

Ombudsman's Determination

Applicant	Mr N
Scheme	AXA Elevate Pension Scheme (the Scheme)
Respondent	AXA Wealth (AXA)

Outcome

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

Complaint summary

3. Mr N has complained that AXA failed to make sure his transfer documents were received by Barclays (the **Ceding Scheme**) in time to meet the guaranteed transfer value deadline.
4. Mr N believes that, as the guaranteed transfer value was due to expire within a week of AXA receiving the documents, it should have sent the paperwork to the Ceding Scheme by recorded delivery. As AXA sent the documents by first class post, they were not delivered within the guarantee period, so the transfer value had to be recalculated.

Background information, including submissions from the parties

5. In 2016 Mr N, a member of the Ceding Scheme, instructed an IFA regarding transferring his benefits to AXA.
6. On 20 September 2016, Mr N received a transfer value of approximately £191,273, which was guaranteed for 3 months until 20 December 2016. If the transfer had not completed by this date, Mr N's benefits would need to be recalculated.
7. On 8 December 2016, Mr N's IFA posted the transfer documents to AXA by special delivery post. The cover letter, included the following statement from the IFA:

"Please note that the transfer value is only guaranteed until the 20/12/2016 please ensure the papers are submitted to the Trustees in good time to meet this deadline."

8. On Saturday 10 December 2016, AXA received the transfer documents. The paperwork was therefore passed to the appropriate team for processing on Monday 12 December 2016.
9. On 15 December 2016, AXA completed processing the transfer documents and these were posted to the Ceding Scheme by first class post. The Ceding Scheme received the documents on 29 December 2016, therefore, the guarantee period had expired. Mr N's transfer value was recalculated and the transfer was completed based on a new, lower value of around £179,815.
10. On 3 February 2017, Mr N's IFA contacted AXA to query the reduction in the transfer value, due to the guarantee period deadline being missed. Mr N and his IFA considered it inappropriate that AXA sent the documents by first class post, given the approaching deadline, and the fact that this was occurring over the Christmas period. The IFA stated that AXA were therefore at fault, and liable for the c. £11,457 reduction in the transfer value.
11. On 13 February 2017, AXA responded to Mr N's IFA, stating that it appreciated the paperwork would have arrived with the Ceding Scheme on time if sent by recorded delivery, but it was its usual process to send documents by first class post. Mr N was advised he should raise a formal complaint if he remained dissatisfied, which he did.
12. On 24 February 2017, AXA issued its final response to Mr N's complaint. AXA argued that the paperwork was not received until 12 December 2016, and was processed within 2 working days, therefore it was satisfied the transfer was processed in a timely manner. AXA stated that its normal practice was to send documents by first class post, and Mr N had not requested it use recorded delivery instead. AXA said it could not be responsible for late delivery by Royal Mail, and the overall delays were the result of late submission of the transfer forms.
13. On 12 April 2017, Mr N complained to this Office. He argued that AXA had failed to "act with due care and attention", as it should never have sent the documents by regular first class post, when it was aware of the closing deadline. Mr N believes that AXA is liable for the reduction in his transfer value, and he should be compensated for this. Mr N also believes AXA has failed to properly investigate his complaint.

Adjudicator's Opinion

14. Mr N's complaint was considered by one of our Adjudicators who concluded that no further action was required by AXA. The Adjudicator's findings are summarised briefly below.
 - As the guarantee period commenced on 20 September 2016, it is not reasonable that the necessary documents were not sent to AXA until 8 December 2016.

- The documents were not received by the correct team until 12 December 2016, leaving only 6 working days for AXA to process the paperwork and post it to the Ceding Scheme. This is not considered sufficient time, particularly it was the Christmas period.
 - The paperwork was processed and posted to the Ceding Scheme within 3 working days. It is common industry practice to allow at least 5 – 7 working days to process transfer requests, and additional time must therefore be allowed for postage. Had AXA taken 7 working days to process the paperwork, the guarantee period would have expired before the documents could be posted to the Ceding Scheme.
15. Mr N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr N provided further comments which do not change the outcome. I agree with the Adjudicator's Opinion, summarised above, and I will therefore only respond to the key points made by Mr N in his email of 14 July 2017 for completeness.

Ombudsman's decision

16. Mr N believes AXA should be liable for the reduction in his transfer value, upon recalculation, as it did not send the transfer documents to the Ceding Scheme by recorded delivery. Mr N considers it was inappropriate for AXA to send the documents by first class post, and it was for this reason that the transfer did not complete within the guarantee period.
17. I note that AXA has acknowledged it could have posted the documents by recorded delivery, and will elect to do so where a guarantee period is due to expire, going forward. I understand that this could be considered an admission of some fault, however, the key point remains that Mr N and his IFA did not provide AXA with the transfer documents in good time for it to process and send the paperwork to the Ceding Scheme.
18. It was Mr N and his IFA's responsibility to ensure the transfer documents were sent to AXA with sufficient time to enable the transfer to complete within the guarantee period. It is generally considered that 5-7 days is a reasonable length of time to spend processing transfer applications, before sending them on to the Ceding Scheme. Mr N, therefore, had a responsibility to ensure that AXA had received the documents with at least 7 working days allowed for processing, and additional time allowed for postage.
19. AXA did not receive the transfer documents until 12 December 2016, giving only 6 working days for processing and postage. I do not consider this to be reasonable, given that if AXA had taken a full 7 days to process the documents, the guarantee period would have expired before the processing was even complete. However, AXA was able to process and post his documents within 3 working days.

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20. Therefore, I do not uphold Mr N's complaint.

Anthony Arter

Pensions Ombudsman
20 July 2017