

Ombudsman's Determination

Applicant	Mr R
Scheme	Friends Life Personal Pension Policy (the Policy)
Respondent	Aviva

Outcome

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

Complaint summary

3. Mr R's complaint is that he received poor service from Friends Life (**FL**), now part of the Aviva group, and was charged an exit fee when he transferred to a drawdown policy with Aviva.

Background information, including submissions from the parties

4. From June to September 2017 Mr R had various telephone conversations with FL and Aviva concerning his retirement.
5. Transcripts of the following telephone calls are provided in the Appendix:-
 - 13, 26 and 27 June 2017 and 9 August 2017, between Mr R and FL.
 - 7 September 2017, between Mr R and Aviva/FL
6. FL did not have an income drawdown product.
7. On 5 September 2017, Mr R contacted Aviva and requested an annuity quote. On 7 September 2017, Mr R called Aviva to discuss taking drawdown from the Policy. His call was transferred to FL. The next day FL sent Mr R a transfer value quotation. Furthermore, it emailed the quotation to Mr R on 14 September 2017, after it received (the same day) an email from Mr R asking how to start the transfer process. The transfer value was not guaranteed and the covering letter said it would be recalculated "following receipt of all our requirements". The calculation breakdown is:

Policy Nos	Date of Calculation	Units Purchased	Units Cancelled	Total Units - FL Unity Managed Fund	Unit Price	Transfer Value
G3623442	8/9/17	6131.21	239.98	5891.23	6.580	38,764.29
G4101265	8/9/17	571.12	0.00	571.12	6.580	3,757.97
					Total	42,522.26

8. Also, on 14 September 2017, Aviva issued to Mr R the requested annuity quote.
9. On 19 September 2017, Mr R emailed Aviva. He said he had considered the annuity quote and felt drawdown was a better option for him. "As I now intend to apply for a drawdown", Mr R asked Aviva for its assistance.
10. On 20 September 2017, the transfer value was £41,979.
11. On 21 September 2017, Aviva informed Mr R that FL needed to have a conversation with him with regard to the drawdown option and how he could proceed with setting that up.
12. On 22 September 2017, (a Friday) FL received Mr R's on-line transfer request.
13. The transfer value was recalculated on 25 September 2017 and £42,050 was paid by FL to Aviva the next day. The calculation breakdown is:

Policy Nos	Date of Calculation	Units Purchased	Units Cancelled	Total Units - FL Unity Managed Fund	Unit Price	Transfer Value
G3623442	25/9/17	6131.21	239.98	5891.23	6.507	38,334.23
G4101265	25/9/17	571.12	0.00	571.12	6.507	3,716.26
					Total	42,050.49

14. The merger of FL with Aviva completed on 1 October 2017.

15. Mr R complained to Aviva about FL. He said:-

- The information pack he received in June 2017 and FL's helpline failed to inform him that FL was not complying with the retirement options detailed in the pack, that Aviva had taken over and he could have contacted Aviva direct.
- He was wrongly told that income drawdown was not available to non-residents.
- When he called Aviva (in September 2017) to enquire about income drawdown he was put on hold for 10 minutes and then transferred to FL. He then spent 50 minutes answering questions and explaining why he was asking for the option. He subsequently asked if he could start drawdown and was notified that he could do it on-line.

After contacting Aviva again about transferring his pension and taking drawdown he was informed that FL needed to contact him again about drawdown. He was not contacted.

He asked for an annuity quote from Aviva and soon received transfer forms from FL.

- Emails he sent to FL's enquiries address were ignored
- When his pension pot was finally transferred he was charged a 1% exit fee of £450, despite being told by the Aviva helpline that there would be no transfer cost.

16. Aviva replied:-

- The retirement options pack issued in June 2017 included all options available on the open market to enable him to make an informed decision. It was not mandatory that the Policy offer all options. The pack therefore mentioned that he may need to move all or some of his pension pot to provide an income for his retirement.
- The merger of FL and Aviva did not happen until 1 October 2017.
- It was unable to find any calls where its handlers had advised him that he was a non-resident or that drawdown was not available to non-residents.
- On 7 September 2017 he called the Aviva helpline to discuss taking drawdown from the Policy. They were unable to help and passed him back to FL. While it appreciated he felt the call took an excessive amount of time and there was some confusion it was important that it provided customers with all relevant information to protect their needs. As he requested drawdown a transfer value quote was provided so that he could take the option with another provider.
- He emailed FL on 19 September 2017. FL attempted to call him the same day to discuss his query. It apologised for not replying to his email directly.

PO-20516

- It had checked its systems and could not see that a 1% exit fee had been charged.
- It apologised for the customer service he had received “regarding emails and incorrect telephone number” and sent £150 to Mr R’s bank account.

Mr R’s position

17. Mr R says:-

- FL obstructed his transfer to Aviva:-
 - FL’s information pack was intended to delay anyone wanting to transfer. It talked about proposed government options, obtaining independent financial advice and Pension Wise.
 - FL insisted that it give him advice on income drawdown which it was not authorised to do.
 - FL gave him constant misinformation.
 - His call of 7 September 2017 to Aviva was redirected to FL and he was subjected to a bizarre hour-long conversation. Despite the conversation he was informed by Aviva on 21 September that FL wanted to have further dialogue with him regarding the drawdown option.
- His transfer to Aviva should not have been stopped/delayed on 7 September 2017.

Aviva’s position

18. Aviva says:-

- Until 5 September 2017 Mr R was still unsure of his decision requesting information about both drawdown and annuities.
- On 7 September 2017 drawdown was explored and a transfer quote was requested from FL.
- FL did not provide drawdown as a retirement option and; as the merger with Aviva did not occur until 1 October 2017, it was unable to suggest that he transfer to Aviva as this could be interpreted as financial advice. This was why Mr R was often recommended to obtain advice from a financial adviser.
- The 8 September 2017 transfer value was not guaranteed and it was stated that it would be recalculated on receipt of all requirements.
- Whilst there had been some issues these did not delay the process once Mr R had decided to go down the drawdown route.

Adjudicator's Opinion

19. Mr R's complaint was considered by one of our Adjudicators who concluded that no further action was required by Aviva. The Adjudicator's findings are summarised below:-
- FL provided Mr R with factual information about his retirement options, alerted him to other sources of information and for advice.
 - FL did not delay Mr R's transfer to Aviva. On 7 September 2017 Mr R informed Aviva/FL that he was interested in taking income drawdown. As FL did not offer this a transfer value quote and forms were issued. The 8 September 2017 transfer value was not guaranteed. It was not until 19 September 2017 that Mr R informed Aviva that he intended to apply for income drawdown. FL received Mr R's on-line transfer instruction on 22 September 2017 (a Friday). The transfer value was recalculated using the fund's bid price on 25 September 2017 (a Monday), and the monies were sent to Aviva the next day.
 - Comparing the calculation of the 8 September 2017 transfer quote with the calculation of the transfer value paid it was clear that the latter's lower value was due to a fall in the fund's bid price between the two dates. That was down to market conditions. It was not the result of an exit fee charge, maladministration, or the pending merger of FL with Aviva.
20. Mr R did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr R 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 R for completeness.

Ombudsman's decision

21. Mr R says everything rests on his 7 September 2017 call to Aviva. He says Aviva obstructed and delayed his attempt to access income drawdown. He says he called Aviva because it offered income drawdown. He was asked with whom his fund was held and when he answered FL he was put on hold and subsequently transferred to FL. Mr R says Aviva effectively blocked his call.
22. I do not find that either FL or Aviva hindered Mr R from accessing income drawdown.
23. From the Adjudicator's transcript of the call, FL clearly explained to Mr R why Aviva had transferred him to FL. In accordance with the Financial Conduct Authority's 'Conduct of Business Sourcebook', FL was required to have a conversation with Mr R to give him appropriate retirement risk warnings. It did that during the call.
24. Mr R could not commence income drawdown until he decided to transfer his pension fund with FL to Aviva. But he did not apply to FL for a transfer until 22 September 2017. Prior to this application he was also considering an annuity option with Aviva. It

PO-20516

was not until 19 September 2017 that he contacted Aviva and said he felt drawdown was the better option for him.

25. Mr R says he does not accept that his reduced transfer value was down to market conditions or that it was unforeseen.
26. The transfer quote that FL provided was not guaranteed and was recalculated when FL was in receipt of "all of its requirements". No transfer charge was applied. The reduced transfer value was due to a fall in the pension fund's bid price. I have no reason to doubt that this was the result of prevailing market conditions. I have seen no evidence to support Mr R's conspiracy accusation.
27. Therefore, I do not uphold Mr R's complaint.

Anthony Arter

Pensions Ombudsman
28 February 2019

Appendix

Transcript of 13 June 2017 telephone call between Mr R and FL

Mr R called FL.

Mr R asked if he could start drawing on his pension.

FL said the minimum age to take pension benefits was 55, but the set retirement age on the Policy was 65. Therefore, if he decided to withdraw his pension early payment charges may apply.

FL said it could issue to Mr R a retirement options pack.

Mr R asked if it was a big deal? He said he was just toying with the idea. He asked did a big effort take place?

FL said it would go through some factual information with him which would take about 5 minutes, it would then arrange a retirement options pack to be issued to him which would show him his options. FL said once he had decided which option he wanted to take he should contact its retirement options team who would send out the relevant paperwork for him to complete and return. Once received back if everything was fine he should get a payment two-weeks after that.

Mr R asked if it could be done by email. FL said no.

FL then went through the factual information with Mr R. It said:-

- It was important that he had details of all of his options.
- The options pack would detail these.
- Some of the options may require him to take advice,
- The decision he made may be irreversible and therefore it was important that he took some time to consider his options.
- He could take products through different providers.
- It was not authorised to give advice but would send factual information

FL asked Mr R if he had heard of Pension Wise. Mr R said no, not really. FL recommended that he contact Pension Wise, explained Pension Wise's role and said it would send him a brochure. FL offered to provide Pension Wise's contact details. Mr R said the brochure would suffice for now.

FL recommended that Mr R take financial advice from a regulated adviser. It asked Mr R if he had contacted anyone about his retirement plans. Mr R said no. FL mentioned unbias.co.uk for details of independent financial advisers in Mr R's area.

FL said it was now part of the Aviva Group and had a team who could discuss the different retirement options available through Aviva and its advice partner. FL asked Mr R if he wanted to be put in contact with an advice partner. Mr W said no.

FL asked Mr R if he would like a current policy valuation. Mr R said no.

FL asked if he would like a retirement projection to age 65. Mr R said yes.

FL asked Mr R if he would like the projection on a contributory or paid up basis. Mr W said contributory. FL asked Mr R to confirm the monthly contribution he was currently paying. Mr W said he wasn't. Mr R asked if he could now pay contributions to age 65. FL said yes. Mr R requested a projection on the basis he paid £100 per month to age 65. FL said it would arrange for the projection to be issued with the retirement pack by 28 of June 2017.

FL said once he had considered his options he could contact its retirement options team to discuss the next steps. FL said it could not provide advice or help him with his decision, but it could provide factual information to help him make his decision.

Mr R asked if he took his pension at age 65 would it automatically be paid to him. FL said no.

FL asked if it had answered his queries. Mr R said yes.

Call ended.

Transcript of 26 June 2017 telephone call between Mr R and FL

Mr R called FL. He said he was confused by the information he had received – a retirement options pack and retirement illustration to age 65. He said he was expecting to receive notification of the current value of his pension and tax free cash sum.

FL explained that the retirement options pack it had issued to him detailed all of his options and the projection illustrated his retirement benefits at age 65.

FL said If he had made his decision he could now call its retirement options team to get the process started. FL provided the UK and overseas contact numbers – after Mr R explained that while he was currently in the UK he spent most of his time in Thailand.

Mr R asked if he contacted the retirement options team whether it would inform him of the amount of pension and TFC he would now get. FL said yes. Mr R said he would call the team.

Call ended.

Transcript of 27 June 2017 telephone call between Mr R and FL

Mr R called FL. He said he was looking to start to draw his pension as he would be 62 next birthday. He said he had been talking with an adviser at Pension Wise who had asked him what type of scheme he had but he did not know. FL informed Mr L that he was not part of a scheme but had two policy numbers that were part of an individual personal pension. The first policy number (ending 442) was in respect of a share bonus paid when the original provider, Colonial Mutual, demutualised (Colonial Mutual changed to Winterthur Life who changed to FL) and the second policy number (ending 265) was in respect of contracted-out contributions received after he contracted-out of the Second State Pension.

Call ended.

Transcript of 9 August 2017 telephone call between Mr R and FL

Mr R called FL from Thailand. He said he had called a few weeks previously about drawing his pension. He said he was notified about Pension Wise and received pamphlets and things. He asked what were his options for drawing the pension now if he stayed with FL.

FL asked Mr R if the options were detailed in the pack. Mr R said he had received a pack but understood if he wanted pension drawdown FL did not offer it.

FL said the covering letter with the retirement options pack provide a telephone number for overseas calls. FL also gave Mr R the overseas number.

Call ended.

Transcript of 7 September 2017 telephone calls

Call 1

Aviva (Ms C1) calls FL (Ms C2 – Retirement Centre). Ms C1 says she has an FL customer on the phone (Mr R calling from Thailand) who is talking about drawdown. Ms C1 says she can see that Mr R has received an annuity quote from the annuity team, but he wants to know more about drawdown at the moment. Ms C1 provides Mr R's policy ref. Ms C2 says the policy does not have a drawdown option. Ms C2 agrees to take call. Ms C2 asks Mr R if he would like a call back (as he is on a payphone). Mr R accepts and gives the telephone number. Call ends.

Call 2

Ms C2 calls Aviva switchboard. She says she needs to make an outgoing call to Thailand. Ms C gives the number and Mr R answers the phone.

Ms C says she understands that he is interested in looking at the drawdown option

Mr R says, yes, that's right.

Ms C asks does he have an idea of the fund's value. Mr R says he had previously spoken with FL when he was last in the UK and about Pension Wise and other things. He had been sent a pack which showed a value of £42,500.

Ms C asks Mr R for his policy number. Mr R provides two.

Ms C asks Mr R if he is normally resident in Thailand. Mr R says he is retired. He lives in Thailand but he is still a UK resident for tax purposes.

Ms C says the reason she was asking was just to check that the address FL has on file is the best address for him.

Ms C asks Mr R when he says he is interested in the drawdown option what does he actually want to do with the money? Does he want to take all or some of it?

Mr R says he wants to take 25% as a lump sum and the balance over the next 4 years reducing the fund down to zero. Ms C asks, do you mean an ad hoc income, so you take out so much each year?

Mr R says on the Aviva website if you enter £42,500, you can take £10,000 and then £8,000 next year. If that's what you mean by an ad hoc income then that is what I want to do.

Ms C says income drawdown is not available on the product he has with FL – it is not written in the policy and it is not something that FL offer. If he is looking for a drawdown product...Mr R interjects he has previously spoken with Aviva and was quoted an annuity and he said he was also interested in the drawdown option. Aviva gave him another number which is why he is talking with her now.

Ms C reiterates that income drawdown is not a facility available on the policy he has with FL. Ms C says what he is looking to do is to transfer away from FL to a new provider. Ms C says as he is aware FL are merging with Aviva and FL are now part of Aviva group. Aviva do have a product which would enable him to take his benefits flexibly. But he does not have to go with Aviva. FL recommends that he shop around to make sure he is getting the best product that really suits him.

Mr R says he received a pack which kept on saying about shopping around...he looked at three financial advisers via unbiased.com...the minimum fee was £1,400 to transfer the pension pot somewhere else. Mr R says £1,400 for a bit of typing is not really sensible.

Ms C replies when it comes to getting regulatory advice there may well be a charge, but different advisers charge different amounts which is why FL recommend looking around. Ms C says FL have a team who can discuss the different advice options with him, how to access advice and any fees that may apply. Ms C offers to put Mr R through. Ms C says they really recommend unbiased.com.

Mr R says he understands what she is saying but he considers more than a £1,000 in fees to be extortionate for a pot of £42,500. Mr R says if he goes to another company, say LV they will say he has to go through a financial adviser.

Ms C says FL strongly recommend taking regulatory financial advice, but he is not obliged to go through any process with FL. She says advisers can help with the shopping around process and complete a full fact find and make a specific recommendation of the appropriate course of action to take. She says she can't speak to him as to the requirements of other companies in respect their products. She says she knows that with the Aviva drawdown product you are not obliged to take financial regulatory advice, but it is recommended. Aviva also offer an advised drawdown product. Essentially, what he wants to do he can't with FL, he will need to transfer his funds over to a new provider.

Mr R says when you say a new provider does she mean FL or Aviva? Mr R says he has read of a court case where FL are to merge with Aviva. Ms C says the merger with Aviva is not scheduled to complete until 1 October. He would be looking to transfer away into a new product if that is what he wanted to do

Ms C says if he wants to take drawdown FL will have a conversation with him about that and FL will talk to him about the implications and considerations around the decision he is making. FL would then issue a transfer pack and then he can start the shopping around process. But, essentially, he needed to find another provider with a product really suitable for him. The new provider would request the funds from FL. FL would then go ahead and do that for him.

Mr R asks hasn't he done that already? He says he can go to an IFA and the IFA can tell him about another company but the IFA will charge £1,400.

Ms C explains to Mr R that his money is with FL in a pension product. She says the way to look at it is that not every provider offers every product, so he can't buy the same thing in every shop. FL does not have a drawdown product. Other companies do have a drawdown product. Aviva has a drawdown product and others. He has to do some shopping around to find the best product that suits him. She says once he has done that he can contact FL and say that he would like to take the product out. The new provider will contact FL and ask FL to transfer the money across to them.

Mr R says he understands all that, but if he goes to say LV and he is really happy with its product LV will say it does not deal direct and he will have to apply via a financial adviser. Once again, he goes back in the loop and the IFA will request £1,400 to start it off. If he transfers to someone else it will cost a large fee.

Ms C says FL makes no charge if he decides to take his money away, but she can't speak about other providers requirements. She says she knows that Aviva do not require that he take regulated financial advice to take out its drawdown product. But he is quite right there might be a fee involved if he goes ahead and uses a regulated financial adviser.

Mr R asks why isn't he speaking with someone at Aviva as that's the number he called before? If he said to Aviva he wanted this drawdown product it could say ok and it would start the process directly with FL. Mr R asks why can't he do that?

Ms C says because FL are heavily regulated by the Financial Conduct Authority it (FL) has to follow certain steps to get him to where he wants to be. FL is required to have a conversation with him before it can send out any transfer packs or anything like that. No fee applies for the transfer pack but FL does have to have a conversation with him before it issues it. She says When it comes to his options FL can't recommend enough the likes of Pension Wise and regulated financial advice as both can help him with the shopping around process.

Mr R says he has gone through all that. He says he started looking into it and spent a lot of time on phone calls and reading stuff on the internet but something is confusing him. He

started a private pension in January and did not have to go through any of this stuff. The private pension provider just gave him his options.

Ms C repeats that other companies offer different products. She says for the likes of an annuity or drawdown product FL would signpost him to shop around. Because FL don't offer these options it needed to have a conversation with him about the implications and considerations of transferring his pension away from FL. She says it's completely up to him if he wants to go away and have a bit more of a look around and find a product that's really suitable for him.

Mr R says he thinks FL has gone through all this before. He says when he previously spoke with FL he asked what he could do. He had seen all these options and was told FL did not provide them. But at the tail end of the conversation he was given a Norwich number to contact where he could do something. He then phoned that number and was getting a quote for an annuity. Mr R asks why has he not been directed to Aviva? Why can't he get the ball rolling now?

Ms C says because FL and Aviva are still legally two separate companies, FL's merger with Aviva has yet to complete. He is more than welcome to look on-line at the Aviva product. But it is up to him to find a provider that he is happy with and suits his needs.

Mr R says its only £42,500 he knows exactly what he wants to do with it. He was just speaking with Aviva and was put through to FL. He says he seems to be caught in a loop he can't get out of. He says he was speaking with a Ms C1 at Aviva and she was going to put him through to someone in the drawdown team at Aviva. Mr R asks why can't Aviva and FL deal direct right now?

Ms C says because he needs to speak with FL before FL can do that because FL is obliged to make him aware of all the implications and considerations of the decision he is making.

Mr R repeats that he was speaking with Aviva and now he is back speaking with FL.

Ms C says that is because his current policy is with FL and not Aviva.

Mr R says he called Aviva to discuss the pension pot he has and to go on drawdown.

Ms C says quite rightly he was put back to FL because FL needed to have that discussion with him.

Mr R says he had that discussion three months ago with FL

Ms C says the discussion he had before was about taking an annuity policy.

Mr R disagrees.

Ms C says he had briefly asked about drawdown, but FL did not complete the full drawdown conversation with him.

Mr R disagrees. The conversation he had three months ago was about taking his pension and then he had this conversation. It was nothing to do about annuities. He was sent a pack...He says he had this conversation three months ago.

Ms C says the conversations he had were not specific to the drawdown product. He had a full conversation about the annuity product and he was put through to Aviva for it.

Mr R disagrees. He says he did not speak to anyone at FL about an annuity all he got was the pack. FL gave him Aviva's number. The only time he spoke about an annuity was with Aviva and he asked Aviva to send him a quote. Aviva gave him a number to contact to get another quote about a drawdown. Mr R says he thinks something has gone wrong. When he phoned Aviva, he should have been put through to drawdown rather than back to FL.

Ms C says no, you would need to come back to FL to have a discussion about the drawdown option before FL could go ahead and provide the quotations and the information he required. FL need to have that conversation with him.

Mr R asks can she talk to him about the drawdown option. Ms C says yes, that's what she has been saying. Ms C starts to get upset and asks Mr R to bear with her. Ms C puts Mr R on hold.

After just over a minute Mr N takes over the call.

Mr R explains he spoke with FL three months ago about taking his pension. He was told about getting in contact with Pensions Wise. He was sent a pack which he read through. Then he contacted financial advisers about transferring his pension pot. What he discovered is that he could not go to another pension provider directly and if he went to a financial adviser he would be hit with a big fee. The pension pot he has is about £42,500 and the fee for financial advice is £1,400.

Mr N says he understands what Mr W is saying.

Mr R says he then went back to FL and said he had done all this shopping around, been in touch with financial advisers and had a conversation with Pensions Wise. Can he draw his pension direct? The last conversation he had with FL he was given an Aviva contact number.

Mr N says because of the pending merger with Aviva there are some products FL are no longer offering. Mr N says he can see from the notes that Mr R was also enquiring about an annuity.

Mr R says when he called the number he eventually got in touch with someone at Aviva. He said to the person he spoke to that he wanted to take a lump sum and then an income to eventually drawdown to zero. The person he spoke to said he did not deal with drawdown, that was dealt with by their drawdown team, but he could provide an annuity. So, he decided to get an annuity quote. He was also given a number for the drawdown team.

Mr R says he called the drawdown team today and spoke with a person who happened to be another Ms C. He explained what he wanted to do and then he was put through to Ms C2 at FL.

Mr R says he thinks he's in an endless loop because Ms C2 was talking to him about shopping around. Mr R says he just wants to take his pension.

Mr N says he understands and apologises to Mr R for being passed between teams.

Mr N asks Mr R how was he looking to drawdown? Was he looking to access it as and when he needed it until the fund is reduced to zero?

Mr R says he had been on Aviva's website and used the calculator. He said he wants to take 25% immediate lump sum and then take what he can over the next four years to drawdown the funds to zero.

Mr N says he understands. The option he has clarified is the drawdown option.

Mr N says what has happened is when he was passed from team to team he touched on the drawdown option and other options were also mentioned to him. FL does not offer the drawdown option so to take flexible drawdown he would need to find another provider who offered the product.

Mr R says he understands.

Mr N says Mr R needs to find a provider best suited to his needs. He says he knows Aviva has been previously mentioned to Mr R. He says FL are about to merge with Aviva. Aviva has that product, solely based on-line for Mr R to manage. He says FL also recommend shopping around. While he appreciates that Mr R has been looking into this for some time he does need to find a provider. That provider would then need to talk to FL to get the funds transferred across.

Mr R says he understands. He says that is why today he called Aviva. He says he does not know why he was bounced back to FL. He says the lady at Aviva should have kept him at Aviva.

Mr N says he understands. He says because Mr R's funds are with FL that is maybe why Aviva pushed him back to FL.

Mr R agrees. He says he was on the phone to another Ms C (at Aviva) for about twenty minutes.

Mr N says Aviva is aware that FL would take him through a short conversation based on the drawdown option. It would be slightly different to the conversation he had had when he last spoke with FL. FL would then give him Aviva's details and explain how the Aviva drawdown product worked. Mr N says he is happy to do that now.

Mr R says ok.

Mr N notes that Mr R has received a retirement pack and asks Mr R if he understood it. Mr R says yes. He says he got in touch with two financial advisers and put in for an interview with Pension Wise.

Conversation then proceeds on the retirement pack and Mr R's contact with IFAs and Pension Wise. Mr N says FL always recommend taking financial advice.

Mr N asks Mr R if he has come to a final decision on what he wants to do? Mr R says he thinks drawdown is the best option for him.

Mr N explains to Mr R that as FL provides an information only service and Mr R is responsible for any decision he makes.

Mr N notifies Mr R to take drawdown he will need to transfer to a provider who offers the drawdown product. He says FL always recommend shopping around as features and charges can differ between providers.

Mr N asks Mr R if he is happy that he understands the benefits of shopping around? Mr R says yes.

Mr N says as FL are part of the Aviva group, Aviva offer a pension. He asks Mr R if he would like information on the Aviva pension? Mr R says yes.

Mr N says the option of drawdown with Aviva would involve transferring Mr R's current pension to a new pension with Aviva. A feature of the Aviva pension is flexible drawdown. Mr R would have his own on-line account which he would use to fully manage his pension including choosing his investments and taking drawdown payments. Mr N explains that investment funds available and charges will differ from Mr R's current policy.

Mr N asks Mr R would he now like him to talk him through how to transfer to this pension? Mr R says yes.

Mr N informs Mr R that he can take 25% of the transferred fund as tax free cash, but when he decides to take further payments they will be taxed as income and will trigger a money purchase allowance.

Mr N asks Mr R if he is aware that there are different investment funds that suit different situations? Mr R says yes. Mr N notifies Mr R that he will need to make investment choices and charges and investment returns may differ from his current policy.

Mr N asks Mr R if he understands how his Aviva pension will be taxed. Mr R says yes. Mr N repeats that the first 25% is tax free then future payments are taxed as income.

Mr N asks Mr R if he planning to invest his TFC elsewhere? Mr R says no.

Mr N says for future reference please be aware of pension investment scams and take impartial advice if in doubt at all. Mr R says ok.

Mr N asks Mr R if he is aware that:-

- Any payment he takes may affect means tested benefits if it did apply?
- Creditors may have a claim on any money taken from pension savings?
- He may not be able to change his decision once he has made it?

Mr R answers yes to each question.

Mr N asks Mr R if he is aware of the benefits he may lose if he leaves his current policy? Mr R says no. Mr N then explains to Mr R that this may include things such as employer contributions, life benefits. Mr R says, he understands.

Mr N asks Mr R if there is anything he would like him to cover again? Mr R says no.

Mr N says he will be able to send Mr R a transfer quote, which will also help him to shop around if he chooses to do so. Mr N says the quote to be issued by post may take up to a week to reach Mr R.

Mr N informs Mr R:-

- To speak to his new provider as the forms FL provide may not be required by the new provider, who may have its own forms that require completing.
- All information about the online Aviva pension, including the investment available and charges is on the Aviva website.
- To make sure he reads all the information including the Key Features and Terms and Conditions.
- To proceed with this option Mr R will need to set up the transfer of his existing pension and the new policy on-line. If he goes ahead FL will disinvest his current pension and send the money to his new policy. This can take several weeks but could be sooner. When the money is transferred to his new policy he will receive an email and he can then log on-line to request drawdown. In the meantime, he can add his bank details to his on-line policy.
- If he has any doubts FL recommend that he seek financial advice.
- Aviva does offer an advised drawdown option.

Mr N gives Mr R the Aviva website address and says if he gets stuck to call back.

Mr N asks Mr R if he has any questions?

Mr R says that sounds easy. Mr N says the nature of Aviva's product is that it is completed on-line step by step.

Mr R says he understands what Mr N has just said. But if he had done all this a month ago he would not have had to speak to anyone. Is he saying that this conversation was not necessarily?

Mr N says the conversation is necessary because his policy is held with FL. FL wants to provide customers who wish to take this option with all the information they need so that they are fully aware.

Mr N says FL does need to have this conversation because FL is regulated. It needs to make every customer aware of transfer out.

Mr R says to Mr N that he thinks he has explained everything to him.

Mr R then asks about the merger of FL with Aviva. Mr N says details will be provided when the merger is finalised. Mr N says FL has a team that he can put Mr R through to if he wants to find out more. Mr R says no.

Mr R then says if the merger is going to occur before the end of this year he might as well sit and wait.

Mr N says well FL want him to do what he wants to do when he wants to do it, when it is convenient for him.

Mr N says FL will send him this information and the transfer quote but if he does commit to Aviva all the details about the Aviva product is on the Aviva website.

Mr R says the policy he has with FL was originally taken out with Winterthur Life. But he can't enter the policy number to log-in on the FL website. If he tries to do that on the Aviva website will that be an issue?

Mr N says there shouldn't be an issue on the Aviva website. But if it was an issue he could be popped through to a servicing team.

Mr R says he's good and says he hopes Mr N's colleague is ok.

Mr N says he will pass that on to Ms C.

Call ends.