

Ombudsman's Determination

Applicant	Ms S
Scheme	Standard Life Personal Pension Plan (the Plan)
Respondent	Standard Life

Outcome

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

Complaint summary

3. Ms S' complaint concerns the length of time it took Standard Life to transfer her pension.

Background information, including submissions from the parties

4. Ms S is employed by the London Borough of Lambeth (**her employer**).
5. On 17 January 2017, Standard Life received a request to transfer £50,000 cash from Ms S' Pension Investment Account to the Local Government Pension Scheme (**the LGPS**), operated by her employer.
6. Following receipt of Ms S' request, Standard Life commenced its due diligence checks. One of Standard Life's due diligence requirements was a recent screen print from Her Majesty's Revenue & Customs' (**HMRC**) website, showing the details of the Scheme such as its PSTR certificate.
7. Between 17 January and 2 March 2018, there was correspondence between the LGPS and Standard Life regarding Standard Life's requirement for a screen print from the HMRC website. During this period, the LGPS explained to Standard Life that it was unable to provide a screen print of the HMRC website because it had to have its log in details reset.
8. On a date between 2 March and 21 March 2018, Ms S complained to Standard Life because she was dissatisfied with the delay of her benefits transfer.

9. On 22 March 2018, Standard Life responded to Ms S but did not uphold her complaint. It said:

“Regretfully, without the PSTR Certificate from the receiving scheme, we are unable to process your transfer to your employer’s pension scheme...I did look into alternatives as a compromise, but this is our process for all transfers out and this is something we would always need (regardless who is the receiving scheme).

We set your expectations at the outset this was our requirements and we have also explained the reasons why this is necessary. As previously discussed, I don’t believe this is an unreasonable request. I’m of the opinion that any scheme can easily provide the necessary evidence they’re HMRC approved, and if they can’t we are within our rights not to process the transfer. While this may be a genuine transfer request, the regulator have set the rules and have expectations on the due diligence that a pension provider must comply with.”

10. Unhappy with the response she received from Standard Life, Ms S referred her complaint to this Office and made the following comments:

- On 17 January 2018, her employer sent Standard Life a copy of the HMRC certificate but not a screen print of the certification from the HMRC website. Her employer does not have HMRC log in details and she understands that it has requested replacement log in details but is still awaiting this.
- She tried to contact HMRC herself but she was unable to contact anyone by telephone. She understands that her employer has also had difficulties communicating with HMRC.
- She applied to other providers to have her pension transferred and the transfers were completed. It was only the Standard Life payment that remained outstanding.
- Standard Life was not willing to accept an alternative to the screen print, to facilitate the transfer.
- The delay in the transfer from Standard Life will have an impact on her benefits within the LGPS.
- This situation has caused her inconvenience.

11. In response to Ms S’ complaint, Standard Life made the following points:

- It had asked the provider for a copy of the PSTR certificate from the HMRC website as evidence of the Scheme’s status. It is standard practice to request evidence of a scheme’s status because it will show that the scheme, at a current date, has not been deregistered, which in turn ensures it does not inadvertently make an unauthorised payment transferring the pension.
- Standard Life holds a list of approved active registered pension schemes where it does not need to see the PSTR certificates. This includes local government pension

schemes. Although there is an entry for the employer's pension scheme, it is for a different PSTR and not the one to which Ms S' benefits are to be transferred to.

- To be fully compliant, it needed to see evidence that the PSTR for the Scheme receiving the transfer was an active scheme. A screen shot from the HMRC website would confirm the scheme status at a current date and must be within the last 30 days.
 - The provider can ask Standard Life to add the scheme to its data store for any future transfers but a current PSTR certificate must be provided for it to do this. The letter from HMRC, the employer provided, was dated 2014 so Standard Life could not accept it.
 - The provider had not been able to send Standard Life a screen print of the PSTR certificate and Standard Life was told, since January 2018, that the provider was waiting on a password reset from HMRC.
 - It appreciated that this was frustrating for Ms S but it had explained to her why it could not go ahead with the transfer. The adviser had also asked for the transfer not to be completed without receipt of the PSTR certificate.
 - Standard Life received the required screenshot and the new transfer forms were received on 28 August 2018. The cash was then transferred on 5 September 2018.
12. Ms S said that although her benefits have been transferred, she believes the delay was unreasonable and that it was caused by Standard Life being dogmatic. Therefore, she would like a written apology and a compensation payment of £200.

Adjudicator's Opinion

13. Ms S' complaint was considered by one of our Adjudicators who concluded that no further action was required by Standard Life. The Adjudicator's findings are summarised below:-
- Ms S' initial complaint concerned Standard Life not transferring her pension. However, as her pension has been transferred, Ms S' complaint now concerns the length of time it took Standard Life to transfer her pension.
 - In 2013, the Pension Regulator (TPR) issued an announcement to the pension industry highlighting the rise and risks of pension liberation to members and genuine schemes. The stance of the Pension Ombudsman is that following that announcement and guidance, transferring schemes, in this case Standard Life, should have robust due diligence checks in place, to try to prevent transfers to illegitimate schemes.
 - Having reviewed the information that both Ms S and Standard Life provided, it was the Adjudicator's opinion that, the delay in transferring Ms S' benefits was not

solely down to Standard Life's actions. In this case, the LGPS was unable to provide Standard Life with all the relevant information to facilitate the transfer.

- The Adjudicator noted that Ms S' benefits were transferred approximately eight months from her original request. However, it was the Adjudicator's view, that this was not an unreasonable length of time, in the circumstances. Additionally, the Adjudicator noted that, once the LGPS sent the required information and Standard Life received the new transfer application forms on 28 August 2018, the transfer was completed within ten days.

14. Ms S did not accept the Adjudicator's Opinion and in response made the following comments:-

- She does not agree that eight months is a reasonable length of time to take, to transfer her benefits. She does not know if the delay has caused her to incur a financial loss.
- She should not have had to have lengthy correspondence and frustrating telephone calls to try and persuade Standard Life to release her pension money.
- The Adjudicator did not consider whether Standard Life should have considered an alternative due diligence process when HMRC could not give the LGPS an alternative log in, in a reasonable time.
- She considers that HMRC was more at fault than her employer because it had failed to provide a replacement log in within a reasonable time. However, she considers Standard Life was more to blame because it was holding on to her money and refusing to transfer it.

15. The complaint was passed to me to consider. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Ms S for completeness.

Ombudsman's decision

16. The Pensions Schemes Act 1993 (**the 1993 Act**) states that a Trustee or Administrator who receives an application for a transfer of benefits, should complete the transfer within six months of the date of the application.
17. In Ms S' case, the transfer of her benefits was completed within eight months of her request. Although the transfer was completed outside the time limit prescribed in the 1993 Act, in this case, I do not find the eight months to be an unreasonable length of time. I say this because I find that the delay in transferring Ms S' benefits was not solely attributable to Standard Life, although I do understand Ms S' frustration.
18. I appreciate that Ms S has said that she believes Standard Life should have considered an alternative due diligence process to transfer her pension more quickly. Had Ms S' pension still not been transferred to date, I may have been inclined to agree with her. However, as her pension has now been transferred and I do not find

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the eight months to be an unreasonable length of time in this particular instance, I do not believe it was necessary for Standard Life to have used an alternative due diligence process.

19. Consequently, I do not uphold Ms S' complaint.

Anthony Arter

Pensions Ombudsman
15 November 2018