

Ombudsman's Determination

Applicant	Mr E
Scheme	Scotia Gas Networks Pension Scheme (the Scheme)
Respondent	SGN Pension Scheme (SGN)

Outcome

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

Complaint summary

3. Mr E is complaining that his Cash Equivalent Transfer Value (**CETV**) will be less than he was originally quoted.

Background information, including submissions from the parties

4. Mr E was an active member of the Scheme and requested a CETV on 3 November 2016. This was sent on 18 November 2016, and showed a value of £768,122.89 which was valid for three months (18 February 2017).
5. On 25 January 2017, Mr E contacted SGN over the telephone. He asked a number of questions and then said he wanted to go ahead with the transfer. Mr E says the person informed him that he would not have time for the transfer to be completed within the guaranteed period. Mr E says he asked what he should do and the person suggested that he waited until his next pay rise, when the pension pot would be bigger. Following this information Mr E waited for his next pension increase. There is no recording of this telephone conversation.
6. The Trustees of the Scheme held a meeting on 23 February 2017, and based on advice from the Scheme Actuary it decided that CETV's should be calculated in a different way. The Scheme Actuaries estimated that the change in assumptions would lead to approximately a 10% reduction on transfer values.
7. Mr E was unhappy about the reduction in transfer values so he raised a complaint under the internal dispute resolution procedure (**IDRP**). He said if it had not been for the information he received over the telephone he would have waited, and he would

have made sure he accepted the original valuation. He said due to the incorrect information given over the telephone he has suffered a financial loss and he believed that SGN should honour the higher transfer value.

8. SGN provided its response under IDRP. It said the complaint should not be upheld and that it would not be willing to honour the CETV. It went on to explain that it had spoken to the members of the pension team to see if they had a recollection of the telephone conversation. None of the team members remembered the telephone conversation and there was no recording of the call. SGN went on to explain that the pension team were administrators and not in a position to provide financial advice. It explained that the CETV would have clearly explained what Mr E needed to provide in order to receive the value stated.
9. Mr E remained dissatisfied and brought his complaint to the Pensions Ombudsman to be independently reviewed. During the Office's investigation, SGN have confirmed that the terms for accepting the CETV were made clear to Mr E. Mr E would have needed to complete all requirements and send this to SGN by the cut-off date. SGN also said even if it had only received part of the information, it would have contacted Mr E and informed him what further information it required.

Adjudicator's Opinion

10. Mr E's complaint was considered by one of our Adjudicators who concluded that no further action was required by SGN. The Adjudicator's findings are summarised briefly below:-
 - The information Mr E says he received over the telephone would have been inconsistent with all the written information that was provided to him with the CETV. Therefore, even if he did receive this information over the telephone he should have queried anything that was inconsistent.
 - It was unreasonable for Mr E to conclude that the information given over the telephone by the pension administration team was financial advice. As he was well aware one of the criteria was to show proof of having obtained external financial advice.
 - SGN should not be required to honour the CETV as adequate information was provided to Mr E for him to be aware he had until 18 February 2017, to accept the CETV. It was not SGN's responsibility that Mr E missed the deadline.
11. Mr E did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr E provided his further comments:
 - He maintains that he believed he was being given financial advice in the telephone conversation of 25 January 2017;

- He disputes why it is that pension administrators are dealing with such life changing decisions. The person he spoke to should have transferred him to someone with more experience who was qualified to give financial advice; and
 - SGN's reasons for not having a recording of the telephone conversation are unacceptable.
12. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr E for completeness.

Ombudsman's decision

13. The main element of Mr E's complaint relates to the information he says he was provided in the telephone conversation of 25 January 2017. Mr E has said that he is not in disagreement with the decision made by the Trustees and Scheme Actuaries to change its method for calculating transfer values. Rather, he made the decision not to accept the original CETV based on the information given in the telephone conversation. This, it transpired, was to his detriment because he then missed the window to receive the higher amount before the calculations were changed.
14. It is unfortunate that there is no record of the telephone conversation. Therefore Mr E is dependent on his memory of exactly what was said.
15. Mr E recalls that he was told during the phone call on 25 January 2017, that he wouldn't have time to complete in the time remaining in the three month window. However there is no evidence that he was told categorically it was too late for him to try to accept the standing quotation. Firstly, Mr E would, or should, have been well aware from all the written correspondence that the CETV expired on 18 February 2017. Therefore, it seems odd that Mr E should so easily have accepted being told that he was too late to continue, given that there was more than three weeks before the original CETV was due to expire. Furthermore, according to the IDRP stage one complaint form, he was also told in the telephone conversation that on a 'rough re-run' of the figure a current CETV would be about £3,000 lower than the one that had still not expired. In my view, Mr E should have queried with the person he was speaking to why it was too late to accept the CETV and also have checked with the independent financial adviser, he says he had in place at the time, whether he should try to accept the existing offer.
16. Rather than consult the independent financial adviser he appears to have tried to examine his options further with the Scheme. Mr E says that having given him the rough £3,000 figure, the member of the pension administration team said to him 'why not wait until your annual pay rise and then your pot will be bigger and re apply again albeit at the imposed charge?' Taken at its highest that is a suggestion of an option to consider, not advice or a guarantee. Mr E had already established the fact that CETVs could change as a result of market factors so must have appreciated that the

person on the telephone could not have known with any certainty that a later CETV would be higher.

17. Mr E has said he believed he was receiving financial advice from the administration team and that if the administrator was not authorised to provide him with advice his call should have been handled by someone who was able to do this. I do not agree. As explained in the Adjudicator's Opinion, Mr E had in writing what he needed to do to accept the guaranteed transfer value, and knew of the requirement to seek independent financial advice from outside the Scheme. The evidence is clear that Mr E had an independent financial adviser, as required. I do not see why he should expect an administration team to provide financial advice in addition to that being given to him by his own financial adviser. .
18. Therefore, I do not uphold Mr E's complaint.

Karen Johnston

Deputy Pensions Ombudsman
19 October 2017