

The complaint

Mr R has complained about the time it took Quilter Financial Services Ltd to process a full withdrawal from his personal pension policy (PPP), which Mr R has said caused him financial loss.

What happened

Mr R wished to withdraw his pension funds from his PPP with Old Mutual Wealth (OMW) and initially contacted an appointed representative of Quilter (for ease, I'll refer to the respondent business as being "Quilter" in this decision) in October 2019.

Mr R had been informed by OMW that, as the value of his pension funds was below £30,000, he didn't need to obtain financial advice before making the withdrawal, but that he would need to submit a withdrawal form.

The withdrawal form was signed by Mr R on 8 January 2020, and a meeting was set up for Mr R and Quilter's adviser on 29 January 2020, so that the latter could conduct a review before also signing the withdrawal form. At that meeting, the adviser signed the withdrawal form, and the required documentation was then forwarded to Quilter's administration team on 31 January 2020. This was then forwarded to its paraplanning team on 6 February 2020 to prepare an advice report.

The case was "approved" on 20 February 2020 and Quilter asked Mr R to sign a new withdrawal form on the same day as the previous one had predated the meeting of 29 January 2020.

The withdrawal form was emailed to OMW on 20 February 2020, but as this was after the "cut off" date of 7 February 2020 for OMW's withdrawal process, it was processed for the next month's scheduled payment date. This was 25 March 2020.

Mr R complained to Quilter via the Pensions Ombudsman in April 2021, but Quilter declined to uphold it, saying in summary that, whilst it understood that Mr R had simply wanted to close his pension plan with OMW, as it was an advised process, the necessary steps still needed to be followed.

It said that pension withdrawals could be complex transactions with additional tax implications to be taken into consideration. All cases therefore needed to go through "pre-approval" and to be checked by the compliance quality assurance team to ensure that the advice was thoroughly reviewed and in Mr R's best interests.

The application form signed by Mr R on 20 February 2020 confirmed the cut off dates implemented by OMW in respect of pension payments, Quilter said.

There had been only seven days between the meeting on 29 January 2020 and the cut-off date of 7 February 2020 for a February payment to have been made, and it simply wasn't possible to complete the full advice process in that timescale, Quilter added.

It sympathised with Mr R's situation, but said that fund values changed on a daily basis and so the amount he received would have been dependent on the day the funds had been sold.

Dissatisfied with the response, Mr R's complaint was then referred to this service. One of our investigators considered it, and thought that it should be upheld. He said the following in summary:

- He'd asked Quilter as to why a new withdrawal form was required on 20 February 2020, given that the one which OMW had received was that dated 8 January 2020. It was also unclear as to how Mr R could have signed and returned this if, as Quilter had asserted, it had been posted to him.
- This painted an unclear picture as to what happened here, and why it had taken until 20 February 2020 for Mr R's adviser to send the withdrawal form to OMW.
- Although Quilter had said that it needed to follow the advice process, this hadn't been explained to Mr R, and the adviser ought to have been aware of the cut-off date of 7 February 2020.
- Quilter had everything it needed to send the withdrawal form to OMW before 7 February 2020, and the investigator didn't see why the forms needed to be sent to the administration and paraplanning teams, causing what he considered to have been unnecessary delays.
- It was also unclear as to why a meeting hadn't been booked before 29 January 2020. Mr R had said this was down to the adviser, but Quilter didn't have a record of the conversations between Mr R and the adviser before 29 January 2020.
- Had Quilter sent the withdrawal form to OMW before 7 February 2020, Mr R would have received payment of his pension funds on 25 February 2020.

As such, the investigator recommended that Quilter put Mr R in the position he would have been if the forms were sent to OMW before 7 February 2020, and the payment then made on 25 February 2020.

If Mr R would have received a higher value from earlier disinvestment, Quilter should pay Mr R the difference, with the addition of 8% pa simple interest from 25 February 2020 to the date of settlement, the investigator said.

Quilter disagreed, however, saying the following in summary:

- The withdrawal form was posted to Mr R on 18 February 2020 and if this was received and posted back by Mr R the following day, it shouldn't be unclear as to how this was received on 20 February 2020.
- It wasn't unusual to use a paraplanning team when completing the advice process – this was a common practice when formulating and presenting a recommendation. As Mr R was seeking to fully withdraw from his PPP, the full advice process needed to be completed.
- An adviser couldn't sign a withdrawal form confirming that advice had been provided when the advice hadn't yet been presented to the client – to do so would have been unethical.
- The adviser had originally provided Mr R with the form in October 2019, but Mr R had

signed this several months later on 8 January 2020.

- The adviser had confirmed that, due to other commitments, 29 January 202 was the earliest he could book the meeting. He also thought it likely that the withdrawal form had arrived in the week commencing 20 January 2020.

The investigator considered the further points raised, but thought the timeline was still unclear. He enquired as to whether Quilter had a record of when the withdrawal form was sent back to it in January 2020.

He further said that, if Mr R needed to receive advice before completing the withdrawal form, it remained unclear as to why the adviser had provided this to Mr R in October 2020. As the form was sent by email, he said that it would be helpful to see a copy of the email which accompanied it.

He also noted that, as Mr R's pension fund was below £30,000, Mr R hadn't needed advice to withdraw it. He therefore enquired as to why advice was provided, whether Mr R had requested this and whether there was a different form Mr R could have completed so he could withdraw his funds without advice.

He also asked for clarity on why Mr R was asked to sign a new withdrawal form on 20 February 2020, when the form which had been sent to OMW was that dated 8 January 2020.

In response, Quilter said that it didn't have an exact date as to when the withdrawal form was received in January 2020, but it believed that this had been received in the week commencing 20 January 2020.

As to the form being provided to Mr R in October 2019, the adviser believed that this was the only form available if Mr R wished to proceed on a non-advised basis. It queried as to why it had taken Mr R three months to get back in touch with the adviser if he'd needed the money so urgently.

The investigator asked Mr R whether he had any correspondence from the adviser, and Mr R submitted a letter from the adviser dated 8 November 2019, in which the adviser said that he was enclosing the form to "shut down" the pension plan. Mr R said that he had discussed it with his wife, and had decided to leave the matter until after Christmas, at which point he then returned it to the adviser.

He said that he thought the meeting was likely to then have taken place on 20 January 2020.

The investigator then conveyed the letter of 8 November 2019 to Quilter, saying that it didn't require Mr R to go through the advice process and wait whilst the administration and paraplanning team processed this. He therefore remained unclear both as to why the advice process was necessary and why Quilter couldn't have sent the withdrawal form signed on 8 January 2020 to OMW before 7 February 2020 – the cut-off date for payment in February 2020.

But he said that, as agreement couldn't be reached on the matter, he would refer it to an ombudsman for review. So the matter was referred to me.

I issued a provisional decision on the matter on 26 October 2022, in which I set out my reasons for why I thought the complaint should be upheld. The following is an extract from that decision:

"I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

Having done so, I've reached slightly different conclusions to the investigator on the process which was undertaken and the timescales involved, but have reached the same overall conclusion on whether the complaint should be upheld. I'll explain below.

In terms of the advice process (the actual requirement for which I'll deal with presently), I don't think the timescales involved were particularly lengthy, or that an unnecessary delay was caused here in the withdrawal of Mr R's pension funds. I have no reason to doubt that, if Mr R signed the withdrawal form on 8 January 2020, this would have been received by Quilter later that month.

And if the first time that the adviser could accommodate Mr R was on 29 January 2020, then given that Mr R doesn't seem to have objected to this as being too distant, or that he urgently needed the pension funds, I don't think this was unreasonable either.

Once the meeting had occurred, I do agree with Quilter that various administration and compliance checking requirements might have meant that ensuring the form was received by OMW by the cut-off date of 7 February 2020 would have been ambitious. And I don't think that if it missed this, I would necessarily deem this to have been an error on its part.

But the more important point here is, I think, the advisory process itself. As identified by the investigator, Mr R's pension funds were below £30,000 and OMW had confirmed that he didn't need to seek financial advice before withdrawing the funds. Further, the letter dated 8 November 2019 made no mention of advice being required. It simply presented Mr R with the withdrawal forms, recommended that he think carefully about doing so and the potential tax implications, but that ultimately it was his decision to make.

I've seen no supporting evidence as to why this then evolved into a full advisory process, or how and why this was agreed with Mr R.

And so, given that it doesn't seem that the adviser thought that an advisory process was necessary in November 2019, and that I can see nothing which was agreed with Mr R following this to change that position, it seems to me that the act of Mr R signing a withdrawal form in early January ought reasonably to have meant that this would have been received by OMW by the cut-off date – 7 February 2020 - for receiving the payment on 25 February 2020.

Putting things right

Quilter Financial Services Ltd should determine the payment which Mr R would have received, had the withdrawal of his pension funds been made on 25 February 2020, rather than on 25 March 2020. If it would have been higher, this amount should be paid to Mr R with the addition of 8% pa simple interest from 25 February 2020 until the date of settlement.

The investigator also said that Quilter should pay Mr R £200 in recognition of the trouble and upset he would have been caused, so I've thought carefully about this. I don't doubt that Mr R would have been concerned that the delay in receiving his pension funds was more likely than not reducing their value, given market movements at that particular time.

And I also acknowledge that Mr R would have been concerned and disappointed by the final value he received.

But I don't think the available evidence supports the position that Mr R was necessarily reliant on the pension funds for a particular purpose, hence the decision to wait until after

Christmas 2019 until he signed the withdrawal form, and I note that he didn't raise his complaint about the loss until the following year.

So overall, I think the sum of £100 is probably about right to compensate Mr R for the trouble and upset caused by this matter."

Both parties have confirmed that they have nothing further to add.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

My conclusions remain the same, for the reasons explained in the provisional decision.

Putting things right

Quilter Financial Services Ltd should undertake the direction as set out in the provisional decision.

My final decision

My final decision is that I uphold the complaint and direct Quilter Financial Services Ltd to undertake the above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 December 2022.

Philip Miller
Ombudsman