

Ombudsman's Determination

Applicant	Mr R
Scheme	AJ Bell Investcentre SIPP (the SIPP)
Respondent	AJ Bell

Outcome

1. I do not uphold Mr R's complaint and no further action is required by AJ Bell.

Complaint Summary

2. Mr R's complaint is about the time taken by AJ Bell to issue correspondence to his Investment Manager and that this delay has resulted in a financial loss.

Background information, including submissions from the parties

3. On 23 November 2018, Mr R requested that AJ Bell send him forms to sell his SIPP investments in order to transfer out.
4. On 26 November 2018, Mr R received the disinvestment instruction. The same day, he completed the form and posted it to AJ Bell.
5. On 28 November 2018, AJ Bell received Mr R's disinvestment instruction. The following day it emailed Mr R to confirm receipt and said that it would arrange for the SIPP investments to be sold. AJ Bell said that it was "in the process of liaising with the relevant stockbroker to ensure the investments are transferred as quickly as possible" and it would contact him in the event of a significant delay.
6. On the evening of 2 December 2018, Mr R emailed AJ Bell querying whether the disinvestment instruction had been sent to the Investment Manager.
7. On 4 December 2018, AJ Bell responded saying that the instruction had been sent to the Investment Manager that day.
8. On 6 December 2018, at Mr R's request, AJ Bell asked that the Investment Manager deal with his disinvestment instruction urgently.

9. On 20 December 2018, following the closure of the SIPP, Mr R complained to AJ Bell that he had sustained a financial loss of around £7,000 due to its administrative delays in forwarding his instruction to the Investment Manager. Mr R said that this should have been sent “within two to three days from the date of receipt” as the financial markets were turbulent over this period.
10. On 11 January 2019, AJ Bell provided its final response to Mr R’s complaint, which is summarised below:-
 - AJ Bell aimed to process disinvestment instructions within 48 hours of receipt, but this is not guaranteed.
 - The administrative time taken to action Mr R’s instructions was not unreasonable.
 - AJ Bell did not consider itself responsible for any perceived financial loss.

Adjudicator’s Opinion

11. Mr R’s complaint was considered by one of our Adjudicators who concluded that no further action was required by AJ Bell. The Adjudicator’s findings are summarised below:-
 - Timeframes for transfers vary greatly between providers across the pensions industry. There is little guidance on best practice from industry regulators as to how long the disinvestment of assets and transfers should reasonably take. Without a binding legislative or regulatory framework, transfer delay complaints must be considered on their individual facts. AJ Bell says that it aims to process instructions within 48 hours. However, this is not guaranteed and did not happen in Mr R’s case.
 - The Adjudicator appreciated that Mr R disagreed with the amount of time AJ Bell took to send his disinvestment instruction to the Investment Manager. However, no Service Level Agreement (**SLA**) is guaranteed within the SIPP’s terms and conditions. The Adjudicator had seen no evidence to suggest that AJ Bell committed itself to a deadline to close the SIPP, which was the given reason for Mr R’s disinvestment instruction.
 - Mr R considered that AJ Bell delayed actioning his instruction and he believed he had sustained a financial loss from its inaction. In the Adjudicator’s opinion, four working days to process a disinvestment instruction was not an unreasonable timeframe. This would fall below the threshold where the Ombudsman would likely consider AJ Bell’s actions to constitute maladministration or consider making an award for distress and inconvenience.
 - The Adjudicator appreciated that Mr R was disappointed to learn that his investments were sold for less than they would have realised on previous days. However, AJ Bell had not caused Mr R to sustain a financial loss. The value of Mr R’s investments was not guaranteed and fluctuated in accordance with stock

market movement. AJ Bell could not reasonably foresee that Mr R's investments would fall in value between him returning the disinvestment instruction to AJ Bell and it being sent to the Investment Manager.

12. Mr R did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr R provided his 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 Mr R for completeness.

Summary of the Ombudsman's Determination and reasons

13. Mr R says that he wished for the disinvestment instruction to be processed as soon as possible because "the stock market was going down". He argues that AJ Bell was aware of this and it did not deal with his instruction in a timely fashion. However, AJ Bell administers the SIPP on an execution-only basis. It is not responsible for making investment decisions or providing Mr R with financial advice. AJ Bell could not have foreseen that the value of Mr R's investments would continue to decline in December 2018. Nor was it obliged to intervene on Mr R's behalf. Consequently, I do not agree that AJ Bell owed Mr R the duty of care that he expects.
14. Mr R maintains that AJ Bell took five days to send his disinvestment instruction to the Investment Manager. He says that this is three days longer than AJ Bell's stated aim for processing instructions. However, as the Adjudicator noted, AJ Bell does not guarantee this SLA. In the circumstances, I do not agree that the time taken by AJ Bell to process Mr R's instruction was excessive. I have also seen no evidence to suggest that Mr R asked AJ Bell to process his instruction urgently before his follow-up telephone call of 6 December 2018.
15. It is unfortunate that the value of Mr R's investments fell between him submitting the disinvestment instruction to AJ Bell and those investments being sold by the Investment Manager. I sympathise with the position in which Mr R finds himself, however, I do not agree that AJ Bell has caused Mr R to sustain a financial loss.
16. I do not uphold Mr R's complaint.

Anthony Arter

Pensions Ombudsman
22 October 2019