

Ombudsman's Determination

Applicant	Miss N
Scheme	DM1 Retirement Fund (the Plan)
Respondent	Fast Pensions Limited (Fast Pensions)

Outcome

1. Miss N's complaint is upheld, and to put matters right Fast Pensions should provide a full response to Miss N's questions about the status and security of the Plan and assist her in exercising her statutory right to a transfer out of the Plan to a named pension arrangement that is willing and able to accept it, if she so wishes. Fast Pensions should also pay Miss N £2,000 to reflect the prolonged significant distress and inconvenience caused to her by its maladministration.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Miss N complains that Fast Pensions failed to provide her Plan annual statement in 2016 and to process her request for a transfer to a different pension provider, and as her subsequent attempts to get in touch with Fast Pensions were unsuccessful, she is concerned about the security of her pension funds.

Background information, including submissions from the parties

4. Miss N became a member of the Plan in October 2012. At her request a transfer payment of over £64,000 was made to the Plan from her previous pension arrangement.
5. FP sent Miss N annual statements for the Plan as at 31 January 2014 and 31 January 2015.
6. In August 2016 Miss N tried to email FP, as she had still not received her annual statement as at 31 January 2016, but received no response.
7. On 12 October 2016 Miss N wrote to FP to ask for a transfer value and relevant paperwork as she had decided to transfer from the Plan to another pension provider, Aviva. On 14 October 2016 Fast Pensions emailed back: "I apologise for the delay in

your response. The reason for the delay is that we are changing the administration company that is dealing with customer support and we are going through this process now.”

8. On 7 November 2016 FP told Miss N: “I have now been through your case and I am now preparing the information that I require to process the transfer out, you will receive the documents very shortly.”
9. After one of her transfer request letters was returned in the post and Miss N was unable to contact FP by phone and email on numerous occasions, Miss N contacted us, worried about the security of her pension funds.
10. On 23 January 2017 FP re-established email contact with Miss N, apologising for its recent level of service.
11. On 31 January and 8 February 2017 we asked Fast Pensions to provide its formal response to Miss N’s complaint, but it failed to do so.
12. On 31 January 2017 Fast Pensions sent Miss N a transfer value quotation which was stated to be subject to an early exit penalty. Miss N confirmed to Fast Pensions that she would like the transfer to go ahead.
13. On 9 February 2017 Fast Pensions informed us:

“We are currently processing the transfer documents for her and she seems to be content.”
14. The following day Fast Pensions told us:

“I am communicating with [Miss N] regularly now to be able to satisfy her transfer requests.”
15. On 24 March 2017 FP explained to Aviva that Miss N’s pension funds had been invested for a five year term; disinvestment was subject to the discretion of the trustee of the Plan and was subject to an early exit penalty. Fast Pensions asked Aviva if it would accept an in specie transfer. Aviva asked Fast Pensions what the Plan investments were.
16. On 3 April 2017 Fast Pensions disclosed that the Plan investments consisted of loan notes to private companies, and were not SEDOL or ISIN registered. On the same day Aviva replied it would not be able to accept that in specie transfer.
17. FP told Miss N on 6 April 2017 that:

“Unless we can find a provider that allows the “in species” transfer, we will have to wait until the end of the investment period and then transfer in cash. The date for this is October this year. Once this period has passed there are no penalties on the transfer and it can be transferred in cash.”

Adjudicator's Opinion

18. Miss N's complaint was considered by one of our Adjudicators, who concluded that further action was required by Fast Pensions. The Adjudicator's findings are summarised briefly below:
- Miss N's annual statement as at 31 January 2016 should have been sent to her later that year. It was unreasonable for Fast Pensions to have delayed this. Furthermore, between November 2016 and January 2017 Fast Pensions failed to provide an adequate telephone, postal and internet communication service for Miss N, and to respond to her queries. This constituted maladministration. It was also very unhelpful that Fast Pensions did not explain until 24 March 2017 that disinvestment was subject to the trustee's discretion, and would be subject to an early exit penalty. These restrictions could have been mentioned in October 2016.
 - We had investigated and determined similar cases involving Fast Pensions (for example, Mr N, PO-13802). That determination is available on our website (www.pensions-ombudsman.org.uk). We upheld that complaint, and there are no significant differences in Miss N's complaint which would warrant a different outcome here.
 - Therefore Miss N's complaint should be upheld because Fast Pensions had failed to respond in a timely manner to her requests for information regarding the Plan. This constituted maladministration, which had caused Miss N significant distress. Miss N should be compensated for this.
 - Lastly, Fast Pensions had told Miss N recently that from October 2017 a cash transfer without any early exit penalty would be available. If Miss N were to inform Fast Pensions that she wished to wait until October 2017 before making a transfer payment, Fast Pensions should then act promptly to deal with that transfer request. If not, Miss N would be able to raise a new complaint.
19. Fast Pensions did not comment on the Adjudicator's Opinion, so the complaint was passed to me for determination.

Ombudsman's decision

20. I agree with the Adjudicator's Opinion, summarised above, and as Fast Pensions has not commented on it my decision will be based upon the information and documents provided by Miss N.
21. We have dealt with a number of other cases recently involving Fast Pensions, where there have been continued failures to respond to members' requests for information and transfer applications.
22. Based on the evidence that we do have, I agree that maladministration has been established and, therefore, I uphold Miss N's complaint.

Directions

23. I direct that Fast Pensions shall:

- within 14 days of the date of this determination, provide a full answer to Miss N's queries regarding the Plan; if Miss N seeks to exercise a valid statutory right to transfer out of the Plan then, within 28 days of Miss N requesting a transfer value to a named pension scheme that is willing and able to accept it, Fast Pensions shall pay the transfer value to that arrangement; and
- within 28 days of the date of this determination, pay Miss N £2,000 to reflect the prolonged significant distress and inconvenience caused to her by Fast Pensions' maladministration.

Anthony Arter

Pensions Ombudsman
5 May 2017