

Ombudsman's Determination

Applicant	Mrs M
Scheme	Schindler Group (UK) 1988 Pension Scheme (the Scheme)
Respondent	The Trustee of the Scheme (the Trustee)

Outcome

1. I do not uphold Mrs M's complaint and no further action is required by the Trustee.

Complaint summary

2. Mrs M successfully transferred-out her benefits held within the Scheme. During her transfer application, all members of the Scheme were sent details of a transfer enhancement exercise. Mrs M said that she did not receive this and so her transfer was completed with a non-enhanced transfer value.
3. Mrs M has complained that she would have delayed her transfer had she been aware of the transfer enhancement exercise. She said that the Trustee knew of the enhancement, so should have informed her of it prior to completing the transfer.

Background information, including submissions from the parties

4. Mrs M was a deferred member of the Scheme.
5. On 24 January 2017, the Scheme administrator, JLT, provided Mrs M with a transfer value statement. This said that the transfer value was £69,412.26 and was guaranteed until 24 April 2017. As well as the transfer value statement, the letter included the:
 - Transfer Request and Discharge Form
 - Receiving Scheme Warranty Form
 - Pension Scams Booklet
 - Additional Information Sheet
 - Summary Funding Statement (2015)
6. On 27 January 2017, JLT wrote to Mrs M and provided an illustration of the deferred benefits she held within the Scheme.

7. On 13 February 2017, JLT responded to Mrs M's request for an early retirement quotation. This provided an illustration of the retirement benefits she would receive from 1 March 2017.
8. On 3 March 2017, Mrs M completed the Transfer Request and Discharge Form asking for her benefits to be transferred from the Scheme. She also completed her section of the Receiving Scheme Warranty Form.
9. On 9 March 2017, the receiving scheme completed its section of the Receiving Scheme Warranty Form.
10. On the same day, Scheme members were notified that the sponsoring Company (**the Company**) would be offering enhanced transfer values. Mrs M said that she did not receive this letter.
11. On 22 March 2017, Mrs M submitted the final section of the transfer request. She did this without any knowledge of the Company's enhancement exercise.
12. Mrs M transferred out her benefits in accordance with the transfer value statement issued in January 2017.
13. Following the transfer, Mrs M received the full offer pack for an enhanced transfer. This letter was addressed to the same address as the letter issued on 9 March 2017.
14. Mrs M complained to JLT and said that she did not receive notification of the enhanced transfer exercise until after her transfer had completed. She said that the Trustee had acted negligently by not making her aware of the enhancement exercise, which caused her a loss of £16,076.06.
15. JLT responded to the complaint and said that it "seems strange" that Mrs M did not receive its letter of 9 March 2017. It acknowledged that its staff knew of the planned enhancement but were under no duty to discuss the enhancement with the member.
16. Mrs M responded and said that it was highly improbable that she would have ignored the correspondence relating to the enhanced transfer value. She argued that any member who was in the process of transferring would have wanted to receive benefits in line with the enhancement, so the Trustee should have checked with her to see whether she wanted to take advantage of the enhancement.
17. In response to the complaint made against it, the Trustee said that it does not believe that the issue should be viewed using its internal dispute resolution procedure (**IDRP**). It said that the complaint principally relates to an enhanced transfer value exercise driven by the Company in 2017. The Trustee's role was to facilitate payment for members who accepted the offer. It said that the warm-up letter that related to the enhanced transfer value was sent to the same address as the full offer pack, so it does not believe there is a case to answer.

Adjudicator's Opinion

18. Mrs M's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustee. The Adjudicator's findings are summarised below:-
- Mrs M's transfer was completed with the value stated in the January 2017 quotation. The transfer value reflected her benefits within the Scheme.
 - The notification of the enhanced transfer exercise was sent to the correct address. Given Mrs M received the subsequent full offer pack, the Adjudicator did not believe the Trustee or Company could be held responsible for the failure of the letter to arrive.
 - The Adjudicator did not agree that the Trustee had a duty of care to ensure that Mrs M was aware of the enhanced transfer value exercise. The Adjudicator said that the Trustee had a duty to ensure that it paid the correct level of benefits.
 - Mrs M agreed to transfer her benefits in accordance with the January 2017 quotation. She completed the Transfer Request and Discharge Form accepting a transfer at the January 2017 level. The receiving Scheme completed its section of the form on the same day that members were written to about the enhanced transfer exercise. Although the timing was unfortunate, the Adjudicator was of the opinion that Mrs M had committed to transferring-out prior to the Company issuing its offer of an enhanced transfer.
 - Once the Trustee received the completed transfer documents, it was obliged to complete the transfer on the terms accepted by Mrs M and her receiving scheme. As a result, the Adjudicator felt it was correct for the transfer to be completed without notifying Mrs M of any potential enhancement.
19. Mrs M did not accept the Adjudicator's Opinion and the complaint was passed to me to consider.
20. Mrs M provided her further comments which do not change the outcome. Mrs M has argued that:-
- The Trustee must always act in the best interests of Scheme beneficiaries. She quoted the Pensions Regulator's guidance and said that, "[the Trustee's] duty must not be to any group or individual that you are connected with, such as the employer or a trade union, or a particular group of members such as pensioner members..."
 - The idea that one letter was sufficient to notify Mrs M of the enhanced transfer value is unfair. The Trustee should have made more effort to tell the members of the enhanced transfer offer.
 - The Trustee should have put something in place to ensure that members who were transferring-out were made aware of the enhanced transfer offer before their

transfers completed. Mrs M argued that the Trustee should have pro-actively contacted members who were transferring-out regarding the enhanced offer.

21. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mrs M for completeness.

Ombudsman's decision

22. Mrs M has argued that she should have been paid a transfer value in accordance with the enhanced transfer exercise. She believes that the Trustee had a duty to act in the best interest of beneficiaries, so it should have told her about the transfer enhancement exercise.
23. I do not agree with Mrs M. I find it reasonable for the Trustee to have completed the transfer in accordance with the January 2017 transfer value statement. The transfer value statement was guaranteed until 24 April 2017 and Mrs M agreed to transfer-out her benefits in line with the statement.
24. Mrs M has highlighted that there was an opportunity for the Trustee to tell her that the Company was holding a transfer enhancement exercise. She said that she did not think it was good enough for the Trustee to rely on a single letter to notify members of the transfer enhancement exercise. Furthermore, she said that the Trustee should have approached members with pending transfers to warn them that they could be missing out on the enhancement, prior to transferring-out.
25. I appreciate that Mrs M was likely to have chosen the transfer enhancement option, had it been available to her, and I do sympathise with how she feels given the unfortunate timing. However, I do not find that the Trustee should have done more to signpost the offer. The letter that notified members of the offer for enhanced transfer values was sent to the correct address, so I cannot find maladministration in this regard. The full offer pack that followed was received by Mrs M; although, by this point, it was too late for her to benefit from the contents. I am satisfied that the method of writing to members in relation to the enhanced offer was sufficient as a signposting exercise. If the Trustee had embarked on a greater communication exercise it would have added additional cost, which would not have assisted the beneficiaries as a whole.
26. With respect to the complaint that the Trustee should have pro-actively contacted members in the process of transferring-out, to advise them of the enhanced offer, I disagree. The Trustee had written to all members to advise them that the Company was planning on implementing an enhanced transfer offer. Whilst it may have been beneficial to Mrs M to write to her again to highlight this, the Trustee had already ensured that all members were written to. To reiterate this information to transferring members would have added to the costs of running the Scheme.
27. In addition, Mrs M had completed her section of the Transfer Request and Discharge Form prior to members being notified of the transfer enhancement. It is clear that she

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was satisfied with her transfer value and had committed to the transfer-out. Given that Mrs M and the receiving scheme had completed and returned their sections of the forms, I find that the Trustee acted correctly in completing the transfer.

28. I do not uphold Mrs M's complaint.

Anthony Arter

Pensions Ombudsman
26 November 2019