

PENSION SCHEMES ACT 1993, PART X
DETERMINATION BY THE DEPUTY PENSIONS OMBUDSMAN

Applicant	Mr John Clay
Scheme	Curtis Banks SIPP (the SIPP)
Respondent	Curtis Banks Plc

Subject

Mr Clay alleges that he has suffered a financial loss due to the failure of Curtis Banks Plc (**Curtis Banks**) to complete an “in specie” transfer of the SIPP assets on a timely basis. He also complains that he has suffered distress and inconvenience because of the delays incurred by Curtis Banks for which he should be compensated.

The Deputy Pensions Ombudsman’s determination and short reasons

The complaint should not be upheld against Curtis Banks because I am satisfied that the compensation payment offered by Curtis Banks of £1,500 in recognition of any financial loss and distress and inconvenience suffered by Mr Clay as a result of any delay in the transfer process attributable to them is in the broad range I would expect to see in circumstances comparable to his.

DETAILED DETERMINATION

Material Facts

1. The original trustees of the SIPP were Alliance Trust. Curtis Banks took on this role when they acquired the SIPP business of Alliance Trust in January 2013.
2. The SIPP consisted of a Trustee's Bank Account and investments with four different fund managers, i.e. Fidelity, Newton, GAM and Skandia.
3. Mr Clay wrote to Alliance Trust on 23 November 2012 to seek their resignation as trustees of the SIPP and the appointment of SIPP Choice to this position.
4. On 27 January 2013, Mr Clay informed Curtis Banks that he had received a statement showing a £660 fee having been deducted from the SIPP and Alliance Trust still as the trustees for some of the SIPP holdings. He asked Curtis Banks why this fee was payable and for an update on the SIPP transfer.
5. Curtis Banks replied that:
 - the fee represented the annual SIPP administration charge due to Alliance Trust in advance (on 15 December 2012);
 - it was payable because the SIPP rights had not yet been transferred; and
 - they were awaiting information from SIPP Choice in order to progress the transfer.
6. Mr Clay complained on 1 March to Curtis Banks that he was dissatisfied with their slow work rate carrying out the transfer which was preventing him from managing the SIPP assets. Curtis Banks replied that Alliance Trust had requested registration details from SIPP Choice in December 2012 but they only received information in mid-February 2013 for Fidelity, Skandia and Newton.
7. On 4 March, Mr Clay sent an e-mail to Curtis Banks which said that he was surprised to hear that SIPP Choice had been slow to respond because he had experienced no tardiness in their work. He said SIPP Choice had informed him that:
 - Alliance Trust wrote to them on 20 December 2012 about re-registration of assets and they dealt with this matter on 2 January 2013; and
 - they had encountered problems with the re-registration of the Fidelity and GAM holdings due to the requirement of having to set up new accounts.

8. Curtis Banks notified Mr Clay on 7 March that they had also received the details to re-register his GAM holding but the completion date for the “in specie” transfer would depend on the turnaround times of the fund managers.
9. Mr Clay complained again on 27 March, this time to the Compliance Officer at Curtis Banks. The SIPP transfer unit (**the SIPP Team**) at Curtis Banks dealt with this complaint because it was considered an operational and not a compliance matter.
10. Curtis Banks updated Mr Clay on the current status of the transfer of his SIPP holdings on 10 April. They informed him that:
 - GAM could not find the stock transfer forms which were sent to them two weeks ago by recorded post and they had to e-mail further copies to them;
 - Fidelity now need additional paperwork which they had previously said was unnecessary and this would be sent to them tomorrow;
 - Newton were not prepared to discuss the transfer with them because of security issues and SIPP Choice also had not heard from Newton; and
 - they would contact him when they received any correspondence from the fund managers.
11. Mr Clay complained to the Managing Director of Curtis Banks on 21 April because he was unhappy with how the “in-specie” transfer and his subsequent complaint were being handled by the SIPP Team. In his letter, he wrote that:

“I am advised that unsigned stock transfer forms were returned to Curtis Banks on 3 April and that GAM have chased Curtis Banks on 12, 15 and 18 April to complete the transfer process. As yet the forms have still not been sent on to GAM.

...stock transfer forms were only sent to Fidelity last Friday.

...Newton would not speak to Curtis Banks. I have enquired why this matter was not handed over to the Compliance Officer...I understand that no one from Curtis Banks has since spoken to Newton and no progress made on this transfer.

...due to Curtis Banks moving, final confirmations were sent to the wrong address and returned to Skandia and have to be reissued.

Overall it appears Curtis Banks started late arranging the transfer of my SIPP, made numerous administrative mistakes dealing with each of the fund managers and have been less than honest with me about how they have managed the transfer process. Needless to say, it suggests that greater supervision, training and an injection of integrity is now needed within the SIPP Team.

...I have paid a 2013 annual subscription fee of £660 as well as an initial transfer fee of £360. I do not regard Curtis Banks as my former Trustees have been properly managing or administering my SIPP. At the very least I will be seeking that Curtis Banks repays the sum of £1,020 to my SIPP in respect of the fees paid during this transfer period but I also reserve the right to make further financial claims once I have been able to review the current investment fund valuations and assess if I have been financially disadvantaged by Curtis Banks' inefficiencies in their SIPP Team. I believe that I should also bring this whole matter to the attention of the FCA for them to determine whether the SIPP Team is "fit for purpose".

12. Curtis Banks informed Mr Clay on 26 April that GAM had sent them contract notes confirming the transfer of his holding to SIPP Choice and Skandia would be doing the same soon. They also said that:
 - Newton had an issue with the name to be used for re-registration purposes supplied by SIPP Choice which they have had to sort out; and
 - Fidelity asked them to provide evidence of their purchase of Alliance Trust's SIPP business which they have now done.
13. On 1 May, Curtis Banks answered Mr Clay's questions about the delay to the transfer process as follows:

"...we have been finding it difficult to communicate with Newton and whilst we have provided all the legal documentation to allow them to recognise us as the SIPP Administrator they seem to only recognise Alliance Trust and not Curtis Banks. However due to our persistence this issue has eased. Today we have chased Newton again to be told that they have declined the re-registration, so to circumvent any further debate and delay...SIPP Choice is contacting Newton directly to bring this matter to a conclusion. Please be assured that we have been following up on this asset transfer tenaciously and were surprised by Newton's response today, however we are hopeful that by connecting Newton and SIPP Choice that we can finally resolve this matter.

With respect to GAM, this (the transfer forms) did go out unsigned, which was absolutely our error, and whilst it was quickly identified and rectified, I can appreciate the additional frustration this caused.

With respect to the Fidelity asset, initially we provided a new list of authorised signatories to ensure they could progress with the transfer, and at this point we were informed that stock transfer forms would not be necessary. When no response was received, we then followed up with Fidelity to then be informed that stock transfer forms were required to allow the transfer to progress, which we supplied. When we followed up with them a week ago,...we were informed that additional legal documentation to evidence our business transfer would be required, e.g. Deed of Incorporation, this was faxed to them...

Once all the assets have been confirmed our final task will be to forward on any residual cash within the SIPP Bank Account and then close your account with us.”

14. On 3 May, Curtis Banks informed Mr Clay that:

- they had sent Newton copies of all the legal documents relating to the transfer of SIPP business from Alliance Trust;
- as Newton investments were managed by BNY Mellon, they also had to send a hard copy of each document to BNY Mellon (after their solicitor had certified every single page);
- BNY Mellon had rejected the stock transfer forms and also refused to divulge any information to SIPP Choice about the transfer; and
- they would contact the Head of Compliance at BNY Mellon to complain about the unacceptable barriers in place which were obstructing the transfer.

15. Mr Clay contacted an acquaintance working for Newton on 6 May. He said that:

“...whilst I can recognise the compliance issues facing BNY Mellon in respect of this (obviously mangled) transfer request from Curtis Banks, could you contact the Compliance Department...I did find BNY’s position over zealous when for several weeks, no-one would speak to, let alone explain to Curtis Banks why the transfer process requested could not take place. Even if Curtis Banks documentation was lacking, BNY Mellon appears to have adopted a rather impractical approach dealing with this state of affairs. For this reason, I am seeking your help to ask someone to inject a pragmatic solution to the problems of this investment transfer request, undoubtedly caused by Curtis Banks.”

16. Curtis Banks informed Mr Clay on 7 May that they had received contract notes from Fidelity. They complained to BNY Mellon on 10 May about their lack of co-operation re-registering Mr Clay’s holding by:

- rejecting the completed transfer forms without explaining why; and
- refusing to discuss what information they required in order for the re-registration to take place.

17. On 20 May, Curtis Banks informed Mr Clay that BNY Mellon had said that the transfer could, in fact, proceed because they had rejected the last transfer form in error. Curtis Banks later received confirmation that the transfer had proceeded.

18. On 31 May, Mr Clay complained to Curtis Banks that:
- six months had now passed since he asked Alliance Trust to resign as the trustees of the SIPP;
 - during this period, he had not been able to drawdown income or to carry out any switch/dealing transactions within the SIPP;
 - for a relatively simple SIPP structure, this delay was becoming intolerable; and
 - whatever BNY Mellon might offer as an apology and explanation, it would not alter the fact that Curtis Banks had totally mismanaged the transfer.
19. Curtis Banks notified Mr Clay on 7 June that the "in-specie" transfer had been completed and provided him with details of the SIPP holdings transferred. Mr Clay noticed that the values supplied for the Newton and GAM holdings were incorrect and informed Curtis Banks accordingly on the same day as follows:
- "Allowing for a margin of error regarding the valuation date, I am happy to accept the Skandia and Fidelity portfolios but you have understated my investments with Newton and GAM?
- I have checked my GAM holdings on line and the value should be closer to £122,615 and not £26,729. As for Newton, I was expecting a value closer to £90,330 and not £38,318."
20. Curtis Banks apologised for the error in the GAM figure which they said should have been £121,781. They disagreed that the Newton figure of £38,318 was wrong though because it had been taken from a statement from Newton which showed 31,403.477 shares transferred and the share price at the transfer date being £1.2202. They said that they would, however, ask Newton to check their figures.
21. Mr Clay was unhappy with their response. He accused Curtis Banks of having:
- failed to check the reasonableness of the information provided by the fund managers against their own records before sending it to him; and
 - treated his concern about the validity of the Newton figure with "contempt" by refusing to accept that Newton could have supplied wrong information.
22. Mr Clay provided Curtis Banks with a statement issued in July 2012 by Alliance Trust showing the 31,403.477 units valued on 5 April at £2.7710 giving a total value of £87,047.30. He also told them that they had caused him "mental anguish" by understating the true value of his pension fund by some £160,000 in error.

23. On 21 June, Curtis Banks sent Mr Clay an e-mail which said:

“This week we have made little progress with BNY until today...we have sent them three original certified deeds of novation.

However upon receipt, they then told us that they could not discuss your case with us, as they had to update all assets they administer relating to us, or would not be able to do anything.

...I contacted their complaints department, and explained further my predicament, stressing the regulatory impact of their refusal to discuss the matter with us.

Today, we have finally managed to discuss the matter...and had a sensible discussion as to the information we are seeking a response to, our hope is we can provide a response to you early next week.”

24. On 26 June, Mr Clay received a second closure statement from Curtis Banks which correctly valued the SIPP holdings that were transferred. They also told him that:

- the Newton fund value was based on 34,544.248 shares and a closing price of £2.80;
- they had discovered that the naming convention of this holding and one allocated to “ATS nominee” were almost identical and as such they had instructed BNY Mellon to transfer the wrong asset;
- the original valuation which they provided him was wrong because BNY Mellon processed this request for which they could only apologise;
- they instructed BNY Mellon to reverse the transaction;
- BNY Mellon were unable to do this so they had to send stock transfer forms to SIPP Choice to ensure the return of the erroneous asset; and
- as his SIPP transfer was completed “in specie”, he had not suffered any financial detriment as a consequence of this.

25. Mr Clay considered the incorrect valuation of the Newton holding to be Curtis Banks’ second serious negligent administrative mistake (the first being the understatement of the value of the SIPP assets by some £160,000). He said that:

“I have made this comment before but it is apparent that there is a cultural problem...in that staff seems not to undertake any checking against other internal documentation for issues such as reasonableness.

However what surprised me more was the lack of supervision and oversight being present even when it was recognised there were problems with my SIPP transfer...After the understated completion statement was sent out, I was surprised how long it was for Curtis

Banks to resolve the issue with Newton. Numerous other (crass) administrative mistakes have been made previously with the GAM, Skandia and Fidelity transfers and this should have put someone on notice for the need to check in detail the Newton transfer documentation.”

26. In his e-mail dated 5 July 2013 to Curtis Banks, Mr Clay wrote:

“I am pleased to receive your e-mail advising me that the Newton security has finally been transferred to SIPP Choice...

In summary, I am happy to agree that the assets held in my SIPP have now all been transferred to SIPP Choice and that my SIPP account with Curtis Bank is now closed.

I note your apology about the time taken to arrange the transfer. As regards Curtis Banks investing time and resources to “bring forward the completion of this transfer”, I am unimpressed... This transfer should have been relatively simple to execute... four investment portfolios and a cash account! However too many mistakes before and too many mistakes continued to be made after I complained... Had Curtis Banks previously invested in better training, better supervision and stronger management systems, then that additional time and resources subsequently needed to complete my transfer could have been avoided.”

27. On 5 August, SIPP Choice informed Mr Clay that the SIPP funds had been registered with them and he could now drawdown or switch/trade the SIPP holdings.

Summary of Mr Clay’s position

28. Curtis Banks has made no attempt to explain how they have quantified their settlement offer of £1,500. They should justify their proposed compensation amount by ensuring each element of his claim is properly considered and evaluated.
29. Curtis Banks has not fully recognised the shortcomings in their conduct, particularly in relation to the issue of emotional frustration and mental anguish caused by the understatement of the value of the SIPP holdings. They are focussed more on blaming third parties rather than fully addressing their own failings.
30. As part of the settlement process, it would be helpful to understand what actual steps Curtis Banks have taken to avoid a repeat of the failings in the SIPP Team. Only a compliance audit will establish whether lessons have been learnt and a change of culture implemented by Curtis Banks.
31. He would like Curtis Banks to pay the sum of £2,206.57 into the SIPP and £2,345 directly to him calculated as follows:
- reimbursement of the 2013 annual SIPP fees totalling £1,020 (i.e. £360 and £660 paid to Curtis Banks and Alliance Trust respectively);

- compensation for the inability to deal during this period - £1,186.57;
- professional fees - £525;
- loss of income drawdown opportunity - £120;
- value of his time - £1,500; and
- an ex-gratia payment - £200.

32. He says that:

“I understand that following a change of Trustee instruction, a resigning Trustee normally has a six month period to expedite the transfers of authorities etc. between say Fund Managers to the new Trustee. Based on my professional experience, I was not expecting my retiring Trustee to act on my behalf as I would have expected that shortly after being advised of a change in Trustee, relevant resignation letters out to the Fund Managers to commence the handover of responsibilities to the new Trustee. I did not attempt to undertake any switch/deal transactions as Curtis Banks “would” not have the responsibility to give appropriate instructions.

My comments in my 1 March 2013 e-mail was prompted partly by the lack of information being provide to me by Curtis Banks as I was aware from my contact with my new Trustee, SIPP Choice, that the handover process had started in late December 2012/early January 2013 but also I wanted to remind Curtis Banks of the consequences to me of a delayed transfer process. Once it became apparent that the handover process with the Fund Managers was bedevilled with problems, there was absolutely no point making a switch/deal transaction request...it would only have caused more administrative distractions with Compliance Departments. (I would also add that had I not become actively involved chasing Curtis Banks, the transfer process would have taken far longer!)

My explanation above about which Trustee has responsibility following a change of Trustee instruction equally applies to a request for income drawdown. My retiring Trustee, once the resignation letters are issued should not be able to action such a request...and for this reason, I had to wait until SIPP Choice, as my new Trustee were in situ could make the appropriate payments to me.”

33. The submissions made by Curtis Banks should be independently verified with the fund managers. In particular, he feels that Newton should be asked for their opinion on whether Curtis Banks could have acted differently in order to “unlock the impasse” between the two companies.
34. If he had not forced Curtis Banks into taking action against Newton, the SIPP transfer would have been delayed further.

35. Curtis Banks cannot be only partially liable for the transfer delay if they did not adhere to their own complaints handling procedure by contacting the fund managers to apportion liability.
36. His time spent dealing with Curtis Banks in this matter has a value because of his relevant experience in financial matters gained whilst working for an accountancy practice. Although he retired in October 2007, he still provides tax and trust advice when requested. His claim of £1,500 is therefore for the value of his time lost dealing with Curtis Banks during the dispute (e.g. double checking their work relating to his complaints) and does not include the time bringing his complaint to me. Effectively he regards the time charge claimed represents lost opportunity income from his consultancy activities.
37. He became a resident of Spain after retirement. It is consequently not unreasonable for him to seek professional assistance on current UK regulatory process and then to seek reimbursement of the fees payable from Curtis Banks.
38. He has made an application to the Financial Conduct Authority under the Freedom of Information Act to obtain details of the compliance returns submitted by Curtis Banks for his complaints against their SIPP Team because he wants to know how Curtis Banks reported them to the FCA (in particular, the one which he made on 27 March 2013 to their Compliance Officer that was dealt with by the SIPP Team instead). Regardless of the response due from the FCA, he considers this irregularity to be a major compliance failing by the SIPP Team which should have brought his first complaint to the Compliance Officer's attention. If Curtis Banks did not report his first complaint to the FCA, his comments that their SIPP Team is not "fit for purpose" are reinforced because they have breached compliance protocols during the course of the transfer.

Summary of the position of Curtis Banks

39. They accept that they have made a number of errors but mistakes made by some of the other firms involved in this matter also contributed to the transfer delay.
40. The transfer was further complicated by the fact that the reference number held by Alliance Trust for the Newton holding was incorrect which resulted in them requesting the wrong asset to be re-registered and also issuing an incorrect SIPP valuation on 7 June. This led to further delays whilst they investigated the discrepancy

between the information provided by Newton and Mr Clay on this holding before arranging for it to be re-registered.

41. They have taken the opportunity to review their processes to ensure that in future there will be appropriate supervision of the transfer process and that information is checked before being provided to clients.
42. They consider it important to proactively contact clients regularly to ensure that they are aware of progress made and of any issues that might cause delays. Whilst efforts were being made to progress Mr Clay's transfer, they accept that they did not initially update him on what was happening which meant that he had to contact them for information.
43. They have offered Mr Clay a goodwill compensation payment of £1,500 in full and final settlement of his complaint which he has declined. They are not prepared to pay the amount which he is seeking of £4,551.37 (i.e. 2,206.57 + 2,345).
44. They have admitted to a number of shortcomings and their offer reflects this by addressing in full any financial detriment incurred and also any distress and inconvenience suffered by Mr Clay through their mistakes.
45. They are not prepared to meet his claim for reimbursement of his IFA fees. Mr Clay has informed them several times that he is experienced in financial services so it is unclear why he considered the need to seek further advice from an IFA.
46. The SIPP administration fee of £660 was charged by Alliance Trust at the time they were still administering the SIPP and they are not in a position to refund it. They initially offered to refund the transfer fee of £360 to Mr Curtis (which they took in March 2013) in recognition of the role which they played in the excessive length of time taken to finalise the transfer. This compensation amount was rejected by Mr Clay and they subsequently made a significantly improved offer to him of £1,500.
47. Once they became aware of the problems which Mr Clay was experiencing with the transfer, they kept him fully informed of what was happening. They also provided him with information about their complaints process and the free resources available if he felt that he needed assistance dealing with this matter.
48. Mr Clay is retired and his attempt to claim professional fees for the time dealing with this matter is not appropriate.

49. As Mr Clay is no longer a client of theirs, he has no right to demand detailed information regarding their internal procedures. The information provided during the transfer process and in their formal complaint response should have sufficiently reassured him that they have learnt from the mistakes and taken action to address them.
50. Mr Clay continues to ignore the failings of the other parties involved in this matter.
51. Mr Clay's ability to invest/disinvest monies during the transfer process is not covered in the SIPP Terms and Conditions because, in most cases, this process would happen fairly swiftly. In their view, Mr Clay had therefore made a conscious decision not to deal on the SIPP account whilst the transfer was ongoing because of the difficulties he was experiencing.
52. They do not accepting that any financial loss suffered by Mr Clay was purely down to them. The compensation amount of £1,500 is however roughly the total of Mr Clay's claim for investment loss, loss of drawdown opportunity and the ex-gratia payment which they consider to be a reasonable offer. The figure takes into account all aspects of the case, including their shortcomings, Mr Clay's claim, the impact of third party actions and a desire to find an acceptable solution for all parties.
53. Rather than debating the merits of the case of each element of Mr Clay's claim and what an appropriate proportion of the total compensation should be met by them, they have offered a compensation payment which they consider exceed their share of the failings and the financial implications and inconvenience incurred by Mr Clay.
54. If they had carried out a detailed breakdown of each element of his claim and applied their view of the percentage of each of these that should have been apportioned to them, this would probably have resulted in a far lower figure than that offered, reflecting their belief that BNY Mellon were responsible for much of the investment loss being claimed.

Conclusions

55. According to Mr Clay, Alliance Trust wrote to SIPP Choice on 20 December 2012 about the re-registration of the SIPP holdings. I consider that Alliance Trust could arguably have made initial contact with SIPP Choice earlier than they did but it is unfair to attribute this delay in the transfer process to Curtis Banks.
56. Curtis Banks say that they only received re-registration details from SIPP Choice in mid-February 2013 for Fidelity, Skandia and Newton and early March for GAM.

57. SIPP Choice informed Mr Clay that they had to set up new accounts for the Fidelity and GAM holdings as part of the re-registration process which inevitably would have taken some time to complete. I do not consider that Curtis Banks should be held responsible for the time required by SIPP Choice to satisfy the requirements of Fidelity and GAM before the re-registration process could commence.
58. Curtis Banks were only in a position to provide completed stock transfer forms to the fund managers in late February/early March 2013. In my view the complaints made by Mr Clay on both 1 and 27 March to Curtis Banks were therefore somewhat premature when there was nothing which Curtis Banks could have done until receiving the correct re-registration details of the fund managers from SIPP Choice.
59. Having sent the relevant stock transfer forms out to the fund managers, Curtis Banks encountered problems completing the “in-specie” transfers of Mr Clay’s holdings to SIPP Choice with all four investment managers with varying degrees of difficulty.
60. In the case of Skandia, the problem was minor. Skandia sent the confirmation notice to the wrong address because Curtis Banks most probably forgot to supply them with their new address. I note that Skandia did later rectify their mistake though by resending the confirmation notice to the correct address for Curtis Banks.
61. Curtis Banks says that Fidelity did not ask them for all the information required at the same time in order to carry out the re-registration process. The onus was on Fidelity to specify what they needed on a timely basis. I do not therefore consider Curtis Banks can be blamed for providing them with the requested information over several weeks if Fidelity decided to ask for it in a fragmented manner.
62. According to Curtis Banks, GAM mislaid the stock transfer forms sent to them in late March and they had to resend a copy by e-mail. Clearly Curtis Banks cannot be held responsible for this unfortunate loss of the original transfer forms by GAM. They have, however, admitted that they originally sent out this form unsigned by mistake. This error, in my view, constitutes maladministration on the part of Curtis Banks.
63. Curtis Banks have however taken appropriate corrective action to put Mr Clay back in the position he would have been in had they not made the mistake by later sending a signed version of the form to GAM.
64. Curtis Banks had particular trouble dealing with Newton during the re-registration process of Mr Clay’s holdings. In my opinion, Newton was somewhat heavy-handed and pernickety in their dealings with Curtis Banks and could have been more helpful.

I am also satisfied from the evidence that Curtis Banks did try their best to expedite this transfer under very difficult circumstances and do not therefore consider it to be equitable that they should take the blame for Newton's "impractical approach" (Mr Clay's words) dealing with this matter.

65. The two mistakes made by Curtis Banks, i.e. requesting the wrong Newton holding for Mr Clay to be re-registered with SIPP Choice (due to a mix up over the registration number) and also providing Mr Clay with incorrect details of the SIPP holdings transferred, in my view, clearly constitute maladministration on their part. But again Curtis Banks have already taken suitable corrective action to put Mr Clay back in the position he would have been in had they not made these mistakes.
66. In my view, Curtis Banks were consequently only partly responsible for the delays incurred during the protracted "in specie" transfer process to SIPP Choice.
67. I can see why Mr Clay would not have made any adjustments to the SIPP portfolio during the transfer and before the eventual re-registration with SIPP Choice. It would have been difficult and it makes sense to complete a transfer before restructuring and taking benefits. But anyway, Mr Clay was expecting the transfer to be relatively quick and there was no clear point at which he knew that there would still be a significant delay. He knew the transfer had taken longer than he expected, but not when it would be complete.
68. Mr Clay therefore did lose the opportunity to change the SIPP holdings during the time between setting the transfer in motion and its eventual completion. The transfer would of course not have been immediate and some time would have been taken even if there had been no unwarranted delay. The loss of opportunity, and the distress caused by it, would not have been insignificant given the time and the amount of money concerned.
69. Curtis Banks have offered Mr Clay a compensation payment of £1,500 in full and final settlement of his complaint. They say that this payment essentially covers Mr Clay's claim for financial loss incurred during the transfer period of £1,186.57, the loss of income drawdown opportunity of £120 and an ex-gratia payment of £200. They are not however prepared to pay his IFA's fees of £525 and for the time he has spent dealing with this matter of £1,500. They are also unwilling to reimburse the 2013 administration fees payable to both Alliance Trust and them totalling £1,020.
70. I can see that Mr Clay spent a considerable amount of time dealing diligently with the problems caused as a direct result of the maladministration identified. During this

time, he would have incurred reasonable additional expenses which he would not otherwise have incurred. These expenses, in my opinion, should be reimbursed on the basis that they are as much resulting financial injustice as any lost benefits.

71. In my view, however, the reasons given by Curtis Banks for not compensating Mr Clay the fees which he incurred by seeking assistance from his IFA and for the value of his time are sound.
72. I do not generally consider that any award should be made to account for assistance which could have been provided by the Pensions Advisory Service (**TPAS**) instead of an IFA as TPAS is an organisation which offers a free service to the public and will help an applicant through the process of dealing with a dispute.
73. Mr Clay considers that a reasonable estimate of the value of the amount of time spent dealing with the transfer and subsequent complaint (exclusive of the time incurred in bringing it to me) to be £1,500. However, in compensating Mr Clay I think it is right to have regard to the fact that any process takes some time, and that in any business transaction there is scope for matters to go awry. In my view, the cost of dealing with the matter would have been within the normal range of Mr Clay's part time business activities (including ordinarily problematic ones).
74. Mr Clay also considers that Curtis Banks should reimburse him the 2013 SIPP administration fee of £680 charged by the previous administrator Alliance Trust. But Mr Clay only asked Alliance Trust to resign as SIPP trustee on 23 November 2012 which was less than one month before the fee was due on 15 December. I therefore consider it unreasonable to expect that the SIPP assets could have been transferred "in specie" to the new SIPP provider before this fee was payable in accordance with the SIPP Terms and Conditions. To avoid paying this fee, Mr Clay ought to have made his request to Alliance Trust much earlier than he actually did in order to give them the opportunity to comply with his instructions before 15 December. In any case, as this fee was not taken by Curtis Banks, they are not in a position to refund it.
75. Curtis Banks did originally offered to refund the transfer fee of £360 to Mr Clay as a gesture of goodwill in recognition of the distress and inconvenience which they caused him for the role which they played in the protracted transfer. This offer was rejected by Mr Clay however and Curtis Banks was under no obligation to take this fee into account when making their subsequent improved offer to him of £1,500.

76. Furthermore, a payment for distress and inconvenience is not intended to be compensation in the legal sense of the term, rather it is an ex gratia payment intended as tangible recognition that mistakes and delays have been intrusive/eaten into Mr Clay's time/caused upset. It would be quite inappropriate, in my view, to approach this by way of a payment for anything akin to an hourly rate for the time spent, as suggested by Mr Clay.
77. Whilst I accept that Mr Clay spent a significant amount of time sorting things out and this has been a difficult time for him, I am therefore satisfied that the compensation payment offered of £1,500 is in the broad range I would expect to see in circumstances comparable to his.
78. I am therefore unable to ask Curtis Banks to pay Mr Clay more than what has already been offered and do not uphold his complaint.

Jane Irvine
Deputy Pensions Ombudsman

12 December 2014