

Ombudsman's Determination

Applicant	Mr H
Scheme	Suffolk Life Self Invested Personal Pension Plan (the Plan)
Respondents	Suffolk Life

Outcome

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

Complaint summary

3. Mr H's complaint is about the fees he was charged when transferring his pension fund from Suffolk Life to Interactive Investor. Mr H is dissatisfied as he was charged £1,485.00 for the transfer and was not informed of the charge by Suffolk Life.

Background information, including submissions from the parties

4. Mr H held the Plan, a Self-Invested Personal Pension Plan (**SIPP**) account, with Suffolk Life. This account was initially administered by European Pensions Management Limited (**EPML**), who entered into administration in June 2016. It is important to note that Selftrade was the Stockbroker who held the assets of the Plan. It had control over the investments rather than as a direct manager.
6. On 9 November 2016, Suffolk Life wrote to Mr H explaining it had taken over the accounts held with EPML. The letter stated, that Suffolk Life decided to close the EPML Scheme and transfer the Plan to a Master SIPP administered by its Ipswich Office. The letter included information regarding transferring to another provider if Mr H felt the Master SIPP was not the right product for him. In order to complete a transfer to an alternative provider, Mr H was required to initially transfer the Plan to the Master SIPP with Suffolk Life, this would allow a full reconciliation. The Plan could then subsequently be transferred to a provider of Mr H's choice, without incurring any Suffolk Life transfer fees.
7. This letter stated that transfer out fees may be applied by any third party which held assets on behalf of the Plan. It also stated that Suffolk Life fees would be restricted to match those charged by EPML.

8. On 1 December 2016, Mr H informed Suffolk Life that he felt the Master SIPP was not the right product for him. Mr H decided he wanted to transfer to a different provider, Interactive Investor, and asked Suffolk Life to provide him with the details of the Plan, so he could arrange for the transfer.
10. On 7 December 2016, Suffolk Life sent Mr H an email explaining that he would need to complete the transfer from EPML to Suffolk Life, before transferring to an alternative provider. This was to ensure that all his pension assets were accounted for and all his pension details were correctly recorded. Suffolk Life attached its Transfer Discharge Form (**TDF**), which Mr H was required to complete and send to Interactive Investor to complete the relevant sections. The TDF included an "Investor Declaration" section which Mr H was also required to read and sign.
11. Mr H completed the necessary forms and sent them to Suffolk Life and Interactive Investor to process the transfer.
12. Mr H said the whole transfer out process took around 8 months to complete. He is unhappy as he was charged £1,485.00, for the transfer by Selftrade without consultation and feels he was misled by Suffolk Life to believe that no fees would apply. Mr H said he was provided with a large amount of correspondence from Suffolk Life which he believed to be incomplete information.
13. Mr H has referred to a document titled, "Transferring assets out of a Suffolk Life plan". Mr H has stated that parts of this document led him to believe that no charges would apply. On the first page, under third party charges, it states:

"We aren't currently aware of any third-party fees that will apply to the transfer. However, the investment or fund manager may decide to charge a fee. Any fees they charge will be taken directly from either the investment account or the SIPP bank account". (**Part 1**)

On the second page under "The transfer process" in section 4, it states:

"We'll write to you confirming the estimated transfer out fee that will be charged once the transfer is complete. We'll also let you know about any issues that need to be resolved before the transfer out can proceed". (**Part 2**)

On the third page under "Process overview" in step 6, it states:

"Confirm estimated transfer fees and warn of any issues that may delay the transfer". (**Part 3**)

14. Mr H raised a formal complaint with both Suffolk Life and Selftrade.
15. On 4 June 2018, Suffolk Life provided Mr H with its final response letter not upholding his complaint. This was on the basis that it did not agree that it failed to inform him of the fees. It said it was not responsible for the fees charged by Selftrade for the transfer of assets to an alternative provider. Suffolk Life concluded that there was sufficient information provided to Mr H in correspondence dated 9 November 2016,

and 1 December 2016, to make him aware of potential third-party fees. Suffolk Life told Mr H, to contact Selftrade directly if he felt he had been charged incorrectly for transferring to another provider.

16. In June 2018, Mr H sent Selftrade an email to question why he was charged so much for the transfer of his account to a new provider.
17. On 20 June 2018, Selftrade responded to Mr H, explaining that the exit fees for a transfer out to another provider were £15.00 per line of stock. It then referred Mr H to its website which lists the fees and charges applicable for a transfer out. Mr H has also said in other correspondence, that Selftrade has said Suffolk Life should have made him aware of the fees.
18. Mr H remained dissatisfied and brought his complaint to this Office.

Adjudicator's Opinion

19. Mr H's complaint was considered by one of our Adjudicators who concluded that no further action was required by Suffolk Life. The Adjudicator's findings are summarised below:-
 - The Adjudicator was satisfied that the earliest letter sent to Mr H by Suffolk Life on 9 November 2016, provided sufficient information to make him aware there could be potential charges with Selftrade.
 - The "Investors declaration" in the TDF provided adequate information to make Mr H aware that third party fees may apply.
 - The Adjudicator considered that Mr H should have at least questioned if any charges would be incurred by Selftrade. Particularly, as it was the third party who held the assets of the Plan.
 - Mr H argued that the information in the document titled "Transferring assets out of a Suffolk Life plan" led him to think that no fees would apply. The Adjudicator was of the view that the document indicated that third-party fees may apply and that there was nothing definitive to state there would be no fees.
 - Selftrade's website provides clear information regarding charges applicable for transfers out to different providers at £15.00 per line of stock.
 - Mr H initially chose EPML, who were among the panel of SIPP Trustees and Administrators selected by Selftrade when he initially opened his account. When EPML entered into administration, Suffolk Life took over the accounts and there were no fees involved in the initial transfer. Fees were only applied when Mr H decided to transfer to a different provider
 - In the Adjudicators view, the action taken by Suffolk Life did not amount to maladministration.

20. Suffolk Life provided no further comments. However, Mr N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr N provided his further comments which I have considered but they 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 N for completeness.

Ombudsman's decision

21. Mr H made four further points. First, he said the Adjudicator misinterpreted the letter sent to him on 9 November 2016, as it was in respect to a transfer to Suffolk Life. However, although the letter does refer to a transfer to Suffolk Life, I am in agreement with the Adjudicator that it also provided warnings that there could be potential charges for the transfer of assets to other providers.
22. Second, Mr H said that he based his decision on the original paperwork he received from Suffolk Life, not the documents the Adjudicator referred to in the opinion. However, the TDF and the document "Transferring assets out of a Suffolk Life plan", were provided to Mr H before he made a final decision. If Mr H, at the point he received the documents, had taken no action the transfer would not have completed. Further, I would have expected Mr H to take into account the information provided, it is clear that there were warnings given concerning potential third party charges. Therefore, Mr H had the opportunity to review these documents and make an informed decision, or at least seek clarification before a final decision was made.
23. Thirdly, Mr H disagreed with the Adjudicator's view on the criticisms he raised concerning the "Transferring assets out of a Suffolk Life plan" document. I can appreciate when reading the documents why Mr H may have perceived that there would be no charges from Suffolk Life. However, as explained by the Adjudicator, there is nothing in the information provided which states that no fees would be applied by a third party. In fact, the document itself indicates that the Investment or Fund Manager may decide to charge a fee. If Mr H was unsure, he should have questioned this with Selftrade.
24. Mr H has also said that he does not think a finding that he should have contacted Selftrade is fair as the information provided by Suffolk Life states that he would be contacted should any fees apply. These fees were not applied by Suffolk Life; therefore, I agree it is reasonable that it did not contact him prior to completing the transfer. I am in agreement that it was his responsibility to check any charges applicable with Selftrade directly. SIPP's are designed so that the policy holder has more control over their own pension and where it is invested. The administrator, in this case, Suffolk Life, acts on the member's instruction (or their IFA's if applicable). I expect policy holders to take responsibility for the investments within their SIPP, which includes asking questions where relevant. I am satisfied that Mr H would have been made aware of any charges applicable when he made the investments, and that information was available for him to check what charges would apply before he instructed Suffolk Life to carry out the transfer.

25. Mr H's complaint is essentially about the transfer fees Selftrade has charged the SIPP, however this complaint is only against Suffolk Life so it is not within my jurisdiction to consider a complaint against Selftrade. In any event, the fees were set out and available for Mr H to review on the Selftrade website. As EPML entered into administration Suffolk Life took over the account for which there was no transfer fee. A transfer fee was only charged to the Plan when he made the decision to change to another provider, and no longer use Selftrade's services. The charges were as set out on the Selftrade's website.
26. Mr H contends that the original paperwork he reviewed provided no warnings regarding transfer fees, however, Mr H was provided with documents which provided sufficient warnings before he made his final decision. I do not believe that there was any maladministration on the part of Suffolk Life who acted in accordance with his instruction to make the transfer to Interactive Investor.
27. Therefore, I do not uphold the complaint.

Anthony Arter

Pensions Ombudsman
5 February 2019