

## The complaint

Mr S has complained that delays caused by Evelyn Partners Investment Management Services Limited trading as Bestinvest by Evelyn Partners ('Bestinvest') in the transfer and subsequent drawdown of a pension led to the funds not being paid before the end of the 2022/23 tax year.

Changes to Mr S's income meant that payments which would have been within his personal allowance (and therefore essentially tax-free) in 2022/23 ended up as taxable payments made in the 2023/24 tax year.

Mr S stated that the additional tax payable has caused financial losses.

## What happened

On 3 February 2023 Mr S wrote to Bestinvest informing them of his intention to transfer in a small deferred defined benefit ('DB') pension on a non-advised basis. The funds, once transferred, were to be immediately withdrawn and used to repay a portion of Mr S's mortgage.

Within this letter Mr S included a Bestinvest transfer in application form, an execution only instruction form, and a receiving scheme information sheet which Mr S asked Bestinvest to complete and forward to the DB scheme administrators.

The letter also clearly noted that Mr S needed the transaction to be completed before the end of the tax year.

The transfer in application form was completed using details of Mr S's existing Bestinvest pension – an account which had been closed in 2020. The drawdown section of the application form was also not completed.

These forms were received by Bestinvest on 6 February 2023.

Bestinvest sent the relevant documentation to EBS (the Bestinvest pension scheme administrators) on 15 February 2023.

EBS then forwarded the documentation onto the DB scheme on 28 February 2023.

The DB scheme wrote to Mr S to confirm that an amount of around £21,500 had been paid to EBS on 8 March 2023.

On 13 March 2023 Bestinvest realised that the pension account number which Mr S had provided for the transfer proceeds was in fact a closed account. As such forms were provided to Mr S which would allow a new pension to be opened.

In addition, for the withdrawal to be processed a 'Taking Your Benefits' form needed to be completed by Mr S. This was provided on 14 March 2023 and needed to include the new pension account number which was also provided on this date.

Mr S emailed Bestinvest the same day to confirm he had received the required form, was working through this, and would return it *“as quickly as possible”*.

Bestinvest emailed Mr S on 15 March 2023 to confirm the cash transfer had been received and was now available for Mr S to see in his online account.

With the ‘Taking Your Benefits’ form not returned, Bestinvest contacted Mr S on 16 March 2023. Mr S confirmed he was away and would look to return the document the following weekend.

During this call Bestinvest explained that the usual cut-off date by which time all documentation (including the outstanding form) needed to be returned in order to guarantee payment before the end of the tax year had expired, and that as a result payment may not be made until the following tax year. At Mr S’s request the call handler agreed to explain the delay to the relevant Bestinvest team and see if payment could still be made before the end of the tax year.

On 19 March 2023 Mr S returned the required documentation to Bestinvest.

On 23 March 2023 Bestinvest emailed Mr S to confirm that payment could not now be made before the end of the 2022/23 tax year. The standard payment date was the 1st of each month and for payment to be made on 1 April 2023, all the required paperwork would have to have been submitted by 17 March 2023. As this date had not been met, any payment would now fall within the following tax year.

Payment of the drawn down monies was subsequently made, although not before the start of the new tax year.

Unhappy that the payment had not been made before the end of the tax year Mr S registered a complaint with Bestinvest.

Bestinvest issued their complaint response on 16 May 2023. This stated that they did not believe they had caused unreasonable delays in the transfer and payment of the pension monies and as such were not upholding the complaint.

Unhappy with Bestinvest’s response Mr S referred his complaint to this service in September 2023.

Our investigator looked into things and concluded that Bestinvest had not caused any unreasonable delays to the pension transfer or the payment of the funds to Mr S. As such they did not uphold the complaint.

Mr S did not accept these findings and as no agreement could be reached the case 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 would like to start by explaining that the purpose of this decision is not to establish if Bestinvest could possibly have completed any of their steps in this process more quickly than they actually did.

Businesses such as Bestinvest have many customers all of whom are entitled to expect a

fair and reasonable level of service, as such businesses are entitled to manage workloads and prioritise tasks to ensure adequate service levels to all the customers. As such, I have focussed on whether Bestinvest acted fairly, and whether they caused any unreasonable delays to the transfer and withdrawal of Mr S's pension monies.

As far as Bestinvest are concerned the process of transferring Mr S's pension and releasing the funds started on 6 February 2023 when the forms from Mr S were received.

From this point these forms underwent a series of checks and once the information regarding the drawdown status of the pension was established the paperwork was forwarded to EBS on 15 February 2023. I do not consider this to be an unreasonably long period of time for this process to be completed.

From this point EBS then conducted their checks and internal processes before sending the required paperwork on to the DB scheme via email on 28 February 2023.

There has been confusion around the dates EBS sent documentation to the DB scheme and so to clarify the relevant documentation and covering letter was produced (and dated) on 24 February 2023. This paperwork was then sent for internal approval, which once received allowed the documentation to be sent to the DB scheme on 28 February 2023. I see nothing unusual in this chain of events and it entirely normal for paperwork such as this to require checking and approval before being forwarded on.

I would note here that the process of transferring a DB scheme, even one with a relatively small transfer value on an insistent customer basis, does mean the policyholder will irreversibly lose lifelong income guarantees and as such there are not insignificant administrative checks which need to be completed. In this case I do not consider the time taken by EBS to complete these checks and forward the appropriate documentation to the DB scheme to be excessive.

From this point the DB scheme confirmed that the transfer proceeds were sent to EBS on 8 March 2023 with the funds settling into Mr S's account on 15 March 2023.

In the interim period it was established that Mr S's original account, included in the original transfer request documentation, was in fact closed.

I believe both parties should have been aware of this.

Mr S closed the pension and would have received documentation confirming this at the time. I also note that this pension was held on an execution only basis further increasing Mr S's responsibility for it. However, Bestinvest had received the paperwork with this account number on it and did confirm a transfer in would be possible. Overall, I do not consider this to be a material issue. The problem was noticed on 13 March 2023, with a new pension opened the following day, meaning the issue had a negligible impact on the timeline of events.

From this point the only outstanding element required to facilitate the withdrawal of the pension funds was the completion of the 'Taking Your Benefits' form. Looking at the timeline above I believe Bestinvest provided this in as timely a manner as possible with it being unfortunate that matters outside of both Bestinvest's and Mr S's control meant this could not be returned before the cut-off date required for a 1 April 2023 payment date.

I have noted that Mr S's initial letter submitting the transfer documentation made it clear that the transfer and subsequent withdrawal of the funds needed to be completed before the end of the tax year, however at no point did Bestinvest promise that this would be achievable

with the overall timescales broadly consistent with what I would expect to see when DB benefits are being transferred.

I appreciate Mr S's frustration that his 2022/23 personal income tax allowance went partially unused, with future tax years not allowing him to make the withdrawal in as tax efficient a manner, and I accept that this frustration would only be increased given how close the withdrawal actually was to the required date. However I do not believe Bestinvest caused any unreasonable delays during the transfer / withdrawal process and as such I am not upholding this complaint.

### **My final decision**

In line with the rationale above I am not upholding this complaint and require no further action from Evelyn Partners Investment Management Services Limited trading as Bestinvest by Evelyn Partners.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 June 2024.

John Rogowski  
**Ombudsman**