

Ombudsman's Determination

Applicant	Mr L
Scheme	SPS Technologies UK Pension Plan (the Plan)
Respondent	Capita Employee Solutions (Capita)

Outcome

1. I uphold Mr L's complaint in part, in respect of the serious distress and inconvenience caused to Mr L by Capita's maladministration.

Complaint summary

2. Mr L's complaint is that Capita (the Plan's administrator) failed to respond within a reasonable timescale to his request for a cash equivalent transfer value (**CETV**) quotation. He also argues that Capita's subsequent communication was misleading and inadequate, which delayed his retirement planning. Mr L says Capita did not deal with his grievances as formal complaints or investigate them under the Plan's internal dispute resolution procedure (**IDRP**), despite him requesting this. He maintains that Capita has not fully recognised the distress and inconvenience these issues have caused him.

Background information, including submissions from the parties

3. On 4 August 2017, Mr L requested a CETV quotation from Capita. Capita requested approval from the Trustee of SPS Technologies UK Pension Plan (**the Trustee**), for the actuary to the Plan (**the Actuary**) to process the CETV calculation.
4. On 18 October 2017, Capita received approval for the CETV calculation from the Trustee and forwarded it to the Actuary on 20 October 2017. But a discrepancy was found between Mr L's Guaranteed Minimum Pension (**GMP**) records held by Capita and those held by HM Revenue & Customs.
5. In November 2017, Mr L emailed Capita to request an update on his CETV quotation and to express dissatisfaction at the delay in it being provided. Capita contacted Mr L's employer (**the Employer**) to request documentation that would confirm his GMP

data. Capita also responded to the email received from Mr L, by informing him of an error found when reconciling his GMP records.

6. On 12 February 2018, Capita again requested information from the Employer to confirm the GMP data. The Employer responded on 20 February 2018 and Capita drafted an email to provide the Actuary with the GMP details, but did not issue it, in error.
7. On 28 February 2018, Capita wrote to Mr L, apologising for the lack of communication relating to his CETV quotation request. Capita also confirmed that it would issue a non-guaranteed CETV quotation, but that further ones would be subject to Mr L leaving the Plan and would only be valid for three months. Capita offered Mr L a free CETV quotation, at his request, due to the delays he had experienced.
8. On 16 March 2018, Mr L left the Employer's service.
9. On 29 March 2018, Capita emailed the Actuary with the data received from the Employer on 28 February 2018, confirming Mr L's GMP entitlement.
10. On 12 April 2018, Capita received Mr L's leaver notification from the Employer and a non-guaranteed CETV quotation from the Actuary, which were forwarded to Mr L on 16 April 2018. Mr L asked for an update on when a guaranteed CETV quotation would be sent to him.
11. On receipt of confirmation that Mr L's employment had terminated, Capita changed Mr L's membership status from active to deferred. Capita then requested a guaranteed CETV calculation from the Actuary, in accordance with Mr L's request.
12. On 21 May 2018, Capita received the guaranteed CETV calculation, as at 29 May 2018, from the Actuary but did not pass it on to Mr L until 11 June 2018. On the same day, Mr L complained to Capita about this CETV quotation. In summary he said:-
 - A note attached to the transfer documents said that he would not be able to ask for a further CETV quotation until 12 months after the original request. This was contrary to the details given in Capita's letter of 28 February 2018.
 - A header in the CETV quotation incorrectly referred to him being a member of 'Nissan Pension Plan', yet he was in fact a member of the Plan. This was an error by Capita in not naming the correct scheme in the quotation.
 - The CETV was calculated on 16 May 2018, and there was a delay of over three weeks until it was received, so it was unfair that over a month would be lost to seek financial advice.
 - He did not think the CETV quotation was acceptable and asked for a revised version or an explanation of its contents.

13. On 18 June 2018, Capita responded to Mr L's complaint by apologising for the errors on the CETV quotation that was sent on 11 June 2018 and by issuing a revised version. Capita also said that its letter of 28 February 2018, only confirmed that the first guaranteed CETV quotation would be sent at no cost. Any further requests would incur a charge, if made within 12 months.
14. Mr L wrote to Capita, querying some figures in the revised CETV quotation of 18 June 2018 and complaining about Capita's finding that only the first guaranteed CETV quotation was due to be sent at no cost.
15. Capita's response to the complaint was that a further guaranteed CETV quotation would not be sent without charge. Capita said that deferred members could only request a free CETV quotation every 12 months, meaning that the first date Mr L could make such a request was 16 April 2019. According to Capita this was the anniversary of when Mr L requested a guaranteed CETV quotation after leaving service. Capita again apologised for its lack of communication during the process of providing a guaranteed CETV quotation.
16. On 4 July 2018, Mr L wrote to Capita asking for his grievances to be investigated under the Plan's IDR. In summary, Mr L said:-
 - Capita had not responded to his enquiry about some of the figures quoted in the revised CETV quotation of 18 June 2018.
 - Capita's refusal to provide a further free guaranteed CETV quotation was contrary to its previous response to his complaint, as no request was made for a CETV quotation, after his initial enquiry on 4 August 2017.
 - Capita's offer of a free CETV quotation to Mr L was ambiguous and open to interpretation, which made it confusing.
 - On 10 April 2018, Capita had called him to confirm that the Actuary had all the required information to establish his benefits and produce a CETV calculation, so Capita would issue a retirement pack and CETV quotation that week. Instead, a non-guaranteed CETV quotation was sent with a note to say that a guaranteed version would be forwarded, and no retirement pack was received.
 - For these reasons he believed that the guaranteed CETV quotation he eventually received on 18 June 2018, formed a response to his original request made in August 2017. So, a further free CETV quotation was still due to him in accordance with Capita's letter of 28 February 2018.
17. On 11 July 2018, Capita wrote back to Mr L in response to his complaint but did not confirm that it had been investigated under the Plan's Internal Dispute Resolution Procedure (**IDRP**). In summary, Capita said:-
 - There were delays in providing a non-guaranteed CETV quotation, as Mr L was still an active member when it was originally requested.

- Capita had to reconcile Mr L's GMP data and receive information from the Employer to produce the non-guaranteed CETV quotation sent to him in April 2018.
 - A non-guaranteed CETV quotation that was provided on 28 February 2018, would have allowed Mr L to investigate his retirement options.
 - A guaranteed CETV quotation was also sent to Mr L in June 2018 that expired on 14 September 2018.
 - Despite the delays in providing this information, a further free CETV quotation could not be sent within a twelve-month period.
 - An explanation was provided in response to Mr L's enquiry about some of the information quoted in the CETV quotation sent on 18 June 2018.
18. On 24 July 2018, Mr L wrote to Capita complaining about its finding that a further free CETV quotation would not be sent within 12 months.
19. Capita responded by maintaining its stance that Mr L could not request a further free CETV quotation until 16 April 2019. Capita said that its letter of 28 February 2018 offered a free CETV quotation, which was fulfilled by issuing a guaranteed CETV quotation to Mr L on 18 June 2018.

Capita's position

20. Capita said:-

- Following the letter dated 28 February 2018, which offered Mr L a free CETV quotation, an unguaranteed quotation was sent to him on 16 April 2018. A free guaranteed CETV quotation was also sent to Mr L on 11 June 2018, but outside of the ten-day regulatory limit, after Capita had calculated the benefits. So, Capita sent another free CETV quotation to Mr L on 18 June 2018.
- Capita has fulfilled the offer made to Mr L in February 2018, but this process was not clearly communicated to him. In order to prevent further distress and inconvenience to Mr L, another free CETV quotation would be provided to him before 16 April 2019, if requested.
- Mr L's enquiry in April 2018 on when he would get his guaranteed CETV quotation was misinterpreted by Capita as a request for a further quotation. He had by that time only received a non-guaranteed CETV quotation in response to his request in August 2017. Capita concluded that Mr L had only made a single CETV quotation request.
- Capita did not respond to the issues raised by Mr L as formal complaints or escalate them through the IDRP, as it mistakenly believed that an email it sent to Mr L on 11 July 2018 had addressed his grievances. But Mr L could still raise a formal complaint or invoke the IDRP in writing to Capita, if he wished to do so.

- Capita failed to keep Mr L updated during the calculation of the CETV quotation he requested.
- Capita provided incorrect and misleading information to Mr L, but no attempt was made to deliberately deceive him.
- No CETV quotation was sent to Mr L in February 2018.
- An offer of £500 and a further free CETV quotation was made to Mr L in settlement of his complaint.

21. On 12 June 2019, Capita sent a free guaranteed CETV quotation to Mr L.

Adjudicator's Opinion

22. Mr L's complaint was considered by one of our Adjudicators who concluded that no further action was required by Capita. The Adjudicator's findings are summarised below:-

- Mr L initially requested a CETV quotation in August 2017, when he was still an active member. He would not have qualified to receive a guaranteed CETV quotation at that time. There was also a requirement for Capita to reconcile the GMP element of his benefits before a non-guaranteed CETV quotation could be sent to him. This reconciliation was delayed by a discrepancy between Capita's records and those held by HM Revenue & Customs. This was an unavoidable delay, but Capita ought to have kept Mr L updated with this information before he complained about the delay in November 2017.
- Capita received Mr L's GMP reconciliation information from the Employer on 20 February 2018, but Capita did not send it to the Actuary until 29 March 2018. This avoidable delay of several weeks meant that Capita did not receive Mr L's CETV calculation from the Actuary promptly. This led to Capita not issuing a non-guaranteed CETV quotation to Mr L until 16 April 2018. But the information provided in that CETV quotation would have allowed Mr L to start investigating his retirement options. So, Capita's failure to act promptly has not significantly delayed Mr L's retirement planning.
- Capita sent a free non-guaranteed CETV quotation to Mr L on 16 April 2018. Guaranteed CETV quotations were also sent to him on 11 June 2018 and 18 June 2018, but only because of Capita's errors in the first of these two CETV quotations. Capita normally only permits one free CETV quotation within a 12 month period to both active and deferred members. On that basis, Capita maintained that it had fulfilled its offer to provide a free CETV quotation to Mr L.
- After several complaints by Mr L, Capita acknowledged that it had initially failed to recognise that Mr L's request for a CETV quotation in August 2017 was the only one received from him, and that a further free CETV quotation was in fact due to him. Mr L would likely have experienced further distress and

inconvenience through having to raise these complaints. The errors in the CETV quotation sent to Mr L on 11 June 2018 would also have undermined Mr L's confidence in Capita.

- Capita was required to issue responses to Mr L within a reasonable timescale and the responses needed to be clear, consistent and accurate. In this case there were delays in providing responses to Mr L, and Capita failed to keep him updated on several occasions. Capita did not answer some of Mr L's enquiries at the first opportunity until Mr L complained. Capita did not treat Mr L's expressions of dissatisfaction as formal complaints or initiate the Plan's IDRP, however I note that it did address his concerns through its email responses. As Capita extended its offer for a further free CETV quotation and made an award for non-financial injustice, it is reasonable that it believed Mr L's concerns had been resolved.
- These issues amount to maladministration by Capita, which would likely have caused Mr L significant distress and inconvenience. But Capita's offer of £500 to Mr L is sufficient recognition of this non-financial injustice.

23. Mr L did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr L provided his further comments (set in paragraphs 24–29 below) which I have taken into account. I agree in part with the Adjudicator's Opinion, but, given the number of instances of maladministration by Capita, I am increasing the award for non-financial injustice to £1,000, in respect of the serious distress and inconvenience which Mr L has suffered due to several instances of maladministration by Capita.

Summary of Mr L's further points

24. His only request to Capita for a CETV quotation was made in August 2017. So, there were already significant delays by the time he received the non-guaranteed CETV quotation that Capita sent on 16 April 2018. Capita's failure to respond promptly to his CETV quotation request does not only relate to its delay in forwarding his GMP information to the Actuary. And that delay of 5 weeks from 20 Feb 2018 to 29 March 2018 should also be considered as significant.
25. The non-guaranteed CETV quotation he received on 16 April 2018 was not what he had expected. It was sent because of Capita's failure to clearly communicate and its various errors. This non-guaranteed CETV could not be used by his financial adviser to investigate a potential transfer in a timely fashion.
26. Capita did not clarify the difference between an active and deferred member in terms of obtaining a CETV quotation when he first requested one in 2017. It was not until February 2018 that Capita made it clear he would not be able to receive a guaranteed CETV quotation until he became deferred member.
27. In response to his complaint in June 2018, Capita said that members were normally only entitled to one free CETV quotation in a 12 months period after they had left pensionable service. This information was provided almost 11 months after his CETV

quotation request in August 2017. The situation regarding a free CETV quotation remained confusing as to whether he would be charged or if it would result in Capita making further administrative errors.

28. Capita did not provide information on the Plan's IDRPs when he made his initial complaints. His letter to Capita on 24th July 2018, clearly sets out why he remained dissatisfied with its response. Capita did not respond fully to all the points raised nor in his follow-up complaint, and therefore had multiple opportunities to address his issues under the IDRPs but failed to do so. Capita falsely stated in its email of 11 July 2018 that a transfer value was sent on 28 February 2018.
29. Capita's offer of £500 is not sufficient recognition of the volume of issues he has experienced. It also resulted from the matter being investigated by the Ombudsman, not during the period between August 2017 and September 2018 when the issues occurred. So, it was incorrect to say it was reasonable that Capita believed his concerns had been resolved, before the Ombudsman became involved in this matter.

Ombudsman's decision

30. There were undoubted delays by Capita in sending the CETV quotation that Mr L had requested in August 2017. This partly resulted from Capita needing to reconcile Mr L's GMP entitlement so that the figures provided to him were accurate. Capita could not then acquire figures from the Actuary for Mr L's guaranteed CETV quotation until his leaver notification was received on 12 April 2018.
31. I recognise that Capita had previously delayed providing Mr L's GMP reconciliation information to the Actuary from 20 February 2018 to 29 March 2018, which amounts to maladministration. But Mr L has not provided any evidence to support his complaint that this significantly delayed his retirement planning. Nor that Capita's maladministration was the only reason he received a non-guaranteed CETV quotation in April 2018. I find that the information contained in it would have enabled Mr L's financial adviser to immediately assess his retirement options or consider a transfer, without having to wait for a guaranteed CETV quotation. I also find that Capita's failure to inform Mr L, until February 2018 that he needed to be a deferred member, before a guaranteed CETV quotation could be sent to him, did not delay Mr L's retirement planning. Capita gave this information to Mr L before he received the non-guaranteed CETV quotation.
32. Mr L says that Capita informed him that members are normally only entitled to one free CETV quotation within a 12 month period, almost 11 months after he made his initial request for one in August 2017. But Capita was not required to provide this information until Mr L raised enquiries specifically relating to that point in June 2018. The issue of a free additional CETV quotation was eventually resolved when Capita acknowledged that the guaranteed version sent to Mr L on 18 June 2018, was in response to the only request he had made in August 2017. Consequently, Capita agreed that a further free CETV quotation was due to Mr L, relating to its letter of 28

February 2018. I recognise that this outcome was only reached after Capita had sent an incorrect CETV quotation to Mr L on 11 June 2018, and due to Mr L complaining to Capita on several occasions.

33. Capita is further at fault for failing to process grievances raised by Mr L as formal complaints and escalate them through the IDRPs, or even inform Mr L about the IDRPs when he initially complained. Capita's email of 11 July 2018 also incorrectly states that a non-guaranteed CETV quotation was sent to Mr L on 28 February 2018.
34. This experience is likely to have caused Mr L serious distress and inconvenience. Capita's offer of £500 to Mr L is insufficient recognition of this. I find that £1,000 is an acceptable award in recognition of the distress and inconvenience caused to Mr L by Capita's maladministration.
35. I uphold Mr L's complaint in part.

Directions

36. Within 21 days of the date of this Determination Capita shall pay Mr L £1,000 in respect of the serious distress and inconvenience which he has suffered.

Anthony Arter

Pensions Ombudsman
16 March 2020