

Ombudsman's Determination

Applicant	Mr R
Scheme	Ames Industrial Limited Retirement and Death Benefit Pension Scheme (the Scheme)
Respondent	Safran Helicopter Engines UK Ltd (Safran)

Outcome

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

Complaint summary

3. Mr R is not able to locate his pension, and considers that this is due to the maladministration of Safran.

Background information, including submissions from the parties

4. On 3 April 1984, Mr R became an employee of Ames Industrial Limited (**Ames**) and a member of the Scheme.
5. In July 1987, Mr R received a statement in relation to his benefits in the Scheme (**Policy 1**) as at 1 July 1987; this document had an "Equity & Law Group Pensions" logo on it. The statement cited a normal retirement date of 11 February 2021, at which point Mr R would become entitled to a pension of £6,509.88 per annum.
6. The notes section of this statement said:

"This statement has been prepared on behalf of the Trustees by Equity & Law. It is issued for information only and should be read in conjunction with your Scheme Booklet."
7. In 1988, Standard Life issued an "Ames Industrial – StanPlan A" Certificate of Membership. This stated a scheme joining date of 6 February 1988 (**Policy 2**).
8. On 3 June 1988, a Standard Life headed document entitled 'The Group Plan Intimation of Withdrawal from Service' (**the withdrawal form**) was completed with Mr R's details. On this, the following four options were given: a cash fund at normal

retirement date; a maximum refund of contributions allowable; a transfer value to another approved scheme, or; for the contract to be continued by a new employer. On Mr R's form, none of these options had been selected and instead, a comment had been written alongside these which said: "To be advised by [Mr R] in due course."

9. On 15 June 1988, Mr R ceased being an employee of Ames.
10. On 3 April 1989, Mr R returned to the employment of Ames and contributed into a separate pension arrangement (**Policy 3**). He is able to trace this policy, therefore, it does not form part of this complaint.
11. In recent years, Mr R made enquiries into the benefits he had accrued under Policy 1. This included writing to Safran, now responsible for Ames, and HMRC.
12. On 9 December 2015, HMRC provided a record of the schemes which Mr R had been a member of, which were contracted out. The Scheme was not named on this but there was a contracted out policy for a period from 1987 to 2012 with the provider Scottish Equitable.
13. In early 2016, Mr R approached The Pensions Advisory Service (**TPAS**) for assistance in tracing Policy 1.
14. On 7 July 2016, the TPAS representative referred to the withdrawal form and asked Mr R whether he had a record of the option he selected.
15. On 11 July 2016, Mr R replied saying: -
 - Dennis Stuart were the administrators of the Scheme but were taken over by Lawrence Clarke Limited (**LCL**) which now administered the Turbomeca and Ames pension schemes.
 - He had contacted LCL and been told to contact Standard Life directly because it had inherited Equity & Law.
 - Standard Life had told him that Policy 2 had been set up in his name in February 1988 but that this was empty, with nothing being paid into it. He believed this policy had been set up because Ames was changing from a final salary scheme to a defined contribution scheme – this policy was to receive benefits from the former to the latter.
 - He did not select an option on the withdrawal form because he just wanted the benefits to crystallise at normal retirement date.
16. On 4 August 2016, the TPAS representative asked LCL what the default option was if members did not make an election.

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17. On 8 August 2016, LCL replied saying that they were not advisers for the Scheme when the responsible employer was Ames. It said the Scheme was transferred to Standard Life, which the majority of members transferred their pension to.
18. On 12 January 2017, the TPAS representative approached Scottish Equitable to ask if the Plan Mr R held with them included a transfer in from Ames. She also wrote to Standard Life to ask if it had a record for Mr R's period of service with Ames between 1984 and 1988, or if these benefits had formed part of Policy 3 before this was transferred to Friends Life in 2014.
19. On 23 January 2017, Scottish Equitable confirmed there had been no transfers into the plan previously held with it in Mr R's name since its inception.
20. On 24 March 2017, the TPAS representative wrote to Mr R saying that unfortunately, she did not think there was anything further it could do to trace Policy 1.
21. On 27 April 2017, Mr R wrote to Safran saying that he still could not trace his pension and that he wanted it to consider the matter as a formal complaint.
22. On 5 May 2017, Safran responded to Mr R. The main points were: -
 - It had made some initial enquiries through the scheme administrators and asked it to assist in locating pension benefits accrued during his employment with Ames, now Safran. It understood that during Mr R's two periods of employment, he was a member of the company pension scheme in accordance with the eligibility rules at the time.
 - The Ames company pension was originally managed by AXA Equity & Law then transferred to Standard Life.
 - When Mr R emailed it previously, he included two attachments, one of which was the withdrawal form. This was signed by Mr R on 3 June 1988, which would suggest that at the time he left Ames, his benefits were with Standard Life.
 - The employer and employee pension contributions from his second period of employment were paid into the contracted in money purchase arrangement under Policy 3. Mr R's membership number for this scheme was fairly low which could mean that he was one of the earlier members This could suggest that Policy 3 contained pension contributions from the first and second period of employment.
 - Standard Life had been approached about which period/s of employment Policy 3 received pension contributions from. It would let Mr R know when it received a response.
 - It understood that benefits from Policy 3 had been transferred to Friends Life in July 2014, the value of which was £47,916.25.

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23. On 14 June 2017, Safran said Standard Life had clarified that Mr R did not hold any other pensions with it except for Policy 3. It attached Standard Life's response, which said that its final salary team had checked its records but could find no record of Ames or Equity & Law. It apologised for the length of time it had taken to resolve the matter but said it had now been concluded.
24. On 26 June 2017, LCL emailed Safran to provide an update on the enquiries it had been making to find Mr R's missing pension. It said: -
 - It had made enquires to Friends Life, enclosing a copy of the 1987 Equity & Law statement, but it said it had no record of these benefits.
 - It had searched the government website for the register of UK company pension schemes and searched under Ames. The only pension registered to Ames was the Standard Life A plan.
 - It had contacted Standard Life with regards to Policy 2. This had been set up in February 1988 but no contributions were ever received. The official status of the plan was "written off."
 - It had exhausted all avenues available based on the information it had and spent time trying to help resolve Mr R's enquiry. It would be willing to meet with Mr R to explain the situation to him.
25. On 27 June 2017, LCL forwarded the above email to Mr R and said it had explored all the avenues available to it in finding the pension.
26. On 12 December 2017, Safran provided this Office with its formal response saying that its belief was that Mr R did not have any other pension schemes relating to Safran or its predecessors. It said no supporting evidence had been received by Mr R to substantiate his claim and all viable avenues had been explored. It said it and LCL were of the opinion that any benefits Mr R had accrued through his employment with Safran were transferred out at his request on 31 July 2014. This had been confirmed by Standard Life, which could not trace any other benefits which Mr R was due.
27. On 26 June 2018, the Adjudicator wrote to Aviva attaching the 1987 Equity & Law statement, the 1988 Standard Life A Plan certificate and the withdrawal form. She said she understood that following several mergers, it was now responsible for Equity & Law plans and asked it to check whether it had any record of a policy in Mr R's name in respect of service between 1984 and 1988. She also asked for any general background it could provide on the Scheme in terms of historical records it held, to help ascertain what might have happened to the benefits in question.
28. Also on this date, the Adjudicator contacted Standard Life with the above questions. She also asked for further information on Policy 2, such as whether it definitely received no contributions, who set this up and whether it might have automatically been set up by the Trustees of the Scheme in winding down their final salary arrangement. She also asked whether there had been any transfers into Policy 3.

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29. On 9 July 2018, Aviva said that there were no remaining files in its storage on this Scheme but its notes recorded that it was surrendered by the Trustees on 17 July 1988 and that Equity & Law paid a surrender value.
30. On 31 July 2018, Standard Life responded providing information given previously in regard to Mr R's benefits. The main points were that although Policy 2 was generated on its system in February 1988, no further information was added with regard to Mr R or his employer and it was written off. Policy 3 received regular contributions until Mr R left employment in 1995.
31. On 8 August 2018, the Adjudicator wrote to Standard Life asking it to further clarify its position and she referred to unaddressed questions in her original information request.
32. On 14 August 2018, Standard Life said that Policy 2 was cancelled and it had no further information on this plan.

Adjudicator's Opinion

33. Mr R's complaint was considered by one of our Adjudicators who concluded that no further action was required by Safran. The Adjudicator's findings are summarised briefly below: -
 - She had made enquires to Standard Life and Aviva to establish whether Mr R's pension records could be traced and understand the general background of the Scheme. Although Aviva had not been able to provide the information requested, it was helpful to know that the Scheme had been surrendered by its trustees in July 1988. This ruled out Mr R's benefits remaining in this arrangement.
 - The fact that Ames changed its company pension scheme from Equity & Law to Standard Life and the existence of the Standard Life A Plan certificate, meant that it was worth exploring whether the benefits in question had been transferred to Standard Life before Mr R's departure. It had, however, consistently confirmed that Policy 2 received no contributions.
 - Mr R's complaint was directed against Safran in its capacity as his former employer. However, there was little evidence to suggest that the reason Mr R could not find his benefits was because of an administrative error made by Safran or its predecessor Ames. It was not unfeasible that when the trustees surrendered the Scheme, they paid a transfer value in respect of Mr R's benefits through which he would have an entitlement to a deferred annuity.
 - There was not enough evidence to suggest that Mr R had entered into an arrangement managed by Safran, which would need to be proven first in order to make a finding that it had made an administrative error in not being able to trace these benefits now.

- Mr R had concerns that his not being able to trace these funds was potentially as a result of fraud. However, there was no evidence to suggest this.

34. Mr R did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr R for completeness.

Ombudsman's decision

35. It is regrettable that Mr R, despite his numerous efforts, has not been able to trace the benefits under Policy 1. I appreciate that this must be extremely frustrating for him.

36. My role is to make a decision on whether the unknown status of these benefits is due to an administrative error on the part of Safran.

37. It is not disputed that Mr R accrued pension benefits through his employment with Ames between 1984 and 1988. However, there is a lack of clarity on what Mr R opted to do with his benefits when he left his first period of employment with Ames.

38. As there is not sufficient information from which one could suggest that Mr R's benefits remained in an arrangement linked with Safran, accordingly, it is not possible to find that his inability to find these benefits now is due to an error, or lack of recordkeeping, on its part.

39. Therefore, I do not uphold Mr R's complaint.

Karen Johnston

Deputy Pensions Ombudsman
25 October 2018