

## The complaint

Mr E has complained that Nutmeg Saving and Investment Limited didn't make it clear before he transferred his pension funds to it that, in order to enter flexi drawdown, he would need to receive advice from it.

## What happened

In November 2022, Mr E transferred his pension to Nutmeg with the intention of taking his tax free cash and entering drawdown with the remaining pension fund. But when Mr E contacted Nutmeg after the transferred had completed, he was told that he would need to speak to an adviser in order to enter drawdown.

Following the call with an adviser, Nutmeg advised Mr E not to enter into drawdown as it didn't consider that it would be suitable for him – but it did say that Mr E didn't need to heed its recommendation and could in any case do so.

Mr E was dissatisfied both with what he considered to be the absence of information about needing to speak to an adviser relating to drawdown before he transferred his pension and also the recommendation itself. He asked Nutmeg to amend its recommendation, but it declined to do so.

Mr E then transferred his pension funds to another provider in order to enter drawdown, but as agreement couldn't be reached on the outcome of his complaint, Mr E referred the matter to this service.

One of our investigators considered the matter, but didn't think it should be upheld. He said the following in summary:

- Nutmeg hadn't been aware of Mr E's intention to enter into drawdown before he transferred. There was no discussion regarding this and so it couldn't explain to him in person what the process for this would be. Had Mr E informed Nutmeg of his intention, it could have specifically addressed and explained this process.
- Having looked at the Nutmeg website for information provided about the process for entering drawdown, the investigator had noted that it said the following:

*“Withdrawing money from your pension*

*You can start drawing down from your pension at the age of 55 (to increase to 57 by 2028). The first 25% is tax-free and the remainder is subject to tax.*

*Nutmeg offers flexible drawdown, this means you're in control as you can choose how much of your pension pot you take and when you'd like to withdraw from it.*

*Starting the process is easy, just complete and sign the Benefit Payment Form (there is additional guidance to complete the form available here: Nutmeg Benefit Payment Form Guidance ) and return this to us by email.*

*You'll also need to attach a certified bank statement dated within the last three months that confirms the bank account that you'd like the funds to be credited to, (this is for security purposes). Please send the statement to us, along with the completed form, via email [todrawdown@nutmeg.com](mailto:todrawdown@nutmeg.com).*

*Once we receive and process your forms and bank statements, we will then require a call with a member of our advice team before we can sell down funds.*

*Once all forms and bank statements have been received, we'll process your drawdown as quickly as possible. Please be advised it may take a further 3-4 weeks for the requested funds to be received in your bank account."*

- This made the process for entering into drawdown clear, and had Mr E informed Nutmeg before he transferred that he was intending to enter into drawdown, it could have explained this in more detail.
- As Nutmeg had also explained that Mr E could still enter into drawdown against its advice, the investigator wasn't persuaded that it had in any case caused Mr E any loss. He noted that Mr E had transferred away to another provider, but this was his decision and he didn't think Nutmeg had done anything wrong.
- Although Mr E may have been unhappy with Nutmeg's drawdown policy, it was in place to protect its customers. Further, Nutmeg wasn't required to ask Mr E why he wished to transfer his pension to it before he did so, and the evidence didn't support the position that Nutmeg had advised Mr E to transfer to it.

Mr E disagreed, however, saying the following in summary:

- He had fully read the information on the website before transferring and it was clear that the website made no mention of him needing to speak to an adviser to enter into drawdown.
- However, having transferred to Nutmeg, he then needed to take the additional and wholly unnecessary step of speaking to an adviser.

As agreement couldn't be reached on the outcome, the investigator notified both parties that it would be referred to an ombudsman for review.

Mr E then made further comments as follows:

- Although Nutmeg had said that he didn't need to heed its advice, he didn't want to be in the position of acting against advice. So he then transferred to another provider and therefore incurred double the fees for doing so.
- Whilst it was the case that he hadn't sought advice from Nutmeg on transferring his pension funds to it, Mr E remained of the view that its website had been misleading as it didn't say that he would need to speak to an adviser before entering drawdown.

The matter has now been referred to me for 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.

And having done so, I've reached broadly the same conclusions as the investigator and for similar reasons.

I've noted that it remains Mr E's view that the website information didn't inform him that he would need to speak to a Nutmeg adviser before entering drawdown, but I think there may be some confusion here, or else Mr E has perhaps misinterpreted the information provided on that website.

I'll repeat the information on the website below, but this time with added emphasis on the relevant part about needing to speak to Nutmeg's advice team before entering drawdown:

*"Withdrawing money from your pension*

*You can start drawing down from your pension at the age of 55 (to increase to 57 by 2028). The first 25% is tax-free and the remainder is subject to tax.*

*Nutmeg offers flexible drawdown, this means you're in control as you can choose how much of your pension pot you take and when you'd like to withdraw from it.*

*Starting the process is easy, just complete and sign the Benefit Payment Form (there is additional guidance to complete the form available here: [Nutmeg Benefit Payment Form Guidance](#) ) and return this to us by email.*

*You'll also need to attach a certified bank statement dated within the last three months that confirms the bank account that you'd like the funds to be credited to, (this is for security purposes). Please send the statement to us, along with the completed form, via email [todrawdown@nutmeg.com](mailto:todrawdown@nutmeg.com).*

*Once we receive and process your forms and bank statements, **we will then require a call with a member of our advice team** before we can sell down funds.*

*Once all forms and bank statements have been received, we'll process your drawdown as quickly as possible. Please be advised it may take a further 3-4 weeks for the requested funds to be received in your bank account."*

I think this would have been clear enough to inform Mr E of the process, and that a call with one of its advisers was necessary before the funds could be moved into drawdown.

But even if a different interpretation of this was possible, it did of course remain the case that Mr E was able to reject the advice and enter into drawdown if he wished. Nutmeg had expressed an opinion on whether entering drawdown was the right thing for Mr E to do, but he could still have proceeded if he wanted to. And again, I think Nutmeg made this clear enough.

Mr E ultimately made the decision to transfer elsewhere, which incurred additional fees, but I don't think I can fairly or reasonably hold Nutmeg responsible for that.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 6 June 2024.

Philip Miller  
**Ombudsman**