the correct unit price to be used in this context, is the unit price on the day on which the applicant's final instructions are received. Friends Life has already confirmed that Mr D's transfer forms were received on 27 September 2016; and crystallised the unit price accordingly.
13. In signing the Plan's terms and conditions, Mr D agreed to be bound by them. Such terms are incorporated in the Plan to offer protection to members like Mr D. Had there been any down-turn in the market, he would have suffered a loss of his transfer value.
14. The delayed update of Mr D's online account may have caused Mr D to expect that his transfer value would be greater than it actually was. However, Mr D is only entitled to receive a transfer value, in line with the Plan's terms and conditions, calculated using the unit price on the day his transfer forms were received. Whilst I can appreciate that Mr D has been disappointed by this, I am satisfied that his new provider (Hargreaves Lansdown) has received the correct transfer value.
15. Mr D has suggested that the unit price was higher after the 27 September 2016, but has not provided any screenshots of what he saw when he accessed his Friends Life account on 30 September 2016. Friends Life confirmed that the sale of Mr D's units was authorised on the afternoon of 30 September 2016, using the unit price of 27 September 2016, so it was reasonable that his online account was not updated

until the afternoon of 30 September 2016. I cannot conclude there has been any maladministration in this respect.

16. For me to consider Friends Life's actions in this case as maladministration I would need to be satisfied that it had used an incorrect unit price or unduly delayed the transfer. As it is, Friends Life has used the unit price as at 27 September 2016 of £1.2449106. The fact that Mr D's account information was not immediately updated after receipt of his transfer forms does not amount to maladministration and it would be unreasonable to penalise Friends Life for this. In addition, I am satisfied that Mr D's fund value has not been adversely affected as a result of this process.
17. Lastly, I have considered whether the time taken to complete this transaction was reasonable. The industry standard for transfers such as these would indicate a reasonable length of time to be two weeks from when the final transfer instructions are received. Mr D's transfer forms were received by Friends Life on 27 September 2016 and I note his funds were released on 6 October 2016. Mr D has subsequently confirmed his funds were in his Hargreaves Lansdown account on approximately 8/9 October 2016. As this is a period of just under two weeks; I would not consider it as an unreasonable timeframe.
18. Therefore, for the reasons given above I do not uphold this complaint against Friends Life.

**Anthony Arter**  
Pensions Ombudsman

3 March 2017