

Ombudsman's Determination

Applicant	Miss I
Scheme	Royal Bank of Scotland Group Retirement Savings Plan (the Plan)
Respondents	The Trustee of the Royal Bank of Scotland Group Retirement Savings Plan (the Trustee)

Outcome

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

Complaint summary

3. Miss I's complaint is that the Trustee did not reinstate her Plan benefits or refund her contributions so that she could invest them in a new, private pension scheme.

Background information, including submissions from the parties

4. Miss I joined the Plan on 15 August 2011.
5. On 1 July 2013, Miss I left the Plan with less than 2 years' service. Under the Plan Rules she was only entitled to a transfer to another arrangement.
6. On 14 August 2013, the Plan's administrator sent a Transfer Value (**TV**) quote to Miss I's home address. The cover letter stated; "If you do not complete the transfer within 3 months of the date of this letter, you will lose the right to this benefit". The letter also included a copy of the Plan's member booklet, it also stated members could not take a refund of contributions from the Plan.
7. On 16 September 2013, in response to an enquiry, the Plan's administrator sent Miss I's Independent Financial Adviser (**IFA**) a letter maintaining she only had 3 months to transfer her Plan entitlement. It also said that the Trustee had instructed all TV paperwork to be sent directly to members and so it sent a further copy to Miss I directly. The administrator sent a copy of the TV quote to Miss I's home address stating it had "recently received correspondence from Alexander Associates Group

(the IFA) requesting information on your behalf'. All the letters were correctly addressed.

8. In August 2018, after ascertaining that she had no further entitlement to a refund or TV from the Plan, Miss I complained under the Plan's Internal Dispute Resolution Procedure (**IDRP**). She said neither she nor her IFA had received any of the letters the Trustee had sent. Miss I argued it was unfair that the Trustee would not refund her contributions or reinstate her benefits in the Plan.
9. On 22 August 2018, The Trustee provided its IDRPs Stage 1 response and did not uphold Miss I's complaint. The Trustee said that when a member leaves the Plan with under 2 years' membership, as is the case with Miss I, the Plan Rules provide for a member to only take a transfer to another registered pension scheme. The Trustee also said that if a member did not exercise that right within 3 months they would lose their Plan entitlement. The Trustee argued that even if Miss I had not received the letters, it did not alter the position. Miss I was dissatisfied with the Trustee's response and asked for her complaint to be considered under Stage 2 of the Plan's IDRPs.
10. On 13 November 2018, the Trustee responded under Stage 2 and maintained all of its previous arguments. It said that its decision had not been taken lightly; it was not authorised under the Plan Rules to reinstate Miss I's benefits.
11. In support of her application to this Office, Miss I submitted an unsigned and undated letter from the IFA's representative which stated it never received the Trustee's September 2013 letter.

Adjudicator's Opinion

12. Miss I'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:-
 - The Ombudsman's normal position is that if a respondent can prove that it sent correspondence to a correct address, then it cannot be held liable for an applicant not receiving it.
 - the Plan's administrator sent two copies of the TV to Miss I's residential address, as well as writing to her IFA. In the Adjudicator's view, this was a reasonable course of action and the administrator had acted competently in this case.
 - Miss I's entitlement to a benefit from the Plan is as set out in the Trust Deed and Rules. The Trustee had acted in accordance with Rule 7.2.
13. Miss I did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Miss I provided her further comments which do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Miss I for completeness.

Ombudsman's decision

14. Miss I argues that the Trustee's letters never reached their intended destinations. She says the Trustee cannot prove the letters arrived as none were sent by Recorded Delivery. It would not be reasonable to expect a Trustee to incur the additional expense and administrative burden of tracking every piece of correspondence it sent. As the Adjudicator noted, the Trustee must only prove it made reasonable efforts to contact Miss I. Having reviewed the correspondence, I find that the Trustee met its duty to inform Miss I of her entitlement and options. It is not possible now to say definitively whether any of the Trustee's letters arrived. However, on the balance of probability, it seems unlikely that all of them were lost in transit.
15. Furthermore, the letter of 13 September 2013, to the IFA, states that it was sent in response to a "recent enquiry" on Miss I's behalf. Consequently, Miss I must have been aware of her Plan entitlement at that time. I find that it would have been reasonable for her to query the correct position with the Plan's administrator much earlier than she did.
16. I appreciate Miss I was disappointed to find she had no further entitlement to a benefit from the Plan, especially as she had made substantial contributions to it. However, I find that the Trustee has acted appropriately and in accordance with the Plan's Rules.
17. Therefore, I do not uphold Miss I's complaint.

Anthony Arter

Pensions Ombudsman
23 April 2019

Appendix

1. Rule 7.2 of the Royal Bank of Scotland Group Retirement Savings Plan

Members who are not entitled to immediate or preserved benefits

A member who leaves service without becoming entitled to immediate or preserved benefits may, regardless of the length of the Member's Qualifying Service, require the Trustee to provide a cash transfer sum in accordance with Chapter 5 of Part IV of the Pension Schemes Act 1993 (early leavers: cash transfer sums and contribution refunds).

If the Member does not select this option within the period notified to the Member by the Trustee for this purpose, the Member will not receive any benefits under the Plan, except a refund of the proceeds of his or her own voluntary contributions (if any) less tax at such rate as applies from time to time. RBS may require the Trustee to use the balance of the Member's Retirement Account to meet any liability of the Employers to contribute to the Plan or pay expenses.