

Ombudsman's Determination

Applicant	Mr R
Scheme	Royal Bank of Scotland Group Pension Fund (the Fund)
Respondents	RBS Pension Trustee Limited (the Trustee) RBS Pension Services (RBSPS) Willis Towers Watson (WTW)

Outcome

1. I do not uphold Mr R's complaint and no further action is required by the Trustee, RBSPS or WTW.

Complaint summary

2. Mr R complains that:-
 - As a result of the level of service provided by RBSPS in administering his request to transfer his benefits, he was not in a position to meet his Cash Equivalent Transfer Value (**CETV**) deadline of 10 June 2017. The revised CETV was less than the original CETV illustration, and he says he has suffered a loss of £8,081.87.
 - The eventual transfer of his benefits from the Fund was delayed by WTW.

Background information, including submissions from the parties

3. Mr R was employed by the Royal Bank of Scotland from 3 September 1990 to 30 September 1996. When he left employment, his pension became deferred for payment at a later date.
4. Mr R applied for a pension transfer pack from the Fund in February 2017, which was sent to him on 10 March 2017 (**the March 2017 Illustration**) by the Fund's previous administrator, RBSPS. The CETV quoted was £136,343.38 and was guaranteed until 10 June 2017.
5. In the covering letter RBSPS said:

“If the transfer is to proceed, the discharge form must be returned and all requirements mentioned in it before the guarantee date. If the form and/or any of our requirements are received after the guarantee expires, the transfer value will be re-quoted”.

6. Mr R engaged the services of an independent financial adviser (**the IFA**) to review his options. On 20 March 2017, the IFA appointed a third-party actuary (**the Actuary**) to evaluate Mr R's Fund benefits.
7. The Actuary requested further information from RBSPS on 29 March 2017.
8. RBSPS responded on 11 April 2017 and followed up queries made by the Actuary between 25 April and 5 July 2017. The Actuary received an automated email response from RBSPS which said it was working to an approximate turnaround time of 15 working days. The Actuary completed its analysis for the IFA on 5 July 2017.
9. Mr R complained to the Trustee. He said that he did not receive the relevant information to enable him to make a decision about whether or not to transfer until 5 July 2017.
10. In August 2017, the Fund's administration moved from RBSPS to WTW.
11. On 10 August 2017, WTW sent a further CETV illustration to Mr R for £128,261.51, which had a guarantee date of 10 November 2017 (**the August 2017 Illustration**).
12. Documentation to guarantee the August 2017 Illustration was submitted to WTW before its expiration. The original signed discharge forms were received by WTW on 24 November 2017 from the receiving scheme, Liberty Self Invested Personal Pension (**the Liberty SIPP**).
13. WTW followed its transfer out procedure to mitigate the risk of pensions liberation in line with the published guidance from The Pensions Regulator on combating pensions scams.
14. On 19 December 2017, WTW wrote to HMRC and the Liberty SIPP for confirmation of whether the Liberty SIPP was a registered UK pension scheme. It also wrote to Mr R requesting he complete a form to confirm he still wished to proceed with the transfer.
15. WTW received confirmation of the registration status of the Liberty SIPP from HMRC on 16 February 2018.
16. On 13 March 2018, WTW made payment of the CETV for £128,910.57 to the Liberty SIPP. Legislation governing a member's right to transfer their accrued pension benefits says that trustees and scheme managers must do what is “necessary to carry out what the member requires”. In relation to Mr R's transfer, scheme managers must ensure that the transfer is completed within six months beginning with the

guarantee date shown in the relevant statement of entitlement.¹ In Mr R's case, this is the August 2017 Illustration. As the transfer to the Liberty SIPP was paid outside this six-month period, WTW enhanced the CETV by £649.06, from £128,261.51 to £128,910.57.

17. Mr R complained to the Trustee in June 2018, under stage one of the internal dispute resolution procedure (**IDRP**).
18. In the Trustee's response of 18 September 2018, it said RBSPS was not at fault for the expiration of the March 2017 Illustration. The Trustee's view was that the transfer to the Liberty SIPP was processed appropriately.
19. Mr R was dissatisfied with this and appealed under stage two of the IDRP. He wanted the Trustee to consider the failure by WTW to respond to his complaint and asked the Fund to honour the March 2017 Illustration with the higher amount.
20. In the Trustee's response of 21 January 2019, it said:-
 - The Fund was not required to honour the guaranteed transfer value amount of the March 2017 Illustration.
 - It did not consider it appropriate to agree to pay the amount, as doing so "extends the period of risk for the Fund which comes out at a significant cost".
 - Following the issuing of the August 2017 Illustration, Mr R's transfer took place over the period when the Fund's administration moved from RBS to WTW. As a result, there were service issues during this period which led to delays. In recognition of this, it offered Mr R £500 for his inconvenience.
 - In order to have received a transfer of £136,343.38, Mr R needed to have returned all paperwork by 10 June 2017, he did not do so.
 - Although in Mr R's opinion, all of the requested information was not received by 10 June 2017, the March 2017 Illustration did include Mr R's rights in compliance with the legal requirements.
 - "It was not obliged to explain the basis of its calculations in detail (even if it did take steps to provide the information in as timely manner as possible) in order to let [the Actuary], evaluate the Fund to its satisfaction."
 - It was the Trustee's view that a 15 working day turnaround was not an unreasonable timescale and that similar timescales were adopted by the IFA and the Actuary when requesting information.

¹ Section 99(2)(a) of the Pensions Schemes Act 1993 (as amended)

Adjudicator's Opinion

21. Mr R's complaint was considered by one of our Adjudicators who concluded that no further action was required by RBSPS, the Trustee or WTW. The Adjudicator's findings are summarised below:-

- Mr R's main complaint concerns the expiration of the March 2017 Illustration, which he says has caused a financial loss. The starting point is to see if RBSPS was responsible for any delays and, if so, whether this constitutes maladministration.
- Mr R was made aware that the March 2017 Illustration was guaranteed until 10 June 2017 and a fresh illustration would be issued if the paperwork was not completed by the guarantee date.
- The Actuary first requested information from RBSPS on 29 March 2017. It then raised further queries between 25 April 2017, until it completed its analysis on 5 July 2017, after the guarantee date had passed. The Trustee's position is that the March 2017 Illustration sent by RBSPS included all of the required information in accordance with its legal obligations. The IFA appointed the Actuary to evaluate Mr R's benefits. It is not the fault of the Trustee or RBSPS that the Actuary required further detailed information to complete its analysis, in addition to what was contained in the March 2017 Illustration.
- Mr R's position is that he did not receive the relevant information to enable him to make an informed decision about whether or not to transfer until 5 July 2017. Although, Mr R wanted to be as informed as possible, both he and the IFA were aware of the deadline. So, this should have been notified to the Actuary. It was up to Mr R and the IFA to make sure that all of the paperwork was submitted to RBSPS in time for the transfer to proceed.
- RBSPS responded to most of the Actuary's queries within its 15 working day timescale, which was reasonable.
- The Actuary was made aware of the response times, so the RBSPS response times did not cause undue delays.
- The Adjudicator did not agree that Mr R's inability to transfer out within the guarantee period under the March 2017 Illustration results from any maladministration by RBSPS or the Trustee. RBSPS did not receive the completed documentation before the deadline so Mr R was not entitled to the CETV quoted in the March 2017 Illustration.
- Mr R also complained about delays after August 2017. The Trustee accepted there were service issues during the change of administrator. These caused the CETV to be paid outside the six-month period prescribed by legislation. The Trustee enhanced the CETV by £649.06 (from £128,261.51 to £128,910.57) and offered Mr R £500 for the inconvenience.

- In the Adjudicator's view, this was sufficient and no further action was required by the Respondents.
22. Mr R did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr R did not provide any further comments but asked for the complaint to be reviewed by me. I agree with the Adjudicator's Opinion and I will only make some additional points for completeness.

Ombudsman's decision

23. The March 2017 Illustration had an expiry date in June 2017, this was missed by Mr R. I do not consider this is due to any maladministration caused by RBSPS, WTW or the Trustee.
24. Mr R has complained that he has suffered a loss of £8,081.87. Although the March 2017 Illustration was guaranteed, Mr R would have only become entitled to the amount stated once he had completed and returned the relevant documentation to RBSPS, before the end of the guarantee period. As this did not happen, it cannot be said that this is an actual loss that Mr R has suffered.
25. Mr R instructed the IFA, who then instructed the Actuary to make further enquires. I do not consider RBSPS' response times to be unreasonable and I agree with the Adjudicator that Mr R and the IFA should have made it clear to the Actuary that the guarantee period would end on 10 June 2017. So, I do not find that the reason Mr R missed the March 2017 Illustration was due to RBSPS not providing responses in a timely manner.
26. It was acceptable for WTW to recalculate the CETV once the June 2017 deadline had been missed.
27. In relation to the August 2017 Illustration, I have noted that the Trustee acknowledged that there were service issues during the change of administrator. These caused the CETV to be paid outside the six-month period prescribed by legislation and amounted to maladministration. So, the Trustee enhanced the CETV by £649.06 (from £128,261.51 to £128,910.57) and offered Mr R £500 for the distress and inconvenience suffered.
28. I consider this adequately compensates Mr R for the maladministration that occurred, and for the distress and inconvenience he suffered.
29. I do not uphold Mr R's complaint.

Anthony Arter

Pensions Ombudsman
10 December 2019