

## Ombudsman's Determination

Applicant	Mr R
Scheme	Allianz Retirement Savings Plan ( <b>the Plan</b> )
Respondent	Friends Life

## Outcome

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

## Complaint summary

3. Mr R's complaint regarding Friends Life concerns the level of service that he has received. He does not believe his questions were answered nor was he provided with information that he had asked for. Additionally, Mr R is unhappy about a charge that had been applied to his account and how his complaints were dealt with. As a result, he would like the charge refunded and for his distress and inconvenience to be recognised.

## Background information, including submissions from the parties

4. Mr R was a member of the Allianz Retirement and Death Benefits Fund (**the old scheme**), a trust-based occupational pension scheme. Friends Life took over the responsibility of administering the old scheme in August 2015, and set up the Plan. Any contributions Mr R made from that point, were invested in the Plan.
5. On 7 August 2015, Friends Life wrote to Mr R and confirmed that he had been enrolled into a Flexible Retirement Account in the Plan.
6. In March 2016, Friends Life wrote to all members concerning the transfer of their pension benefits from the old scheme to the Plan. It explained that this was "the final opportunity to transfer" these benefits. The letter explained that if the member did not decide to transfer the benefits into the Plan, their "benefits will be transferred to the Section 32 scheme, buy out policy as the money purchase section of your old scheme is being wound up."

7. Mr R's benefits from the old scheme, which amounted to £8,141.73, were transferred to the Section 32 part of Friends Life's Former Allianz Member Scheme (**the Scheme**) in July 2016.
8. The Section 32 part of the Scheme was administered by Friends Life's New Generation Pension (**NGP**) department. These benefits were kept separate from contributions made to the Plan, which was administered by Friends Life's My Money department.
9. On 12 August 2016, Friends Life issued post sale documentation to Mr R. It explained that it had received an application on Mr R's behalf for him to join the Scheme, and included the following:-
  - A change instruction form, so that Mr R could alter any incorrect personal information and/or change the funds that he was investing in.
  - A membership certificate confirming that £8,141.73 had been transferred to Friends Life.
  - A statement of investment which demonstrated that he was invested in Friends Life's BlackRock Long Term Fund (Aquila C) (**the BlackRock Fund**).
  - Mr R's application reference number.
10. In this letter, Friends Life said, "please check the details shown on the enclosed membership confirmation statement [...] if you do not agree with any of the declarations made on your behalf, you should also tell us within 30 days. If the information and declarations are correct you do not need to do anything."
11. On 30 September 2016, Mr R contacted the My Money department of Friends Life to ask about an unusual pension benefit value that he had seen on his online account. Mr R confirmed that the amount had been approximately £8,141. He also said that he had received a pack from Friends Life that had been sent to his residential address and not his mailing address.
12. In response, Friends Life said that the £8,141 was incorrect. It suggested that the figure might have been a system-generated, projected figure which is perhaps why the residential address had been used. Lastly, Mr R asked Friends Life to confirm whether his fund selection for future contributions had been processed. Friends Life confirmed that these were going into Friends Life's Pacific Rim BlackRock Equity Index Aquila option, which was what Mr R had requested.
13. Following this, the My Money department of Friends Life called Mr R and said that the £8,141 was not in connection with the Plan, but rather it related to Mr R's other policy in the Scheme, that was administered by its NGP department. Mr R raised a number of questions in relation to this as he was unaware he had two pension pots. However, the My Money department could not access information about Mr R's pension in the Scheme. Mr R was concerned about the figure, as if it was a transfer from the old

scheme, he thought the amount should have been higher. The My Money department explained that his two pensions needed to be kept separate for administrative purposes and then transferred Mr R's call to the NGP department.

14. After explaining to the NGP department what had happened and how he had seen an additional figure when he logged online, Friends Life confirmed that his pension benefits in the Scheme had a value of £8,431.41. Mr R raised the following questions:-
  - Where this value had come from?
  - Why he had two pension pots?
  - How long had this Scheme had been going on for?
  - When had it started?
15. Friends Life confirmed that the £8,431.41 had been transferred from the old scheme and that the transfer to the Scheme had happened on 26 July 2016, with a single contribution of £8,141.73. When Mr R queried where this had come from, Friends Life said that he would need to ask his employer. Mr R did not raise any concerns about this at the time, but asked about online access and the figures that he had seen. Friends Life asked whether the funds he had been accessing were with the My Money department, which Mr R confirmed, and as a result the NGP department said it would need to transfer him through to the My Money department. Mr R said that he did not want this to happen and explained why he had been transferred to the NGP department. He also wanted to know how to view his benefits in the Scheme online.
16. Friends Life explained that Mr R's benefits in the Scheme were invested in the BlackRock Fund and that in order for him to access this online, a note could be added to the system and he would receive a call back about online access. Mr R queried the timescales involved, as he did not think it was right for Friends Life to ask him to wait until he was contacted. Friends Life confirmed that the turnaround time was 15 days.
17. At this point, Mr R said that he did not think this was acceptable and that it was "disgraceful". Whilst Friends Life explained that the wait time was due to a system upgrade, Mr R stated that he wanted this dealt with as a formal complaint. He noted that he had received good service from the My Money department, but said that it was "ridiculous" that he should wait 15 days. As such, he was expecting someone to write to him about the online portal and contact him about his complaint as well.
18. On 30 September 2016, Mr R transferred his pension benefits in the Scheme to a scheme with a different provider. His benefits in the Plan were not included in the transfer and remained with Friends Life's My Money department.
19. On 17 October 2016, Mr R called Friends Life's My Money department and made the following comments:-

- He had transferred his benefits from the Scheme on 30 September 2016 but had heard nothing since.
- He had noticed that a £100 charge had been applied to the Plan, which he had not agreed to.
- His contributions were not going to the correct funds, instead they were being allocated to a Cash Fund.

20. Friends Life explained that:-

- The charge was because Mr R had tried to switch to a Tier 3 'alternative investment' fund, which was detailed in the Plan's fees and charges brochure.
- It could take 3 to 5 days before contributions are allocated to the fund. The representative confirmed which funds Mr R was invested in, but Mr R said this was incorrect. He said he wanted his contributions to go into the fund that he had just paid £100 for. The representative explained that there were only two funds that he could see on his screen, but Mr R said that there should have been more.

21. Mr R continued to say that he had not yet received an explanation as to why approximately £8,000 appeared when he logged onto the Plan's portal. He said that although he had transferred out because of this issue he still expected an explanation. Mr R also raised concerns about the navigability of the online portal. The representative offered to get the technical team to have a look into this and contact Mr R once they had done so. Mr R rejected this suggestion and said he wanted his concerns raised as a complaint, along with the following points:-

- The length of the phone call.
- The length of time taken to navigate the online portal.
- The loading time of the online portal.
- Why the representative could not see what Mr R could on his portal, which listed Friends Life's Pacific Rim BlackRock Equity Index as one of the funds that Mr R was invested in?
- Why Friends Life could not answer his questions, such as where his benefits in the Scheme came from?
- Why the £100 charge had been applied?

22. On 19 October 2016, Friends Life emailed Mr R to acknowledge his complaint. It sent a further email on 10 November 2016, confirming it was still investigating this.

23. On 16 November 2016, Mr R called Friends Life's My Money department, to chase a response to his complaint. During this conversation, he acknowledged that an email had been sent the week before. The representative confirmed the points raised, and

Mr R clarified that it was not just the loading of the online portal, but how it was not practical. He also raised a further complaint that Friends Life had referred him to his employer about his benefits in the Scheme even though his employer would not know about this.

24. Friends Life explained that when Mr R's benefits from the old scheme transferred to Friends Life, he had been asked whether; he wanted these benefits to be transferred to the Plan, for them to stay where they were, or if he wanted to join the Scheme. As Friends Life did not receive a response, the benefits were automatically transferred to a Section 32 policy under the Scheme. Mr R stated that as he had accrued approximately £13,000 in the old scheme, this could not be the case. He confirmed that he wished the complaints team to listen to his previous phone calls so they could understand what he was complaining about. However, he reiterated that one of his issues was that the representatives he had spoken to could not explain why his contributions were not being allocated to the fund he had chosen. Friends Life confirmed that it would raise a separate complaint and link it with Mr R's previous one. It sent an acknowledgement email about this on 22 November 2016.
25. On 7 December 2016, Friends Life issued its complaint response. It apologised for the problems Mr R had experienced with Friends Life's administration of his arrangements and for any inconvenience it had caused him. A summary of its response is set out below:-
  - Mr R was not clear on the arrangements he had with Friends Life. It confirmed when it had taken over the administration of the old scheme and set up the Plan. It also informed him of when it had set up the Scheme for Mr R's accrued benefits from the previous provider, which had been confirmed in a letter to Mr R on 12 August 2016.
  - Mr R's original complaint on 30 September 2016 concerned the 15-day wait to arrange internet access for the Scheme. This was the timescale at the time due to a system upgrade which had caused a backlog. However, on the day Mr R complained, Friends Life had been processing his transfer request of his benefits in the Scheme. As a result, Mr R's queries about these benefits were not replied to, as it had been noted that they had since transferred. Nevertheless, Friends Life reconfirmed that Mr R would need to contact the previous administrator or the Trustees of the old scheme as it did not have further information about this.
  - Further, Friends Life understood that the previous administrator had written to Mr R to confirm the transfer of his accrued benefits. Friends Life had also contacted Mr R to make him aware of his options.
  - A second complaint was raised on 17 October 2016, where Mr R was unhappy he could not navigate around the online portal easily, that Friends Life could not see the investment fund that he was invested in, that he had been charged £100 for investing in its Tier 3 investments and with the length of the telephone call.

- Friends Life apologised for Mr R experiencing problems and asked for any specific problems in relation to the online portal to be raised. In relation to what the representatives could see, the administration area had confirmed that as the trade was going through that day, it would not have shown for the call handler. Friends Life apologised that this was not explained at the time.
  - The final part of Mr R's complaint was the £100 charge. Friends Life advised that this does not flag up when customers are investing in Tier 3 investments, but it is explained in the fees and charges brochure that is placed in a member's documents library. Members are asked to confirm that they have an understanding of the brochure. As Friends Life expects members to thoroughly review all the relevant documents, it did not agree that this was not made available to Mr R and that the fee should not be charged.
  - Friends Life believed that it had now answered Mr R's concerns, and noted that with the confirmation emails and letters Friends Life sent to him, he ought to have been aware of his arrangements. Although Friends Life did not find that it was at fault, it offered £100 for any inconvenience, trouble and upset caused by its failure to clarify the matter.
26. Mr R has provided information which indicates that he made three calls to Friends Life on 23 December 2016. He has stated that the complaint handler during this call had agreed to investigate "the actual complaint". However, Friends Life has confirmed that it has been unable to trace these calls.
27. On 17 February 2018, Mr R complained to this Office. He confirmed that he was unhappy with the following:-
- How his complaints were handled, notably that a couple were not logged or followed up.
  - He was not informed about the £100 as this was not in the pack he received.
  - He was not informed that the £100 was compensation and not a refund of the charge.
  - He has never been given clarification on the amount found whilst navigating his online portal, where it came from, how much was transferred, where it had been invested and what fees had been applied.
  - As a result, he wanted:
    - full information about the £8,431.41 that was transferred;
    - £150 for the distress and inconvenience caused;
    - £100 charge to be refunded;

- a review of how Friends Life handles its occupational pension schemes; and
- a reduced charge for company nominated SIPP share dealing services.

## **Adjudicator's Opinion**

28. Mr R's complaint was considered by one of our Adjudicators who concluded that no further action was required by Friends Life. The Adjudicator's findings are summarised below:-

- The Adjudicator could only assess Friends Life's actions relating to the administration of Mr R's pension benefits. She could not consider whether charges should be reduced on the basis they were too high or conduct a general review of how Friends Life handled its pension arrangements. In addition to this, she could not comment on the navigability of Friends Life's online portal or its loading time, as this was a business function as opposed to a specific administrative task relating to Mr R's pension arrangements.
- The 15-day waiting time for online access to be set up was not excessive nor did it constitute an error, and in any case, Mr R had organised to transfer these benefits to another provider and so would not have needed this service. However, Friends Life should have still acknowledged Mr R's complaint about this. It could have also provided Mr R with more information about his benefits in the Scheme during the telephone call, but this had previously been provided to Mr R in the letters dated 12 August and 7 December 2016. Additionally, Mr R should have received this information from the Scheme's previous administrators.
- The telephone calls were not unnecessarily long, and the majority of Mr R's complaint points were addressed in Friends Life's complaint response of 7 December 2016. While the £100 charge was not stated in the pack Mr R received when he first joined the Plan, information about it was made available to Mr R prior to his investment in a Tier 3 fund.
- Friends Life did not seem to address Mr R's point about how the representative from the NGP departments could not provide him with further information about the Scheme. Whilst this would have been helpful, Mr R had already received sufficient information regarding this. In relation to the telephone call on 23 December 2016, there were no notes or recordings. Mr R stated that Friends Life agreed to investigate the complaint again and that the £100 was offered as a refund of the charge. However, Friends Life disputed that the representative would have said this. As all other correspondence supported Friends Life's position, on the balance of probabilities, the Adjudicator thought it was likely that the £100 was an award for any distress and inconvenience caused.

- Overall, there were instances where Friends Life could have done something differently, but no significant distress and inconvenience was caused. As a result, the Adjudicator thought that £100 was a reasonable offer in the circumstances.

29. 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**

30. Mr R's complaint falls into three parts. Firstly, there is the provision of information, which includes information about Mr R's benefits in the Scheme and the £100 charge. Secondly, the customer service that Mr R received, such as his experience during the telephone calls. Lastly, there is complaint handling and notably the telephone call that took place on 23 December 2016.
31. It is clear that Mr R was unsure of his benefits when he contacted Friends Life on 30 September 2016. Taking into account that Mr R had already organised for these benefits to be transferred out of the Scheme, and that Friends Life had sent documentation that explained what these benefits were, I find that Mr R ought to have been aware of these benefits and so should not have needed an explanation. Nevertheless, Friends Life should have been able to answer Mr R's questions during the telephone call.
32. With regard to the £100 charge for investing in Tier 3 investments, although this was not documented in the pack that Mr R initially received, the information was made available to him. It is reasonable to expect members to make themselves familiar with the terms and conditions of any financial product. In this instance, Friends Life had provided Mr R with information about fees and charges that may apply, albeit in a different location from the pack he first received. Although Mr R argues that this should have been made clear to him, Mr R had access to this document. It follows that I consider Mr R could have informed himself.
33. Turning to the customer service Mr R received, I agree that in certain instances Friends Life could have done more, such as being in a position to respond to Mr R's queries in more detail in the telephone call on 30 September 2016. Additionally, although I recognise that it did so at a later date, Friends Life could have provided an explanation as to why it was seeing different funds to Mr R during the telephone call on 17 October 2016. However, I do not find these (in)actions amount to an error.
34. With regard to the 15-day wait and the length of the telephone call, I consider both of these as reasonable. It is usual for any set up process to take some time and I do not find 15 days as unusually long. In relation to the telephone call, Friends Life was trying to help and provide explanations to Mr R who then listed his concerns and asked them to be considered as a complaint. Friends Life did not elongate the phone



call unnecessarily and further to this, Mr R had made separate enquiries, which would have taken time to respond to.

35. Mr R has placed emphasis on his disagreement with Friends Life's complaint handling. As previously noted, Friends Life omitted to acknowledge or investigate Mr R's initial complaint about the 15-day wait for online access to his Scheme's benefits. Although, I understand Friends Life did not assess this complaint because Mr R had transferred these benefits to another pension provider, it should have contacted Mr R to clarify whether he still wanted the complaint to be investigated. Mr R's second complaint was raised on 17 October 2016 and responded to on 7 December 2016, which is a reasonable timeframe. This covered all but one complaint point, which was how the representative could not provide him information about the Scheme. However, Friends Life had noted that Mr R was in receipt of this information before the phone call, and an explanation had been provided to Mr R during the telephone call that took place on 16 November 2016.
36. As Mr R disagreed with Friends Life's complaint response, he contacted it on 23 December 2016. Friends Life has confirmed that it has no contact notes or telephone recordings demonstrating this. Mr R claims that during this call, Friends Life agreed to reinvestigate the complaint and had said that the £100 cheque was a refund of the Tier 3 investment charge. Friends Life disputes this and states that it would not have changed its position from the complaint response. I agree that Friends Life should have a record of this telephone call. I consider this as an error, which has resulted in this point being assessed on the balance of probabilities.
37. I have noted how Friends Life has consistently stated that the information about the £100 charge was in its fees and charges brochure. At no point has it altered its position from this, even when the complaint was brought to The Pensions Ombudsman. Whilst I cannot confirm what was discussed during the phone call, based on the information available, I consider it more likely than not that Friends Life would have adopted the same stance. It follows that it would be unlikely that Friends Life would then agree to investigate the complaint further. Therefore, I believe Friends Life's only error in relation to this telephone call, is the lack of a record.
38. Across Mr R's three areas of complaints, I only consider two (in)actions amount to an error. Firstly, there was the initial complaint that was not investigated due to Friends Life's assumption. Secondly, there was no recording of Mr R's telephone call from 23 December 2016. I agree that there were other instances where Friends Life could have done more, but the act in itself was not wrong. These were the information provided to Mr R in the telephone calls of 30 September and 17 October 2016. As a result, I do not consider Friends Life has caused significant distress and inconvenience to Mr R and I find the £100 that it has offered is adequate.

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39. Therefore, I do not uphold Mr R's complaint.

**Anthony Arter**

Pensions Ombudsman  
13 March 2019