

The complaint

Mrs H complains that HUB Financial Solutions Limited trading as HUB Pension Consulting (HUB) allowed her to proceed to full advice about whether she should transfer the benefits from her Occupational Pension Scheme (OPS). She feels it should've advised her not to during the abridged advice process.

Mrs H is represented in her complaint by her husband. But I'll only refer to her in my decision.

What happened

Mrs H contacted a financial adviser about transferring the benefits from her OPS into an alternative investment arrangement. She'd received a CETV of £139,793 from the OPS. Mrs H said she wanted to see if it was possible to access that pension to enable her to then manage financially until her state pension started. She also said that she found the financial adviser easy to deal with and that it followed up meetings with a summary of what had been discussed.

The financial adviser wasn't qualified to provide this type of advice. So it referred Mrs H to HUB in April 2022. I understand that it told Mrs H that in its experience HUB had never gone to full advice without a transfer going ahead.

HUB said that before it provided Mrs H with any advice, she signed its "*Key facts about our services*" document. It said this clearly laid out the two stages of advice on offer: abridged and full advice. And that the first stage, abridged advice, only has two outcomes - stay in the OPS or if the position is unclear and the recommendation is to move to full advice.

Mrs H completed a customer declaration on 25 May 2022, before her first consultation with a HUB adviser. This stated:

"Please ensure that you read this agreement carefully before signing below. If there is anything in this agreement that you do not understand, please contact us before you start to use the Service."

HUB carried out a fact find for Mrs H and produced a report detailing her financial circumstances and objectives at the end of May 2022.

On 15 June 2022, Mrs H spoke to an adviser from HUB. Mrs H told the adviser that she wanted to retire in a year's time with a guaranteed annual joint income with her husband of £30K. The adviser outlined Mrs H's potential OPS options. And explained the advice process, including the difference between abridged advice and full advice. He also asked Mrs H several questions about her objectives and circumstances, including her and her husband's health. HUB said that Mrs H had confirmed she understood that a fee would be payable if she decided to proceed to full advice.

HUB produced its abridged advice letter on 21 June 2022. This said it was unclear whether or not Mrs H would benefit from a transfer. The letter also stated that proceeding to full

pension transfer advice wasn't a guarantee that the recommendation would be to transfer. The letter also noted that HUB felt it would be in Mrs H's best interests to proceed to full pension transfer advice for two main reasons:

- She planned to retire the following year and wanted to explore her retirement options further.
- In retirement, she wanted to receive similar income to her current annual earnings.

The letter also stated that the cost of full pension transfer advice would be £3,494.85. And that if Mrs H did decide to proceed, there was no guarantee that the recommendation would be to transfer.

I understand that Mrs H called HUB on 8 July 2022 to ask for help in completing the annuity health questionnaire she'd been given. And that during that call, she'd asked when the fee would be payable.

Mrs H signed the fee agreement for full advice on 13 July 2022. This again stated that the fee would be £3,494.85. And that the fee would be charged even if the recommendation were to stay in the OPS. I understand that an updated CETV was requested on 22 July 2022.

In August 2022, Mrs H had another call with her adviser. He first told Mrs H that he was still waiting for the updated CETV from her OPS, and that he wouldn't be able to make a recommendation and complete the full advice process at this time. This meant that a further full advice call would be needed once he had all of the updated information. The adviser used the rest of the call to explain the different types of annuity that were available if Mrs H decided to go down that route if the transfer went ahead. And to find out more about Mrs H's income needs.

I understand that the revised CETV wasn't received until 7 November 2022. The value had fallen to £94,889. Another call was then arranged for 11 November 2022.

At the start of the call, the adviser told Mrs H that he wasn't incentivised to advise any particular route. And that the regulator's stance was that there had to be a good reason to transfer the benefits of an OPS. Mrs H told the adviser that her main question was why her CETV had dropped so much. The adviser explained what he felt were the main reasons for the decrease.

The adviser also questioned Mrs H to see if there'd been any changes to her circumstances in the last few months. She said she was concerned by the fall in value of her CETV. And was worried that the lower amount wouldn't provide her with enough income to retire. As there'd been such a dramatic reduction to the CETV, Mrs H also felt more cautious when considering investment risk than she had before.

As Mrs H's husband was also on the call, the adviser also asked him how he felt about recent market falls and the impact on his pension. The adviser also outlined Mrs H's options. He said she could put the transfer on hold, go down the fixed annuity route – although he had concerns about this approach, - or take more income from her husband's pension. Mr H said he'd have to discuss that possibility with his adviser as it was a massive change. He also said he was unhappy with how long the updated CETV had taken to produce. The adviser noted that although it was frustrating, it had been produced within statutory deadlines. At the end of the call, the adviser said he would carry out a cash flow analysis before putting a recommendation in writing. Mrs H agreed to this.

The adviser called Mrs H again on 18 November 2022. He said Mrs H didn't have to do anything now. And that there would have to be a good reason to do anything at this time. When asked for her views, Mrs H said:

"I thought just leave it until next May time when I'd think about it again. But we'll see what your figures are like."

The adviser then sent his recommendation report at the end of November 2022. This recommended that Mrs H retained her DB pension. The report provided a detailed rationale for this conclusion.

Mrs H complained to HUB in March 2023. She felt that it'd used the advice process simply to make money. She didn't understand why it'd charged her £3,000 for the advice. She made the following complaint points:

- during the four calls with the adviser, he'd asked the same questions. And, unlike her previous adviser, he didn't ever share the notes from those calls with her after the calls. She didn't think this was good value for money.
- she didn't think HUB had been clear about when the process changed from abridged to full advice.
- HUB should've advised her to wait until markets recovered before requesting a new CETV.
- HUB didn't carry out a full analysis of her pension. Another adviser was surprised to see HUB recommend using more of her husband's funds in order to retire.

HUB didn't uphold the complaint. It didn't consider it'd done anything wrong when it'd allowed Mrs H to proceed to full advice. But it acknowledged that it'd failed to note that Mrs H's CETV had fallen below £100,000. So it should've charged the minimum fee of £3,000, rather than the £3,494.85 it'd quoted. It said that as soon as it had found out about its error, it had corrected it.

Mrs H wasn't happy with HUB's response. So she brought her complaint to this service. She said that she was unhappy with two main things:

1. She shouldn't have been allowed to go ahead so easily when the abridged advice report was not to transfer.
2. that HUB hadn't sent her minutes from the calls.

Mr H said that his own pension adviser had told him that he would never have recommended the OPS transfer. And that even if Mrs H had insisted, he would've refused. Mr H also said that his adviser had told him that HUB shouldn't have recommended that his pension be used for Mrs H's retirement income without a full and complete investigation.

Our investigator didn't think the complaint should be upheld. He felt that abridged advice could only state a transfer shouldn't go ahead if it was clear it wouldn't be in someone's best interests. Then at this point, full advice would be needed for the adviser to be able to give a recommendation. He didn't think it was unfair of HUB to have allowed Mrs H to proceed to full advice. He was satisfied that she had agreed to this, understanding it was optional and knowing the cost regardless of the outcome. He also felt that Mrs H had been happy for the advice to be finalised even once she'd received the lower CETV.

Our investigator also felt that HUB had acknowledged that it'd made a mistake when it'd stated a higher fee than it should've done. And that as it'd lowered the fee to the correct £3,000, he didn't think it needed to take further steps to put things right.

Mrs H didn't agree with our investigator's findings. But was satisfied that he'd shown that HUB hadn't broken any rules. However, she still felt that the process was flawed. Mrs H also said that HUB had demanded the £3,000 fee again, even though she'd paid it in April 2023.

Mrs H also said that her husband's pension advisor had told him that he wouldn't have recommended the transfer either. But that he would've said that at the abridged advice stage. And that if she'd insisted at this point, he wouldn't have agreed to provide full advice. She queried whether HUB should've agreed to allow her to proceed if it'd hadn't been able to recommend the transfer in the first instance.

Our investigator explained to Mrs H that, in respect of HUB incorrectly asking for the fees again, she would have to discuss this with HUB in the first instance. And if it continued, it would need to be raised as a separate complaint. He also explained that this service didn't have the ability to make the rules or to change them – that was something for the Financial Conduct Authority, the financial regulator.

As agreement couldn't be reached, the complaint has come to me for a review.

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.

Having done so, I'm not going to uphold it, for largely the same reasons as our investigator. I know this will be disappointing for Mrs H. I'll explain the reasons for my decision.

I first considered Mrs H's point that she shouldn't have been allowed to go ahead so easily when the abridged advice report was not to transfer.

The abridged advice report

Before I start, I'd like to explain that any OPS abridged advice process can only have two outcomes: a recommendation not to transfer, or a conclusion that further analysis is required.

So HUB's role at the abridged advice stage was limited to considering Mrs H's circumstances and objectives to determine whether she should remain in her OPS or whether it needed more information to make that decision.

The evidence shows that the 21 June 2022 abridged advice letter said it was unclear whether or not Mrs H would benefit from a transfer. It didn't, as Mrs H alleges, recommend that she shouldn't transfer. If it had, that would've been the end of the process.

The abridged advice letter also clearly stated that if Mrs H did proceed to full pension transfer advice, there was no guarantee that HUB would recommend a transfer. It couldn't complete its recommendation until it had carried out further work to decide whether such a transfer would be in Mrs H's best interests. And that work would come at a cost, regardless of whether or not the eventual recommendation was to transfer.

I appreciate that Mrs H doesn't consider that HUB were clear about when the process changed from abridged to full advice. But, from what I've seen, Mrs H was made aware of

the abridged advice and full advice process before she took any advice from HUB. I say this because HUB states in its *“Key facts about our services”* document:

“Our defined benefit advice service consists of two stages, abridged advice and full advice. Abridged advice is the first stage which allows us to review your circumstances and conclude whether a full investigation is likely to be in your best interests. This stage can have two outcomes - to stay in the scheme (in which case there’s no change for you) or the position is unclear and the recommendation is to move to full advice.”

I’m satisfied that this clearly states that there are only two outcomes of the abridged advice process – either a recommendation to stay in the scheme, when no further work will be carried out and the process ends, or the recommendation to move to the full advice service.

I’m also satisfied that Mrs H was provided with this information before she agreed to move to the full advice process. I say this because she signed a document which stated she’d read and understood the information on 25 May 2022.

I’m also persuaded that Mrs H knew that she would be charged a fee for the full advice process, regardless of whether or not HUB recommended a transfer. I say this for the following reasons:

- the information in the *“Key facts about our services”* document
- the 21 June 2022 abridged advice letter
- Mrs H’s 8 July 2022 call with HUB about when the fee would be payable
- The signed fee agreement for full advice.

While I agree with Mrs H that it shouldn’t be easy to proceed to full advice where an abridged advice process leads to a recommendation not to transfer, that wasn’t the case here. Therefore I can’t fairly uphold that part of her complaint.

I next considered Mrs H’s complaint that HUB didn’t send her its notes from the calls they’d had. And that the adviser had asked the same questions on the four calls he had with her.

Should HUB have shared the call notes and did the adviser carry out appropriate research?

I’ve listened to the calls between HUB and Mrs H, and it’s clear from some of them that the adviser would write up notes from each call after they ended.

Mrs H said that unlike her previous adviser, the HUB adviser didn’t ever share the notes from those calls with her.

While I acknowledge that these notes weren’t shared, there’s no requirement for them to be. And there’s also no evidence that Mrs H ever asked for a copy of the notes if she’d wanted them at the time. Instead, HUB used its notes to help it to produce the advice reports it did share with Mrs H as part of the process.

Therefore, although I can see that Mrs H got a different service from one she’d had before, I can’t fairly say that HUB did anything wrong here.

I next considered if the evidence shows that HUB carried out appropriate research.

Having listened to the four adviser calls, I can understand why Mrs H considers some questions were repeated. But I can’t fairly say that the adviser did anything wrong.

I say this because HUB has confirmed that although ideally the abridged advice and full advice process should be completed in two calls, this wasn't possible in Mrs H's case due to the need for an updated CETV. And that it was only after HUB got this that it could prepare pension forecasts on which it would base its advice.

Therefore, I consider that the adviser only asked Mrs H certain questions again so that he fully understood her circumstances and to make sure nothing had changed. I think this was appropriate given the time that had passed since the information had first been gathered, and the fact that the CETV had fallen so dramatically. And also because Mrs H's views, for example, her attitude to risk, did change over the period in question. As HUB noted in its final response letter, Mrs H went from initially considering that a transfer was appropriate for her, then felt she needed an annuity, and then that she should leave the benefits from her OPS where they were.

The evidence also shows that during the later calls, HUB also considered other aspects of a potential transfer that they hadn't been able to consider in the abridged advice. From what I've seen, this led to a recommendation based on a detailed rationale, which considered Mrs H's objectives and circumstances at the time of the advice.

Therefore I'm satisfied that the full advice process was significantly different from the abridged advice process. And that it required a more detailed analysis than the earlier process. So while I acknowledge that Mrs H doesn't consider the advice was value for money, I can't fairly agree. I say this because I'm of the view that HUB carried out the tasks it needed to in order to make an informed recommendation for Mrs H. And as it had already explained what the process would entail, and how much it would cost, I can't reasonably say that it didn't provide value for money.

I also acknowledge what Mr H has said his own pension adviser told him. But, as I noted earlier, I've found no evidence that HUB should've concluded after the abridged advice that Mrs H should definitively not transfer. And HUB didn't then proceed to full advice despite having stated in its abridged advice report that Mrs H shouldn't transfer.

I also considered Mr H's point that his adviser felt that HUB shouldn't have recommended that his pension be used for Mrs H's retirement income without a full and complete investigation. But I'm satisfied that the evidence shows that HUB made reasonable and appropriate use of the information it'd gathered about both Mrs H and her husband – given Mrs H had stated they had a joint objective of £30K of income a year – to make its recommendation.

I finally considered HUB's mistake when it said that the fee for the full advice would be £3,494.85, rather than the correct figure of £3,000.

Did HUB charge the correct fee?

Mrs H said she was quoted a fee of £3,000 for a £120,000 transfer value, but that was different from what was written on her fee agreement.

HUB acknowledged that it'd failed to note that Mrs H's CETV had fallen below the £100,000 threshold. And said it should've charged the minimum fee of £3,000. It corrected its mistake as soon as it found out about it.

I agree with our investigator that as HUB has corrected this mistake with no financial impact on Mrs H, it doesn't need to take further steps to put things right.

Mrs H approached HUB for transfer advice when her CETV was almost £140K. So I can

understand why she might've considered it would be harder for HUB to recommend the transfer when the CETV had fallen below £100K. But it wouldn't be fair to expect HUB to have known that the CETV would drop so dramatically. And I've seen no evidence that, after finding out about the CETV fall, Mrs H asked HUB to stop the process. And I'm satisfied that HUB acted reasonably when it continued with the final advice process after the CETV reduction. I say this because it couldn't know what its full advice recommendation would be until it'd completed the required analysis.

I'm sorry that Mrs H is unhappy about the service she received. But I've not found any evidence that HUB acted unfairly or unreasonably. So I can't uphold the complaint.

My final decision

For the reasons explained above, I don't uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 27 February 2024.

Jo Occleshaw
Ombudsman