

Ombudsman's Determination

Applicant	Mr N
Scheme	Civil Service Partnership Pension (CSPP)
Respondent	Judicial Appointments Commission (JAC)

Outcome

1. Mr N's complaint is partly upheld, but there is a part that I do not agree with. To put matters right, for the part that is upheld, the JAC shall pay £205.75 to Mr N's CSPP with Legal & General. JAC shall also pay £500 to Mr N in acknowledgement of the significant distress and inconvenience he has experienced.

Complaint Summary

2. Mr N's complaint is that the JAC failed to pay pension contributions to his CSPP between February and October 2017.

Background information, including submissions from the parties

3. On 1 December 2014, Mr N joined the CSPP. The CSPP is a defined contribution (**DC**) workplace pension administered by Prudential. Mr N did not make employee contributions to the CSPP. However, his employers paid a varying percentage of his salary determined by his age.
4. On 30 August 2016, Mr N joined the JAC. He was previously employed by another Government department and his membership of the CSPP was continuous. JAC's payroll services are sub-contracted via Shared Services Connected Limited (**SSCL**).
5. From 2 February 2017 to October 2017, contributions were collected from JAC by SSCL. However, it did not pay them to Prudential because of errors resulting from SSCL upgrading to a different administration system.
6. On 31 October 2017, Mr N left JAC to start another role with The Advisory, Conciliation and Arbitration Service (**ACAS**).
7. In November 2017, after contacting Prudential, Mr N learnt that no contributions had been made to his CSPP since February 2017.

8. In December 2017, after exchanges of correspondence with SSCL, Mr N contacted The Pensions Advisory Service (**TPAS**) and asked it to resolve his dispute with JAC. TPAS wrote to JAC and SSCL asking for them to investigate and resolve Mr N's complaint.
9. On 1 May 2018, after further exchanges of correspondence, SSCL made a lump sum payment of £2,685.38 in outstanding contributions (for February-October 2017) to Prudential. The contributions were allocated with an investment date of 22 May 2018. SSCL wrote to TPAS stating that Prudential, unlike other CSPP providers, did not reconcile contributions and said that Prudential was only made aware of the error by TPAS in March 2018. SSCL also said that it would not request that Prudential calculate any potential investment loss or make any offer of compensation.
10. Mr N's complaint to this Office was subsequently accepted for investigation and in November 2018 a formal response was requested from JAC. Mr N said that he considered substantial compensation to be due for the "huge amount of time, effort and stress this maladministration has caused me".
11. On 11 December 2018, JAC provided its formal response to Mr N's complaint. JAC's response is summarised below:-
 - a. JAC had no 'day-to-day' involvement with the third-party services administered by SSCL.
 - b. It did not become aware that there was an error with Mr N's contributions until TPAS contacted it in January 2018.
 - c. JAC said that, to the best of its knowledge, Mr N's complaint had been resolved by the back payment of the outstanding contributions in May 2018.
 - d. JAC apologised for the error and said it would only consider Mr N's claims for compensation if it could be established that he had sustained a financial loss.
12. On 20 May 2019, after correspondence with the Adjudicator, Prudential wrote to us stating that if Mr N's February to October 2017 contributions had been invested correctly, in line with JAC's investment dates, Mr N's CSPP would have been £205.75 higher.

Adjudicator's Opinion

13. Mr N's complaint was considered by one of our Adjudicators who concluded that further action was required by JAC. The Adjudicator's findings are summarised below:-
 - a. JAC's payroll services are administered by a third-party provider. However, as his employer at the time, JAC was ultimately responsible for ensuring Mr N's CSPP contributions were paid to Prudential correctly.
 - b. The Adjudicator was satisfied that that Mr N had sustained a financial loss of £205.75 after corresponding with Prudential. This had occurred because Mr N's

contributions were submitted with an incorrect investment date, when the outstanding amount was paid to Prudential in May 2018.

- c. JAC should redress that financial loss by paying £205.75 to Mr N's CSPP, and also offer him an award of £500 in acknowledgement of the significant distress and inconvenience he had suffered.

14. JAC accepted the Adjudicator's Opinion. However, Mr N did not, and the complaint was passed to me to consider. Mr N 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 N for completeness.

Ombudsman's Decision

15. In his comments, Mr N says that he considers the offer made by JAC to be "derisory". He considers that an offer of £5,000 would be required to resolve his complaint. Mr N says that he experienced significant employment issues at JAC, investment loss on his contributions, and a high level of distress and inconvenience. As employment disputes are outside my jurisdiction, if Mr N would like to raise a formal grievance about his employment with JAC, he should complain to it directly in the first instance.

16. I do not agree that Mr N has suffered the exceptional distress and inconvenience necessary to justify the non-financial injustice award he has requested. I agree with the Adjudicator's view that Mr N has suffered significant distress and inconvenience.

17. Mr N says that he has subsequently transferred his CSPP to Legal & General. Mr N is not satisfied that JAC would pay the investment loss of £205.75 to his new provider correctly. He says that the £205.75 should be paid directly to him as compensation. The amount calculated by Prudential is in respect of investment losses within the CSPP. Consequently, it cannot be paid to Mr N directly in the way that he has suggested.

18. I uphold Mr N's complaint in part.

Directions

19. Within 42 days of the date of this Determination, JAC shall:

- a. pay the investment loss of £205.75 to Mr N's new provider Legal & General; and
- b. pay £500 to Mr N for the significant distress and inconvenience caused by its maladministration.

Anthony Arter

Pensions Ombudsman
31 July 2019