

Ombudsman's Determination

Applicant	Mr T
Scheme	Suffolk Life Master SIPP
Respondents	Suffolk Life

Outcome

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

Complaint summary

3. Mr T's complaint concerns the relationship between Suffolk Life and iDealing. Mr T says that he has had to undertake 10 hours of "financial advisor type work" to understand the issue between the two, which he calculates as £100 per hour.
4. Mr T believes that Suffolk life should pay him £1,000 for the work he has had to put into dealing with the issue. He says it should also refund him an administration fee of £240, and that he should receive an award for the distress and inconvenience caused by the matter, along with letters Suffolk Life sent him which he considers upsetting.

Background information, including submissions from the parties

5. Mr T's previous SIPP provider was European Pensions Management Limited (**EPML**). In July 2016, EPML was placed in special administration by the Financial Conduct Authority and its business was acquired by Suffolk Life.
6. Suffolk Life took the decision to wind up the various pension schemes held by EPML, as it did not deem that EPML's administrative functions were sufficient.
7. In November 2016 Suffolk Life wrote to all of its customers, including Mr T, who would be affected by the change in SIPP provider. It explained that there was an option to transfer to another SIPP provider without incurring a charge. However, this could only be done with an investor's transfer instruction.
8. As part of the acquisition of EPML, Suffolk Life contacted iDealing.com Limited (**iDealing**), an investment firm who Mr T had invested with through EPML. Suffolk Life

say that “initially, our attempts stalled as iDealing, as standard, do not sign into SIPP company agreements”.

9. Between November 2016 and May 2017, Suffolk Life continued to try and correspond with iDealing. However, iDealing were refusing to recognise Suffolk Life as its new SIPP Provider. Suffolk Life say that without the co-operation of iDealing, it was unable to:

- Transfer new pension contributions to iDealing, as Suffolk Life do not know if the new funds will be allocated to the correct account.
- Pay pension income to customers who have investments with iDealing, as iDealing did not allow funds to be transferred to Suffolk Life.
- Allow customers to transfer their investments to another SIPP or pension provider, as Suffolk Life did not know the value of the assets held by iDealing.

10. In February 2017, Mr T complained to Suffolk Life as the funds transferred from his SIPP to iDealing could not be used for trading. Mr T believed that Suffolk Life were failing to provide the service it promised when it took over EPML. Suffolk Life responded to Mr T, explaining that:

“iDealing do not, as standard, sign into SIPP company’s agreements and have subsequently been unwilling to accept new funds received from Suffolk Life for trading in the existing accounts”.

and

“In order to progress the situation Suffolk Life have agreed to accept iDealing’s standard terms and conditions. We have completed their online application to establish ourselves as a SIPP provider with them. They are currently reviewing our application, ensuring we meet their requirements, before accepting and establishing the account”.

Suffolk Life also gave Mr T a list of investment providers it had agreements with

11. In June 2017, after receiving another complaint from Mr T regarding the same issue, Suffolk Life sent its final decision letter. It explained that despite its continuing efforts, iDealing were still refusing to accept its position as SIPP provider, and said:

“This means that our requests to move money between Suffolk Life and iDealing are being refused, and iDealing will not accept the re-registration of assets to Suffolk Life”.

Suffolk life also explained that it had previously provided Mr T with the necessary paperwork to transfer to another pensions administrator should he wish.

12. In July 2017, after being informed by Mr T that he intended to transfer to another SIPP Provider, Suffolk Life wrote to Mr T explaining that it was “extremely concerned”

by the actions of iDealing, and providing Mr T with a list of checks it was unable to carry out because iDealing were refusing to cooperate, such as the value of the assets held by iDealing. However, Suffolk Life ultimately did not want to stop Mr T from transferring to a new SIPP provider if this was his intention. Suffolk Life stated that it would not normally action a transfer request if it was unable to carry out its checks on an investment firm such as iDealing, and explained the risks to Mr T if this were to happen, which included – but were not limited to – Mr T not receiving the correct transfer value, tax charges and the loss of special tax protection under the SIPP. Suffolk Life said it was willing to action the transfer if Mr T signed a declaration form, namely agreeing that:-

- Mr T understood the risks involved transferring to another SIPP provider without Suffolk Life carrying out its required checks on the assets held by iDealing
- that Suffolk Life shall not be held liable for any losses incurred directly or indirectly as a result of Suffolk Life authorising a transfer prior to it carrying out its required checks

13. Later that month, Suffolk Life wrote to Mr T again. It informed him that iDealing were transferring his investments to another SIPP provider, without the authority of Suffolk Life. The letter went on to state that the transfer also appeared to have been done with the authority of Mr T, and if he was happy for the transfer to go ahead, he did not have to do anything and Suffolk Like would take no further action. Mr T did not contact Suffolk Life again.
14. In August 2017, iDealing, without the consent of Suffolk Life, transferred Mr T's investments to a new SIPP provider.
15. Mr T brought his complaint to this office. Amongst other things, he believes that Suffolk Life was holding his SIPP contributions "as hostage" during the time it was his SIPP provider.

Adjudicator's Opinion

16. Mr T's complaint was considered by one of our Adjudicators who concluded that no further action was required by Suffolk Life. The Adjudicator's findings are summarised briefly below:-
 - The Adjudicator did not agree that any maladministration had occurred on the part of Suffolk Life. It had a fiduciary duty to ensure that Mr T's contributions were invested securely and that iDealing were acting in the best interests of Mr T. As this could not be established, it had the ability to withhold Mr T's contributions.
 - Mr T always had to options to transfer to another SIPP provider. So the Adjudicator did not agree that it was holding on to Mr T's contributions against his wishes.

- In the view of the Adjudicator, it would be unreasonable for Suffolk Life to pay Mr T £1,000 for the amount of time and effort spent dealing with the complaint because no financial loss had actually occurred. It was expected that Mr T spend some time trying to deal with the issue himself. Any further time Mr T spent dealing with the issue was his choice.
 - Mr T had not provided any evidence or an explanation as to why he believed Suffolk Life should refund him a £240 administration fee.
 - As the Adjudicator did not believe that any maladministration has occurred, no award for distress and inconvenience should be made. In addition, The Adjudicator did not agree that any of the correspondence Suffolk Life sent to Mr T was distressing.
17. Mr T did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr T 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 T for completeness, which are set out below:-
- Mr T says that Suffolk Life was responsible for the deterioration of its relationship with iDealing. Whilst he agrees that the lack of cooperation from iDealing meant that Suffolk Life were unable to properly administer his SIPP, he argues that it was the initial actions of Suffolk Life which caused such difficulty in the first place.
 - Mr T feels that Suffolk Life's decisions had a detrimental impact on his investment, and Suffolk Life have been acting outside its remit as a SIPP provider. Mr T believes that Suffolk Life was bullying him to transfer his investments away from iDealing.
 - Mr T has reiterated that the £1,000 he believes Suffolk Life owe him is a direct consequence of its strained relationship with iDealing. Because of this, Mr T says that he has had to conduct a significant amount of research to establish whether or not he should still be investing in iDealing. Mr T also provided evidence of paying a £240 fee in July 2016 toward his SIPP.
 - Mr T says that Suffolk Life insisted he sign the declaration form to transfer his SIPP, and the declaration was made with the intent to "protect Suffolk Life to my complete detriment".

Ombudsman's decision

18. As iDealing refused to recognise Suffolk Life as its new SIPP provider, Suffolk Life was unable to ascertain where Mr T's contributions were being invested and were unable to reconcile the pension fund and meet their regulatory obligations. Therefore, I do not find Suffolk Life was acting outside its remit as SIPP provider in acting as it did. Suffolk Life have provided a full explanation of the efforts they went to to

establish working relationships with iDealing and I cannot see what more Suffolk Life could have done to build an amicable relationship with iDealing once it acquired EPML.

19. I do not see any evidence that Suffolk Life was trying to coerce Mr T into entering into an agreement with another investment firm. Suffolk Life simply gave Mr T a list of investment providers that it did have agreements with, so that Mr T could place an investment elsewhere if he wanted to.
20. I do not find it unreasonable that Suffolk Life required Mr T to sign a declaration form absolving it of any losses Mr T may incur by transferring his SIPP to another provider without Suffolk Life carrying out its required checks on the assets held by iDealing. Given the lack of cooperation from iDealing, it is understandable that Suffolk Life took the step to get Mr T to sign a declaration. Suffolk Life clearly set out the risks involved to Mr T, and its concerns if he chose to transfer to another SIPP. If Mr T was unhappy with the terms set out in the declaration sent by Suffolk Life, then he did not have to sign it. In the event, the SIPP was transferred to another provider anyway.
21. In these circumstances I can see no maladministration by Suffolk Life and do not consider that Mr T can have suffered any loss as a consequence.
22. Therefore, I do not uphold Mr T's complaint.

Karen Johnston

Deputy Pensions Ombudsman
26 September 2017