

## **The complaint**

Mr D has complained about delays he feels Quilter Financial Services Ltd (Quilter) caused in actioning his request to withdraw his Tax-Free Cash out of his pension. As a result of this he feels he has suffered significant financial loss which he wants Quilter to recompense him for.

## **What happened**

On 8 February 2020 Mr D sent an email to his adviser at Quilter confirming that he wanted to access to his maximum Tax-Free Cash (TFC) from his pension following concerns that he had with possible changes to the upcoming government Budget.

Mr D's adviser responded the same day to confirm that he would send over some paperwork to Mr D to start the process of actioning this request.

Mr D didn't receive any paperwork and chased this with his adviser on 15 February 2020.

His adviser confirmed he'd been out of the office but would make sure the paperwork was sent to Mr D as soon as possible. The relevant paperwork was sent to Mr D on 17 February 2020 and he completed and returned this to Quilter on 21 February 2020.

Mr D's adviser conducted a "fact-find" meeting to evaluate the suitability of Mr D's request on 26 February 2020. After this meeting the adviser compiled the relevant report and prepared a suitability report for Quilter's Business Assurance Team to review – all necessary procedures that Quilter has said needed to be completed before the withdrawal request could be finalised. The final version of the report was submitted on 2 March 2020.

The adviser has said that given Mr D's concerns around the impending Budget and possible changes that could affect the withdrawal he submitted the request to Mr D's platform provider, that I will refer to a Business B, on 5 March 2020 so that it would be received well before the Budget on 11 March 2020.

It was indeed received on 6 March and Business B started processing the request on 7 March 2020.

Quilter has said that in normal circumstances the withdrawal would have been processed on 10 March 2020.

However, as there was a holding in the ex-Woodford fund and trading in that fund had been suspended, Business B referred back to Quilter for agreement that the Woodford fund could be temporarily separated from the plan value in order to process the withdrawal request.

The Business B request was received on 9 March 2020 and Quilter confirmed consent the next day.

The segregation was processed on 11 March 2020, and the withdrawal was formally initiated on 12 March.

The Benefit Crystallisation Event was logged on Friday 13 March 2020 and the units sold on 16 March 2020.

The case finally received approval from the Business Assurance Team on 19 March 2020.

Mr D raised a complaint with Quilter following this as he felt that he had been financially disadvantaged due to the time taken to process his request.

Quilter felt that it had not caused an unreasonable or avoidable delay when processing Mr D's request and rejected his complaint.

The complaint was reviewed by one of our investigators, he agreed with Quilter for broadly the same reasons that it hadn't caused or contributed to any unnecessary or unavoidable delays in actioning Mr D's withdrawal request.

Mr D disagreed with the investigator's outcome. Mr D has submitted a detailed response to the investigator's findings, and while I assure Mr D that I have reviewed this in detail, in the interest of keeping my findings relevant and succinct I have summarised the main points he disagreed with below:

- His instruction was not actioned promptly
- He disagreed that the transaction was "not straight-forward"
- While no guarantee was given regarding the transfer completing before 11 March 2020, he felt his expectations were not properly managed
- That Quilter can't discount the delays caused by Business B as a separate legal entity
- When considering FCA guidelines Mr D determined his request should have been processed within two and a half weeks

As no agreement could be reached the matter has been passed to me for a final decision.

### **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.

I've taken into account relevant, law and regulations; regulatory rules; guidance and standards; codes of practice; and (where appropriate) what I consider to have been good industry practice at the relevant time.

Where the evidence is incomplete or inconclusive, I've reached my decision based on the balance of probabilities – in other words, on what I think is more likely than not to have happened given the available evidence and wider circumstances.

Furthermore, while I've noted the specific codes Mr D has highlighted that he feels are relevant, my findings will apply those which I find relevant to the complaint at hand.

When this Service considers a complaint regarding delays and their impact, we take a holistic approach and where any actions in the process were delayed we consider the reason for the delay. We also consider if actions or requests were replied/actioned within a reasonable time frame.

So while Mr D has stated that the transfer should have completed before 11 March 2020 there is no specific guidance that defines how long this kind of transaction should take, and instead I must consider if the process itself was unreasonably delayed or if actions should have been completed sooner than what they were.

Mr D has argued that his request needed to be actioned promptly – and he disagreed with the investigator's determination that the withdrawal process only became actionable on 25 February 2020.

Firstly I agree that the process started on 8 February 2020, while other actions including the final consent from Mr D may have all been required, ultimately Mr D's adviser is clear in his response to Mr D that he has acknowledged the request and will start the TFC withdrawal process.

To begin the process there were some forms that Mr D needed to complete. Mr D didn't receive these forms until 17 February 2020. But I know that Mr D had been abroad during this week, and he told our investigator that its likely he would have only actioned the paperwork after his return on 13 February 2020. This is further supported by the fact that Mr D only emailed his adviser on 15 February to enquire about the forms and some documentation needed to be posted back to Quilter.

So it seems to that even if the adviser had sent the paperwork before this date Mr D was unlikely to have returned this much sooner than he actually did which was on 21 February 2020. Therefore, while the forms were not sent when agreed and Mr D did have to chase for them it doesn't look like that would have made a significant difference to the progress of his withdrawal.

Mr D has questioned the need for the suitability report and the time it took to action, but Quilter acting in its role as adviser did have a responsibility to conduct a proper suitability assessment before endorsing the withdrawal. I note Mr D says he didn't receive a copy of this report, but I have seen it and this twenty-seven-page report details all Mr D's specific circumstances and reasons for the withdrawal being suitable. And as this step was a regulatory requirement it can't be seen as having caused or added to a potential delay.

It's important to point out that the adviser did attempt to speed up the transfer process by submitting the request to Business B before the approval from Quilter's Business Assurance Team was received. The adviser didn't have to do this and Quilter has agreed normal procedure would have been to first obtain approval from the Business team. So the adviser took steps to help Mr D's request meet his required deadline. And while I've noted what Mr D has said about additional questions from Quilter's Business team that should have been addressed sooner, ultimately this doesn't appear to have impacted the date on which his fund was crystallised, due to his adviser's actions.

After submitting the necessary information to Business B the issue around the ex-Woodford fund arose. I understand why Mr D feels this was an additional avoidable delay, but I disagree that this had an unreasonable impact on the process as a whole. Mr D also feels that as the adviser knew of the investment into the ex-Woodford fund Business B should have been notified of this upon the adviser submitting the request, rather than wait for Business B to discover this. But it seems that Quilter felt Mr D had sufficient holdings outside of the Woodford fund to cover his withdrawal so didn't think it would be an issue. Furthermore, Quilter wasn't aware of the separation requirement in order for Business B to process the withdrawal until a later date. This isn't unreasonable given Quilter and Business B are different firms and regardless of the connection between them each firm will understandably have their own processes to adhere to. Therefore, I don't think Quilter could have done anything in advance of submitting the request to speed this part of the process up. Separation of the Woodford fund by Business B was the only way the withdrawal could happen. And when Business B informed Quilter of this requirement on 9 March 2020 Quilter didn't delay in agreeing to this on 10 March 2020, so I don't think there was any unnecessary delay on Quilter's part.

I know Mr D also feels that Quilter failed to properly manage his expectations regarding the withdrawal process. Specifically, that his adviser told him this should finalise before 11 March 2020.

However, having considered what Mr D has said and reviewing the information I have from Quilter, I disagree that this alone created a reasonable expectation that the transaction *would* complete before 11 March. The adviser said that the transaction *should* go through in time but didn't guarantee anything. The adviser did also explain in his email –

*“Life is a bit more longwinded in the Quilter world so there will be a few hoops to jump through to satisfy the myriad Compliance requirements regarding Suitability, etc”*

So I think it was made clear that there would be some requirements to go through before the transaction would be completed. And it looks like the adviser did try to manage Mr D's expectations from the outset that the process itself wouldn't be particularly quick or simple despite what Mr D thinks. The fact he was a longstanding client of Quilter doesn't mean that regulatory requirements can be ignored.

It's also worth discussing the reasons behind Mr D's instruction and desire to have the TFC withdrawal processed before 11 March 2020.

The catalyst for this was concerns that Mr D had regarding the upcoming Budget and possible changes that would be made which would potentially affect the amounts of TFC he could access from his pension.

Ultimately no changes were made to the budget which directly affected Mr D or this specific TFC withdrawal. And the complaint was raised due to Mr D noting the value of his fund decreasing during the process of actioning the TFC – specifically that the fund's value was approximately £100,000 higher around 11 March compared to 13 March 2020.

So, it would seem that the complaint is being made with the benefit of hindsight in that Mr D could see and compare the value of his fund on these specific dates.

However, as I explained there is not a set or pre-determined timeline within which regulations specify such a transaction needs to take place. To determine that a delay occurred our service would have to be satisfied that the business caused or contributed to delays which were either avoidable or unnecessary.

And having reviewed the timeline of events in this complaint I am satisfied that Quilter did not cause a delay which has caused Mr D a financial loss, so I will not be directing it to take any further action.

### **My final decision**

My final decision is that I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 September 2023.

Ayshea Khan  
**Ombudsman**