

The complaint

Ms W is unhappy with the delay she feels Financial Administration Services Limited (FASL) is responsible for in the transfer of her Pension Sharing Order (PSO) from a provider I'll refer to as provider R to it.

What happened

Annexes to two PSOs dated 16 September 2019 stated that 100% of one provider R pension and 22.40% of another provider R pension should be transferred from her ex-husband to Ms W.

Ms W met with an adviser in October 2022. He recommended that she transfer the benefits listed in the PSOs to FASL. The adviser received the completed forms on 31 October 2022. He submitted them to FASL on 10 November 2022.

On 14 November 2022 FASL contacted the adviser and requested further information. It received this on 15 November 2022.

The transfer paperwork was sent to provider R on 22 December 2022. However, FASL didn't include the signed PSO forms Ms W had provided alongside her application in November 2022.

I understand that provider R received the transfer paperwork on 3 January 2023.

FASL called provider R for an update on the transfer on 30 January 2023 but it didn't have the policyholder's details. The call handler confirmed that provider R had written to the policyholder in January 2023 and was waiting for a response.

On 1 March 2023 Ms W's adviser confirmed she still hadn't received any correspondence from provider R. The adviser contacted provider R again. It said that it may be waiting on information from Ms W's ex-husband as he was the policyholder.

Ms W's adviser confirmed that provider R needed the PSO forms. Ms W had previously completed these forms and they'd been uploaded with her application to FASL in November 2022. FASL told the adviser that it'd re-sent the documents on 18 April 2023. But this didn't include the PSO forms.

Provider R wrote to FASL on 9 May 2023 to say it needed the PSO forms to complete the transfer. FASL said it didn't send the PSO forms with the transfer application in December 2022 and the forms were now out of date, so Ms W needed to complete new forms. The new forms were sent to provider R on 20 June 2023.

Provider R completed the transfers on 24 July 2023 and 12 August 2023. It later acknowledged that the transfers had been completed outside of its usual service standard of 10 working days. And said that the transfers should've both been made by 4 July 2023 – 10 working days after 20 June 2023 - but for the delays it had caused.

Ms W brought her complaint to this service in October 2023.

FASL issued its final response to the complaint on 8 December 2023. It said it had made an error which caused a delay to the PSO transfers. It said it had failed to send the PSO forms Ms W had signed and returned to it in November 2022 alongside the other documentation it had sent on to provider R on 22 December 2022. It apologised for the inconvenience this had caused.

FASL said it hadn't received a response from provider R about the transfer. Nor had it received the details of Ms W's ex-husband which it said it had requested. It said that Ms W's adviser had confirmed her ex-husband's details at the beginning of April 2023. And that he'd also let it know that provider R hadn't received the transfer forms from it. So it had then re-sent the forms to provider R on 18 April 2023.

FASL said provider R replied to it on 9 May 2023 to tell it that it was still waiting for the PSO forms Ms W had signed. It acknowledged that it had received these forms from her adviser in November 2022, and that it should've sent them to provider R along with the other transfer forms. As it hadn't, it then needed to request the PSO forms again as the originals were now out of date. FASL said it eventually sent the PSO forms to provider R on 20 June 2023.

FASL felt that it was responsible for an unnecessary delay of 29 working days – between 9 May 2023 and 20 June 2023. It carried out a loss calculation to see if Ms W had been financially disadvantaged by the delay and made an adjustment to increase the units on her account. It also paid her £150 compensation for the inconvenience caused.

FASL also wrote to Ms W on 11 December 2023 with details of the unit adjustments it had made in respect of the loss calculation it had carried out.

Our investigator felt that FASL hadn't yet done enough to put things right. She felt that if FASL had sent the signed PSO forms to provider R on 22 December 2022, provider R would've received everything it needed on 3 January 2023. She felt that this would've led to the first transfer being completed 24 working days later on 6 February 2023. And the second transfer would've completed 38 working days later on 24 February 2023.

To put things right, our investigator felt that FASL should ask provider R to provide the transfer value of Ms W's PSOs on 3 January 2023. And that it should then use those transfer values to calculate what her pension would now be worth if the transfers had taken place on 6 February 2023 and 24 February 2023. And then use this information to assess whether there had been a loss.

FASL told this service that it was yet to receive the information it needed from provider R. It also still felt that the calculation dates and methodology it'd used for its own loss assessment had correctly placed Ms W in the position she would've been in but for the delays.

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 going to uphold it. I agree with our investigator that FASL hasn't yet done enough to put things right. But I've made a small change to the suggested redress to ensure that the loss assessment FASL has already carried out is taken into account. I'll explain the reasons for my decision.

FASL acknowledges that it received the PSO forms on 15 November 2022. But that it then

failed to forward these to provider R alongside the rest of the application forms on 22 December 2022. It said that provider R didn't confirm to it until 9 May 2023 that it hadn't received the forms it needed.

FASL said that at this point, the original forms, which were dated 25 October 2022, were no longer useable as they were over six months old. So it had to ask for new PSO forms to be completed. It then sent these to provider R on 20 June 2023.

FASL feels that if it had issued the PSO forms correctly, the delay of 29 working days it felt it had caused between 9 May 2023 and 20 June 2023 wouldn't have happened.

FASL also feels that after it sent the PSO forms to provider R, it wasn't responsible for any further delays.

I agree with FASL that there's no evidence it caused any further delays after 20 June 2023. But I can't fairly agree that it only caused a 29 working days delay between 9 May 2023 and 20 June 2023.

I say this because I agree with our investigator that FASL's failure to send provider R the PSO forms alongside the rest of the paperwork on 22 December 2022 led to a delay from 3 January 2023, when provider R received the paperwork FASL initially sent, to 20 June 2023 when provider R finally received the PSO forms it needed. I'm persuaded that provider R should've received all of its transfer requirements on 3 January 2023, rather than 20 June 2023.

I acknowledge that FASL holds provider R responsible at least in part for not letting it know earlier in the process that it didn't have the PSO forms. But I can't fairly say that it was provider R's responsibility. And in any event, it wouldn't have been necessary for provider R to chase for any of the paperwork if FASL had sent it what it needed in the first place.

The evidence shows that FASL failed to send provider R the PSO forms which it'd received from Ms W's adviser in November 2022. If FASL had sent the PSO forms at this time, there wouldn't have been any need for the additional information to be requested by provider R and new forms wouldn't have been needed. I'm satisfied that if FASL had sent these, as it acknowledges it should've done, along with the other transfer forms on 22 December 2022, provider R would've had everything it needed on 3 January 2023. I say this because this is the date provider R received all of the other paperwork FASL had sent. Therefore I uphold the complaint.

Putting things right

My aim in awarding fair compensation is to put Ms W back into the position she would likely have been in, had it not been for the unnecessary delay caused by FASL's failure to send provider R the PSO forms on 22 December 2022.

I think this would've meant that provider R received all of the paperwork it needed to process the transfer on 3 January 2023. And that, assuming it then took the same time that it actually took to process the two transfers, the transfers should've taken place 24 and 38 working days later. This would mean that the first transfer would've taken place on 6 February 2023 and the second on 24 February 2023.

I therefore require Financial Administration Services Limited to ask provider R to provide the transfer values of Ms W's PSOs on 3 January 2023. It must then use those transfer values to calculate what Ms W's pension would be worth at the date of my final decision if the transfers had taken place on 6 February 2023 and 24 February 2023. This is the notional

value.

Financial Administration Services Limited has already carried out its own loss assessment which led to 38.17 units being added to one of Ms W's pensions and 1,052.63 units being added to her other pension. It should therefore calculate what the value of Ms W's pensions would've been at the date of my final decision if those units hadn't been added as this value will be needed so that it can assess whether or not there has been a loss. This is the adjusted actual value.

If the notional value calculated is greater than the adjusted actual value at the date of my final decision then there has been a loss.

If there has been a loss, the loss should if possible be paid into Ms W's pension plan. Financial Administration Services Limited may adjust the payment to allow for the additional units it has already paid into Ms W's pensions. But it may not make a deduction from her pension if the assessed loss is lower than that identified by its own loss assessment. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Ms W as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

As Ms W would've taken tax-free cash, 25% of the loss would be tax-free and 75% would've been taxed according to her likely income tax rate in retirement – presumed to be 20%. So making a notional reduction of 15% overall from the loss adequately reflects this.

I understand that Financial Administration Services Limited has already paid Ms W £150 compensation for the inconvenience it has caused through her Cash Management Account. I'm satisfied that this was reasonable under the circumstances. And I therefore don't require it to pay any further compensation to Ms W for the inconvenience the delay has caused her.

My final decision

For the reasons I've given above, I uphold the complaint. Financial Administration Services Limited must pay the amount calculated as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 31 July 2024.

Jo Occleshaw
Ombudsman