

Ombudsman's Determination

Applicant	Mrs N
Scheme	Principle Civil Service Pension Scheme (the Scheme)
Respondent	MyCSP

Outcome

1. Mrs N's complaint against MyCSP is partly upheld, but there is a part of the complaint I do not agree with. To put matters right, for the part that is upheld, MyCSP should pay Mrs N £500 for significant distress and inconvenience.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mrs N's complaint against MyCSP is about the incorrect information she received in 2006 regarding transferring benefits from a previous pension into the Scheme.

Background information, including submissions from the parties

4. Mrs N worked for Royal Mail and was a member of the Royal Mail Pension Scheme (**RMPS**). In February 2006, she moved to the Civil Service and asked the Department for Work and Pensions (**DWP**), the then administrators of the Scheme, whether it was possible to transfer her existing RMPS benefits into the Scheme. She says she was told it was not possible. Later, the administration of the Scheme passed to MyCSP.
5. In February 2014, Mrs N asked MyCSP why she could not transfer her benefits. She was told that, in fact, she could. The transfer was then processed. However, since the RMPS was not a member of the Public Sector Transfer Club (**Transfer Club**), this was carried out on non-Transfer Club terms. That meant her 18 years' service in the RMPS only translated into approximately nine years' service in the Scheme.
6. In 2015, Mrs N complained to MyCSP.
7. In January 2016, MyCSP responded under stage one of its internal dispute resolution process (**IDRP**). The key points were: -

- It explained the context of the Transfer Club and what this meant for her benefits in the Scheme. It apologised that this issue had not previously been explained to her, which would have managed her expectations and resulted in less frustration.
 - However, there was no evidence that she was told she could not transfer her benefits under the RMPS into the Scheme. On the balance of probabilities, it was likely she was not conclusively told she could not do this. Rather, it was more likely she was told she could not do this on Transfer Club terms.
 - However, it agreed that the customer service and complaint handling had been poor, so it offered her £150 compensation.
8. In December 2016, dissatisfied with MyCSP's response, Mrs N referred her complaint to this Office.

Adjudicator's Opinion

9. Mrs N's complaint was considered by one of our Adjudicators who concluded that no further action was required by MyCSP. The Adjudicator's findings are summarised briefly below: -
- MyCSP accepted its investigation into Mrs N's complaint was poor. So, at the Adjudicator's suggestion, it agreed to increase, from £150 to £500, its offer for the significant distress and inconvenience this would have caused her.
 - But the Adjudicator did not think MyCSP acted in maladministration at the time of the transfer request. There was insufficient evidence she was told that she could not transfer her RMPS benefits to the Scheme on any terms.
 - MyCSP provided Mrs N with a "Pensions Choices Form" at the time of her enquiry in 2006. This stated, "Please contact me about the possibility of transferring in my pension from another employment." Mrs N had ticked the relevant box to request a call back.
 - The Adjudicator said, this form proved Mrs N had requested that someone call her about transferring into the Scheme. But it did not prove that she was subsequently informed that no transfers could be made into the Scheme. If transfers in had not been possible under any circumstances, the Pension Choices Form would not have included the option to request a call back about them.
 - The most likely explanation was that Mrs N was informed it was not possible for her to transfer into the Scheme on a Transfer Club basis. The Adjudicator did not doubt Mrs N understood that no transfers in were possible. But there was insufficient evidence that she was so informed.

- Had Mrs N decided to transfer her RMPS benefits into the Scheme on a non-Transfer Club basis in February 2006, it would have bought a service credit in the Scheme of 8 years and 270 days. So she could only have transferred her RMPS benefits on less favourable terms.
 - The Adjudicator therefore said the complaint should be upheld in part, and that MyCSP should pay Mrs N £500 for significant distress and inconvenience.
10. Mrs N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mrs N 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 Mrs N for completeness.

Ombudsman's decision

11. Mrs N questioned the lack of documentation provided to her at the time of her request in 2006. She said if it was true that she was informed that she could only transfer her RMPS benefits to the Scheme on non-Transfer Club terms, then she would have been provided with documentation to help her decide whether to proceed.
12. However, it is clear from the evidence that further documentation was only provided in 2014 because Mrs N did decide to proceed with transferring; in 2006, she did not proceed, therefore I would not have expected that further documentation would be provided at this point.
13. I note that, in an email dated 24 December 2014, Mrs N said: -
- “I definitely got in touch with someone (I honestly do not know who – and this is my downfall -) who told me that I couldn't transfer it in . As I can't remember what the explanation was (something about not being in the right club or words to that effect)...”
14. It seems more likely Mrs N was told that, in her particular case, transferring in was only possible on non-transfer club terms, rather than that transferring in was simply not possible.
15. The Transfer Club, which is a voluntary arrangement, consisting of the main public sector schemes e.g. Civil Service, Local Government, NHS etc. All members of the Transfer Club use standard tables for calculating the transfer of pension rights to and from other member schemes. The purpose of the Transfer Club is to ensure that employees are credited with service of equal value in the receiving scheme, to that in the transferring scheme. Transfers outside the Transfer Club are less favourably treated; however, there is nothing in the rules of the Transfer Club preventing transfers in from non-members. So I find it is more likely that Mrs N was informed that transfers in were only possible on this less favourable basis, rather than that they were not possible at all.

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16. Mrs N also says that the Pension Choice Form is generic, rather than specific to the RMPS – therefore, it is not surprising that she received it, and the offer of a call back about transferring in that came with it, even though the RMPS was not in the Transfer Club. However, I agree with the Adjudicator that this form proves only that Mrs N asked for a call back about the possibility of transferring in. MyCSP does not dispute that such a call subsequently took place; the disagreement is about whether Mrs N was also informed, at around the same time, that transferring her RMPS benefits into the Scheme was not possible on any terms. I agree there is insufficient evidence of that in general, and the Pension Choices Form in particular sheds no light on this.
17. Finally, MyCSP has agreed that its complaint handling in this case was not good enough. I agree with the Adjudicator that it should therefore pay Mrs N £500, as this would have caused her significant distress and inconvenience.
18. Therefore, I uphold this complaint in part.

Directions

19. Within 28 days of the date of this Determination, MyCSP shall pay Mrs N £500 for significant distress and inconvenience.

Karen Johnston

Deputy Pensions Ombudsman
6 December 2017