

Ombudsman's Determination

Applicant	Mr S
Scheme	Lloyds Bank Pension Scheme Number 2 - (the Scheme)
Respondent	Willis Towers Watson (WTW)

Outcome

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

Complaint summary

3. Mr S' complaint about WTW, the Scheme administrator, is that it delayed responding to enquiries from his adviser (the **Adviser**) about the cash equivalent transfer value (**CETV**) provided to him, and prevented him from being able to transfer his benefits before the guarantee date expired. A subsequent CETV produced a reduced transfer value, and Mr S would like WTW to honour the previous (higher) transfer value.

Background information, including submissions from the parties

4. On 11 June 2016, Equiniti, the previous scheme administrator, provided a CETV of £679,245.61 to Mr S. The CETV was guaranteed until 11 September 2016, but it expired without Mr S making a transfer request.
5. On 3 October 2016, WTW took over as the Scheme administrator.
6. On 9 December 2016, the Adviser provided a letter of authority and asked WTW for full member details. On 18 January 2017, WTW issued a CETV of £833,156.89 (the **January 2017 CETV**), guaranteed until 15 April 2017 (the **Deadline**). The January 2017 CETV said:

"If we receive the 'Transfer agreement' and financial advice confirmation after the guarantee expiry date of 15 April 2017, we will work out the transfer value again and it may be higher or lower than the value quoted on the enclosed statement of entitlement".

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7. On 8 February 2017, the Adviser requested further information, which was provided on 2 April 2017.
8. On 2 March 2017, the Adviser asked for retirement quotes. WTW initially informed the Adviser that these could take up to 6-8 weeks to produce, but in fact they were sent on 8 March 2017.
9. On 3 March 2017, the Adviser prepared a financial report for Mr S.
10. On 17 March 2017, during a call with WTW, the Adviser queried the value of the January 2017 CETV and asked if WTW would consider extending the Deadline. WTW said it could not give a timescale for a response as it was quite busy at the time. WTW continued that the Adviser would have to request an extension closer to the Deadline, but an extension was not often granted. The Adviser asked if anything was needed and WTW said nothing else was required.
11. On 18 April 2017, after the January 2017 CETV had expired, the Adviser contacted WTW again. During the call, WTW explained that there would be a charge for another CETV if the previous one was correct.
12. On 8 May 2017, WTW confirmed that the January 2017 CETV had been correctly calculated. The Adviser queried the transfer value again and, on 16 May 2017, WTW replied that "all the transfer values are calculated on an actuarial proforma and in line with the Scheme Rules. In addition, all the calculations have been previously signed off by the Scheme Actuaries". WTW asked for the basis of the IFA's enquiry that the January 2017 CETV was lower than expected.
13. On 22 May 2017, the Adviser sent a copy of the transfer value analysis report (**TVAS report**) it had prepared to WTW, and asked WTW to comment on it.
14. On 30 May 2017, WTW said it was not in a position to comment on the TVAS report but confirmed that the January 2017 CETV had been calculated in line with actuarial guidance and was in line with expectations.
15. On 31 May 2017, the IFA provided an annuity quote which it said showed that a much higher transfer value of £2,000,000 would be required to secure the assumed pension for Mr S, whereas the CETV only amounted to about £800,000. The Adviser asked WTW to get the Scheme Actuary to comment on the TVAS report and requested a further CETV.
16. WTW responded on 7 June 2017, pointing out a discrepancy in the annuity and asking for clarification before referring it to the Scheme Actuary. It also said that the CETV request had been passed to the trustees, as Mr S had already been provided with a CETV within the last 12 months. The Adviser replied the same day with clarification.
17. On 14 July 2017, WTW issued a CETV of £826,560.02 to Mr S (the **July 2017 CETV**).

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18. On 27 July 2017, WTW replied and confirmed the basis of the January 2017 CETV. It also explained that a transfer value may increase or decrease due to actuarial factors as well as change in interest rates and gilt yields. The Adviser then asked WTW whether the transfer value represented “fair value”, and to ensure that at least an equivalent transfer value was provided to Mr S.
19. On 3 August 2017, WTW apologised for the delay and confirmed that the transfer values were approved by the Scheme Actuary.
20. Mr S complained about the reduction of £6,596.87 in the July 2017 CETV and asked for the previous value to be honoured. He said that delays by WTW prevented him from being able to get advice on transferring before the expiry date. He eventually asked for a transfer on 10 October 2017, and it was completed on 19 October 2017.
21. WTW considered the complaint under the Scheme’s internal dispute resolution procedure. It held that Mr S was not prevented from receiving advice on whether to proceed with a transfer before the Deadline. WTW highlighted that it had answered the enquiry from the Adviser on 8 May 2017 and his subsequent questions after that. WTW also pointed out that it provided some general assistance to help the Adviser understand the basis of the CETV. WTW said that it was not obliged to explain the discrepancy between the TVAS report, the January 2017 CETV, and the annuity quote provided by the Adviser.
22. Mr S remained unhappy with the response and brought his complaint to us.

Adjudicator’s Opinion

23. Mr S’ complaint was considered by one of our Adjudicators who concluded that no further action was required by WTW. The Adjudicator’s findings are summarised briefly below:
 - Mr S and the Adviser were aware of the Deadline. During a telephone call on 17 March 2017, WTW told the Adviser that it could not provide a response date to the queries raised due to high work volumes and the Adviser would have to request an extension to the January 2017 CETV nearer to the Deadline. Accordingly, it ought to have been clear to the Adviser that WTW may not be able to respond before the Deadline and the onus was on the Adviser to contact WTW before that date to request an extension to the Deadline.
 - The Adviser did not contact WTW again to request an extension, and WTW was not under any obligation to remind the Adviser to do so. It should have been clear to the Adviser that an extension would not be granted automatically.
 - WTW did not prevent Mr S from asking for an extension to the Deadline or proceeding with a transfer request prior to the Deadline.

- Having previously received a CETV in June 2016, Mr S had knowledge of the transfer process and the need to accept a CETV before its expiry date to secure the transfer value.
 - Mr S had requested an updated CETV in May 2017, knowing that the January 2017 CETV had expired. His complaint to WTW was therefore only with the benefit of hindsight.
 - WTW did not identify any error with the January 2017 CETV but Mr S appeared unwilling to accept it and continued to query it even after the Deadline. The Adjudicator could not find clear grounds on which to base a finding that Mr S would have been prepared to accept the response from WTW had it been provided before the Deadline.
24. Mr S did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr S provided his further comments, but these do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by the Adviser, on behalf of Mr S, for completeness.

Ombudsman's decision

25. The Adviser says that it never received the email of 16 May 2017 from WTW and this is another example of maladministration by WTW. Furthermore, the fact that WTW said that a request for an extension should be made nearer the Deadline does not mean it had to be prior to it. Besides, the delays caused by WTW do not show that its conduct is reasonable.
26. I note from the file that, on 22 May 2017, the Adviser confirmed to WTW that it had received the email of 16 May 2017 and made further enquiries. A copy of this email was also provided by the Adviser in its submissions to this office. I am therefore satisfied that the Adviser received the email.
27. I consider that WTW was clear enough, in the telephone conversation of 17 March 2017, that the Adviser would have to request an extension to the guarantee date prior to the Deadline. WTW said that the Adviser would need to make an extension request nearer to the time, which could only refer to the Deadline. Taking into account the Adviser's understanding of CETVs, I would have expected any questions about this issue to have been raised at the time if anything was unclear.
28. I appreciate that WTW did not respond to Mr S' enquiry before the Deadline, but this does not amount to maladministration. WTW informed the Adviser that it could not provide a response date for the enquiry due to high work volumes. The Adviser acknowledged the reply, and expressed an understanding of how busy things were for WTW at that particular point in time. Accordingly, Mr S could have asked for an extension closer to the Deadline as suggested. In any event there is no basis for me to conclude that an extension would have been granted even if it had been requested prior to the deadline.

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29. Having reviewed the complaint, I do not see any evidence of wrongdoing by WTW.
Therefore, I do not uphold Mr S' complaint.

Karen Johnston

Deputy Pensions Ombudsman
26 March 2019