

Ombudsman's Determination

Applicant	Mr I
Scheme	Brooklands SIPP (the SIPP)
Respondent	Heritage Pensions Ltd (Heritage)

Outcome

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

Complaint summary

3. Mr I has complained about the fees applied to the SIPP when transferring from Heritage; whether they are legitimate; and, delays encountered in the transfer being finalised.

Background information, including submissions from the parties

4. The SIPP was previously administered by Brooklands Trustees Limited (**Brooklands**), who also acted as the trustee. Brooklands outsourced the administration of its SIPPs to IVCN. When Mr I established the SIPP he was provided with documentation apparently indicating that Brooklands would never charge its clients for transferring out of the SIPP.
5. In December 2015, Brooklands revised its charging structure and communicated the new "Schedule of Fees and Charges" to its clients by email. This confirmed that a cash transfer away would incur a cost of £200 and an in-specie transfer would cost £500. Records relating to this email indicate that it was received by Mr I at his correct email address, and that it was opened on 18 December 2015 at 5:11pm.
6. On 25 July 2016, Brooklands went into administration. Following discussions with the Financial Conduct Authority (**FCA**), it was agreed that Heritage would take over Brooklands' SIPP business. As part of this it was agreed that clients should be given a 90 day window to make a cash transfer of their pensions to an alternative provider without a fee being charged.

7. On 14 August 2016, within the 90 day fee free period for cash transfers, Heritage received an in-specie transfer request by Mr I for a transfer to Forthplus Pensions Limited (Forthplus). Heritage responded explaining that it would have to undertake appropriate due diligence on the proposed receiving scheme. Additionally, Mr I was informed the fee free period only applied to cash transfers and that an in-specie transfer fee would be applied.
8. Mr I refused to accept this charge and no agreement was reached. The transfer would not proceed without the fee being agreed.
9. Mr I raised a complaint in November 2016. He disputed that the fee was legitimate and held Heritage responsible for the delay in the transfer completing. He also highlighted the stress caused to him by the situation.
10. On 1 February 2017, Mr I confirmed to Heritage that he would agree to pay the £500 fee. In confirming this he signed the following statement:-

“I understand the transfer timescale is dependent on the investment provider(s), and receiving scheme response time.”
11. On 16 February 2017, Mr I was contacted by an individual acting for a business named Arlo Associates who offered Mr I, “a consultation regarding my Pension.” Mr I attributed this telephone call to a data protection breach at Heritage and raised this issue as part of his complaint.
12. On the same day, Heritage sent deeds of assignment for the transfer of the SIPP assets to Forthplus to complete. I understand it was agreed that Forthplus would then forward the deeds directly to the investment providers, ARIA and Stocktrade. Heritage transferred the cash balance that day.
13. In relation to the contact made by Arlo Associates, Heritage confirmed that it had not shared Mr I’s details with any third parties.
14. On 21 February 2017, Forthplus confirmed the deeds of assignment had been forwarded to the investment providers.
15. On 2 April 2017, the ARIA assets were transferred to the new scheme.
16. On 3 April 2017, Heritage telephoned Stocktrade for an update, but none was provided. Heritage chased this by email on 11 April, 10 May, 24 May, and 14 June 2017. I understand that Stocktrade responded on 15 June 2017 explaining that it had no trace of the deeds of assignment sent by Forthplus.
17. On 19 June 2017, a copy of the transfer instruction was sent to Stocktrade. As of 29 June 2017 there had been no confirmation of the transfer completing.
18. Mr I remains dissatisfied with the fee applied, the time it has taken for the transfer to reach this point and the potential breach of data protection.

Adjudicator's Opinion

19. Mr I's complaint was considered by one of our Adjudicators who concluded that no further action was required by Heritage. The Adjudicator's findings are summarised briefly below:-
- Irrespective of what Brooklands said when Mr I established the SIPP, before the SIPP was transferred to Heritage, the fee schedule had changed and a £500 fee was chargeable for in-specie transfers. The adjudicator believed that, on the balance of probabilities, the change had been communicated to Mr I.
 - Heritage was seeking to apply the £500 in-specie transfer fee legitimately. Mr I could have transferred on a nil fee cash basis, for 90 days following the transfer of the SIPP to Heritage, but he opted not to. There was no scope for a fee free in-specie transfer.
 - Once Mr I had agreed to pay the fee, with the caveat that he continued to dispute it, Heritage had made reasonable efforts to expedite the in-specie transfer and Mr I had signed to confirm he accepted that in-specie transfers could take some time. Irrespective of that, Mr I appeared not to have suffered any financial loss because of the transfer. He could have withdrawn funds if he wished, or made investment decisions over that period.
 - There was no evidence to suggest that Heritage had released Mr I's details to Arlo Associates, as he suggests.
20. Mr I did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr I provided his further comments which 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 I for completeness.

Ombudsman's decision

21. Mr I disputes that he was provided with an updated schedule of fees prior to the transfer to Heritage. Whilst the evidence suggests he was provided with a copy of the updated schedule, even if he was not, Heritage took over the administration of the SIPP with the existing fee schedule in place, and that included a £500 fee for in-specie transfers. Heritage was legitimately applying the inherited fee structure.
22. Looking at the timeline of events following Mr I's reluctant acceptance of the in-specie transfer fee, it does appear to have taken an unusually long period of time for the in-specie transfer to complete. I accept that this may have been frustrating for Mr I, however the reasons behind the delay do not appear to be Heritage's fault. It seems that other parties involved in the transaction may have been in a position to hasten the transfer. Heritage followed up the matter on a number of occasions, although I accept that it could perhaps have chased more regularly.

23. However, I am not persuaded that Mr I has suffered any investment loss, or loss of opportunity, as he could have taken his benefits, or made investment decisions, irrespective of the in-specie transfer. I accept that some distress and inconvenience has been suffered by Mr I, however, I only award distress and inconvenience awards where it has been significant. Mr I confirmed that he was aware that the timescale was dependent on third parties. Given the circumstances, I am not persuaded that an award for significant distress and inconvenience is warranted.
24. Therefore, I do not uphold Mr I's complaint.

Anthony Arter

Pensions Ombudsman
18 August 2017