

## The complaint

Mr R complains that Pension Works Limited ('PWL') did not provide a suitable recommendation and took too long when it gave him abridged advice on his defined-benefit ('DB') occupational pension scheme. Mr R says this has caused him a financial loss because when he was eventually able to transfer out of his DB scheme, the cash equivalent transfer value ('CETV') had decreased.

## What happened

Mr R had an existing independent financial adviser ('Firm R') that he was in discussions with about his pensions. Mr R had a DB scheme with a former employer that he says he knew he wouldn't need to rely on during his retirement and five defined-contribution ('DC') pension schemes which he was looking to consolidate. Mr R says he thought this would ease his inheritance tax burden and ensure his wife or other family members would benefit from all of his pensions if he died. Mr R says he had obtained a CETV from his DB scheme which expired in March 2022.

Firm R wasn't authorised to provide advice on transferring out of DB pension schemes so it ultimately referred him to PWL.

PWL gathered some initial information from Mr R about his circumstances and current pension arrangements. It then requested information from Mr R's DC scheme providers, plus an early and a normal retirement age quote from his DB scheme.

Mr R was unhappy with how long things were taking and PWL told him this was due to delays in obtaining information from some of his DC scheme providers. Mr R therefore initiated complaints about providers 'A' and 'S' in May 2022.

PWL issued its abridged advice report on 28 July 2022 and, according to PWL's notes, discussed this with Mr R on 1 August 2022. PWL acknowledged that Mr and Mrs R were already in receipt of guaranteed pension income in surplus of their own needs and that they had substantial funds held in cash and other investments. It also noted that Mrs R had sufficient guaranteed pension income of her own to meet her needs if Mr R died prematurely and Mr R would rather be able to pass on the full transfer value of the pension to his wife if he pre-deceased her or his extended family instead. However, PWL was aware that Mr R's CETV had expired and any new CETV offered was likely to be lower because of changes to economic and demographic assumptions used to calculate the CETV. So, it advised him to remain in the scheme as he had no immediate need to transfer out of it at that time and he could wait until closer to his normal retirement age of 65, by which time the CETV could've increased.

Mr R disagreed with the advice and chose another firm to provide him with abridged and then full advice. He also instructed Firm R to consolidate his DC schemes. Four of the DC pensions were transferred by September 2022, but the transfer of the final pension with S was delayed. Mr R complained about this separately.

Mr R complained to PWL in December 2022 about the advice and the time taken to provide it. He accepted that the CETV he'd obtained was only guaranteed for around six weeks when he engaged PWL. But this was extended by two weeks and he thought eight weeks gave PWL plenty of time for it to provide abridged advice and for him to proceed with full advice.

Mr R explained he'd engaged a new IFA ('Firm H') in August 2022, obtained a new CETV dated 2 September 2022 and by 14 October 2022, Firm H had recommended that he transfer out of his DB scheme. However, by this time, the CETV had fallen from £111,115 to £87,327 – a reduction of £23,788. Mr R said the transfer paperwork, securing the value of the CETV, was signed on 20 October 2022 and the funds were invested on 27 January 2023. Mr R thought the drop in the value of the CETV could have been avoided if PWL hadn't caused delays and he thought PWL had unreasonably pointed the finger at A and S.

PWL rejected Mr R's complaint. It maintained the abridged advice was suitable and that it was not responsible for the delays in completing the process.

Mr R referred his complaint about PWL to the Financial Ombudsman Service. Mr R also referred complaints about A and S to us. These complaints have been considered separately and decisions have been issued on those cases by an Ombudsman.

Our Investigator upheld Mr R's complaint. She thought that PWL had caused delays because it was waiting for information that wasn't necessary in order for it to give the abridged advice. The Investigator didn't think PWL needed detailed information from Mr R's DC schemes (beyond the pension valuations that Mr R was able to provide), particularly as Mr R had told PWL he was separately taking advice from Firm R to consolidate those pensions.

The Investigator accepted that PWL needed extra information from Mr R's DB scheme provider, and noted this wasn't received until 27 April 2022. But she thought PWL ought reasonably to have been able to deliver the abridged advice outcome by 17 May 2022, after allowing time for the letter to be received and the advice to be finalised. In light of this the Investigator didn't think PWL would've been in a position to deliver the abridged advice before the expiry of the first CETV, even though it was extended by two weeks. The Investigator also didn't think PWL's conclusion that Mr R should remain in the DB scheme was unreasonable.

Nevertheless, the Investigator said that PWL had caused delays and noted Mr R had appointed Firm H to advise on the transfer of his pension following PWL's abridged advice. She noted that Firm H had advised Mr R to transfer out of the DB scheme and thought if PWL hadn't caused delays, this advice could've been delivered by 30 August 2022. She thought that if Mr R went ahead with the transfer following Firm H's advice then it would be fair for PWL to compensate Mr R based on the CETV that would've been available to him had the transfer completed on an earlier date. She also thought PWL should pay Mr R £200 for the distress and inconvenience caused by the delay.

PWL didn't agree and said the Investigator's findings were inconsistent with decisions made by Ombudsmen in cases where PWL had followed the same process. PWL said that the Investigator had erred in her interpretation of the Conduct of Business Sourcebook ('COBS') rules, specifically COBS 19.1A.3, COBS 9.2.1(1)(a), COBS 9.2.1(2)(b), COBS 9.2.2(3) and COBS 9.2.6. It also wanted to draw attention to Finalised guidance FG21/3 'Advising on pension transfers' issued in March 2021. It said section 4.59 specifically stated:

*“Abridged advice includes the stages of the advice process that we described previously in this chapter.”*

PWL said it was required to obtain details of Mr R’s DC schemes in order to fulfil its ‘know your client’ obligations. And this included, for example, information on which of the DC schemes might be a suitable location to receive the transferred DB scheme funds if things proceeded to the full advice stage. PWL said its abridged advice process had been designed so as to ensure it had obtained all of the information about their customers’ assets before it carries out the fact-find call. And this also means that it can move cases to the full advice stage without unnecessary delays. PWL fundamentally disagreed it had caused any delays as it could not deliver the abridged advice until all of the information it had requested, which was necessary, was provided. Nevertheless, it provided some additional commentary on the timescales the Investigator had based her redress award on.

Mr R didn’t accept the Investigator’s view, questioning PWL’s management of the information requests made to various parties, including those made to his DB scheme trustees. He asked whether they were chased promptly. He also disagreed that PWL’s advice to remain in his DB scheme was suitable – he said he’d spoken with four other pension transfer specialists, which believed the transfer to be in his best interests. Mr R added that he didn’t want PWL to have any access to his finances and he would obtain the CETV figured required to calculate redress. Mr R also wanted confirmation that any redress payment into his pension wouldn’t trigger the money purchase annual allowance. He also said he expected the difference between the CETV figures to be brought up to date in line with the growth he’d achieved on the transferred funds since the transfer completed.

The Investigator wasn’t persuaded to change her opinion, noting that PWL had provided its abridged advice report despite not receiving any information or response from S about one of Mr R’s DC schemes. She said this undermined PWL’s position that it couldn’t provide the advice without this information.

As no agreement could be reached, the complaint was passed to me to make a decision.

I issued a provisional decision on 23 April 2024, explaining I was minded to uphold the complaint in part. I thought PWL had asked for information in excess of what was needed for it to provide the abridged advice to Mr R. And overall, I thought it should’ve been able to provide that advice by early April 2022. However, as the CETV was close to expiring and Mr R would still have needed to take full advice, I didn’t think he could’ve secured a transfer on the basis of the CETV of £111,115. I also didn’t think it was reasonable to speculate on whether Mr R could’ve obtained a higher CETV than the one he received in September 2022 had the delays not occurred. I thought PWL should pay Mr R £250 for the inconvenience caused by the delays instead. I explained that I didn’t think the abridged advice was unsuitable.

Mr R didn’t agree my findings and made the following points:

- I hadn’t addressed the point he’d made about the way PWL incorrectly considered his inheritance tax liability - he thought this had had an impact on the suitability of the advice he’d received.
- PWL had failed to take account of the bridging status of his final salary pension and that it would reduce on receipt of his state pension, meaning the cashflow analysis was wrong.
- PWL’s management of their information requests was poor; for example, chasing requests after a month and phoning businesses during out of office hours.

- In his experience, the DB scheme trustees had always responded promptly to requests so he again questioned why information took so long to be received.
- He said he had access to retirement projections from the DB scheme trustees and could've provided these to PWL had it asked him for them.
- Ultimately, he thought eight weeks in total from his first contact with PWL should've been enough time for it to deliver the abridged advice, given Firm H was able to go through the abridged advice and full advice process in six weeks.
- The abridged advice should have been delivered by mid-April 2022 and he could've obtained a new CETV at that point.
- Alternatively, had he been told how long the process would take he could've sought out a new firm earlier and obtained another CETV in April/May 2022.
- He believes that a CETV obtained at this time would've been higher than the one he obtained in September 2022.
- I had his authority to contact his DB scheme trustee to find out what the CETV of the DB scheme would've been in late April/early May 2022 – I should ask for this information and redress should be based on this figure.
- He questioned why I had reached a different view to the Investigator on how matters should be put right.
- He does not suffer distress. The delays caused him annoyance, but £250 isn't sufficient compensation for the time spent dealing with PWL.
- He questioned how a drop in CETV could've affected PWL's advice to him – although his original CETV had expired, PWL couldn't have known the CETV had decreased.
- It is unreasonable to speculate on the potential for CETVs to recover given interest rates are expected to remain low for some time.
- Four other firms had concluded it was suitable for him to transfer his DB scheme, so PWL's advice that he should remain in the DB scheme wasn't suitable. Mr R provided their contact details so I could contact them for further information.
- Mr R's own calculations demonstrate that it was clearly in his best interests to transfer out of the DB scheme.

Mr R also made comments on PWL's internal notes documenting the information requests made and the management of them. He thought it demonstrated PWL had failed to action requests promptly which had contributed to the delays.

PWL also didn't agree with my provisional decision and made the following points:

- My provisional decision is inconsistent with other decisions involving PWL where abridged advice was given.
- To depart from its process of requesting all of the information pertaining to Mr R's existing pensions and health would be in breach of the FCA's rules.
- It would also open itself up to accusations of not requesting everything needed at the earliest opportunity for customers who proceeded to full advice.
- It would make it impossible to keep track of outstanding information if it proceeded to abridged advice without having received everything it asked for.
- Its approach means that where advice not to transfer is given, customers who decide to proceed with another firm can make use of the information it has obtained on their behalf. This means the new firm doesn't have to start again and avoids delays.
- It does not accept that the information it gathers at the abridged advice stage goes beyond what is necessary – the requests were made in line with the requirements of FG21/3 section 4.17.
- It accepts that asking for information about which policies accept transfers in from other plans is not immediately relevant at the abridged advice stage, but it would be remiss not to check this at the earliest opportunity.

- Section 2.12 of FG21/3 states, “*You will not know whether a potential transfer is likely to result in a recommendation to another safeguarded benefits scheme when you start the advice process. So you should treat the advice process as if it might result in a transfer to flexible benefits.*” This contradicts my finding that it was not necessary to gather information on the minutiae of the workings of Mr R’s pension schemes.
- Section 4.59 of FG21/3 also confirmed that abridged advice included the stages of the advice process outlined previously in that chapter. PWL listed several sections that it considered supported its information gathering process.
- It believes it was reasonable to request information about Mr R’s health – this gives an indication of whether a customer might qualify for an enhancement and could secure a higher income outside of the scheme without obtaining actual quotations.
- I hadn’t quoted section 4.60 of FG21/3 in full, or the example of good practice, which gives more context.
- Pension statements rarely provide all of the information needed on their own.
- It disputes that Mr R could’ve provided the missing information it needed had he been asked to provide it.
- It is not the Ombudsman’s role to tell PWL how it should operate its business. We are not the Regulator.
- I had made a miscalculation when I made a finding that PWL ought to have been able to deliver the abridged advice by 4 April 2022. But ultimately it doesn’t think this makes a difference because even if the DB scheme information ought to have been received sooner, it didn’t receive all of the information it needed from Mr R’s personal pension providers until July 2022.
- It doesn’t accept that five working days is a reasonable timescale for it to review and action information received – 15 working days is more reasonable given the complexity of the information that needed to be reviewed and some exceptional circumstances affecting staffing at the time.
- It took PWL a period of 18 working days between the fact-find call with Mr R and it delivering the abridged advice – this is a reasonable period of time.
- PWL told Mr R about the process it would follow and he was told it could take some time to gather the information it needed. This was referenced in the Terms of Business, which Mr R accepted, and said: “*Due to the complex process involved in advising on Pension Transfers, by agreeing to these Terms of Business, you agree that Pension Works Limited will not be held responsible for any losses, falls in value or missed investment growth opportunities however caused (including Investment losses, Investment growth opportunities missed, or falls in Transfer Values) whilst Pension Works are advising you or implementing that advice.*”
- It noted that I had found its advice to be suitable, which implied that I considered Firm H’s recommendation to be unsuitable. Therefore, any claim for financial loss should be directed to Firm H as well as Mr R’s personal pension providers.
- If my decision were to stand, this would set a dangerous precedent and cause more complaints about delays which are beyond its control.

As both sides have responded, I’m now providing my final decision on the matter.

### **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 maintaining my decision to uphold the complaint in part as per my provisional decision. I’ve largely repeated my findings below. But as both sides have made significant representations in response to my provisional decision, I’ve addressed these where relevant. However, it is worth repeating that Mr R and PWL have provided a large

amount of information with this complaint and in response to my provisional findings. I won't be commenting on all of it but I have reviewed everything and my comments below reflect what I consider to be the key issues and my thoughts on them. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach my decision.

PWL has maintained that my decision is inconsistent with decisions issued by other Ombudsmen involving PWL and similar circumstances to this complaint. It says that if I maintain my decision this would set a dangerous precedent. But I'm only considering what has happened in Mr R's case and my decision is based on the specific facts of his complaint. Furthermore, as PWL is aware, each case is determined on its own merits and facts.

PWL has also said that it isn't my role to determine how PWL conducts its business. But here I am considering whether PWL treated Mr R fairly when it provided him with abridged advice. And it is necessary for me to consider the process PWL followed when giving him that advice in order to make a finding on this point.

Having considered all the evidence and commentary provided by each side, I'm intending to uphold the complaint in part.

#### *The applicable rules, regulations and requirements*

The below is not a comprehensive list of the rules and regulations which applied at the time of the advice, but provides useful context for my assessment of PWL's actions here.

*PRIN 6: A firm must pay due regard to the interests of its customers and treat them fairly.*

*PRIN 7: A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.*

*COBS 2.1.1R: A firm must act honestly, fairly and professionally in accordance with the best interests of its client (the client's best interests rule).*

The provisions in COBS 9 which deal with the obligations when giving a personal recommendation and assessing suitability. And the provisions in COBS 19 which specifically relate to a DB pension transfer.

PWL provided Mr R with abridged advice; so in accordance with COBS 19.1A, PWL's advice could only result in two outcomes. Either it would recommend that Mr R remained in his DB scheme or tell him that it needed more information to determine whether a transfer was in his best interests.

When providing both abridged advice and full advice, PWL had to have regard to the fact that the Regulator, the Financial Conduct Authority ('FCA'), states in COBS 19.1.6G that the starting assumption for a transfer from a DB scheme is that it is unsuitable. So, PWL should have only considered a transfer if it could clearly demonstrate that the transfer was in Mr R's best interests.

### *PWL's abridged advice process*

PWL says that its abridged advice process is designed to ensure that it captures all of the necessary information, in accordance with the requirements of COBS. It says that to limit the information requested to the pension type, value and how the funds were invested would be contrary to the Regulator's requirements. PWL says it is reasonable to request all of the information up front, including information on which of the DC schemes might be a suitable location to receive the transferred DB scheme funds if things proceeded to the full advice stage. And this also means that it can move cases to the full advice stage without unnecessary delays. Alternatively, it can make that information available to the customer if PWL gives advice not to transfer and they choose to proceed with another firm.

PWL has referred to section 4.59 of FG21/3 which states:

*"Abridged advice includes the stages of the advice process that we described previously in this chapter. If you cannot collect the necessary information required for abridged advice, you must not make a personal recommendation not to transfer."*

PWL requested the following information from Mr R's DC scheme providers:

- Plan name;
- Policy type e.g. Stakeholder Pension, Executive Personal Pension etc.;
- Status e.g. active, paid-up etc.;
- Selected retirement age;
- Current fund value;
- Current transfer value;
- Existing funds/investments (if With Profits please provide bonus rates);
- List of other available investment funds;
- Plan start date;
- Premium history;
- Projection of benefits to the selected retirement age;
- All current charges including bid/offer spread, allocation rates, AMC, monthly policy fee etc.;
- Any exit penalties/MVRs;
- Whether the policy facilitates adviser charges and any current adviser charges on the policy;
- Whether the policy accepts transfers in from other plans and providers;
- Entitlement to enhanced tax-free cash;
- Retirement options e.g. drawdown, UFPLS etc.;
- Whether tax-free cash can be taken after age 75;
- Any guarantees attached including guaranteed annuity rates, guaranteed funds etc.;
- List of any beneficiaries on the plan.

It said all of this information helps it to determine whether or not a transfer from a DB pension may be unsuitable or unclear at the abridged advice stage and, as such, it does not believe its standard information request is excessive.

I've reconsidered these points carefully, but I still think PWL's information gathering at the abridged advice stage for Mr R was excessive. And I still think the information it requested was weighted towards obtaining all of the information that would be required for PWL to provide Mr R with full advice, not abridged advice.

I think this approach is clear from the welcome call PWL had with Mr R on 15 February 2022. In the call, the representative explained that it would need to obtain all of

the details of Mr R's other pensions, even if they weren't giving advice on those schemes, as it was an "FCA requirement" that it must consider any other pension he had as a potential option to move his DB scheme to. That's also consistent with PWL's response to my provisional decision – while it still believes that the information it requested was necessary to provide abridged advice (except, it conceded, information about whether the pension plans would accept transfers in from other schemes), it said that requesting everything at the outset allowed it to avoid delays if moving to full advice.

PWL has listed further sections of FG21/3 that it says demonstrates the level of detail required before abridged advice could be given. However, I note that it has included sections 5.46, 5.47, and 5.55, which were not relevant for giving abridged advice. Section 4.59 said that abridged advice included the stages of the advice process that it described previously in that chapter, by which it meant chapter four. So, I've not considered these points further.

I've considered the guidance given in chapter four, in particular the sections PWL has highlighted, but I still don't think that the information PWL requested in Mr R's case was needed in order to provide him with abridged advice. Section 4.17 of FG21/3 gives some guidance around the level of information required to provide advice and states:

*"You must gather information on the client's other assets (including value, tax wrapper, maturity date, investment profile) including all pension arrangements and other sources of income such as state pension. Where the advice is based on joint finances, this information will need to include the spouse's assets and sources of income. You will need to find out about any other assets they may be able to rely on in retirement such as income from buy-to-let property. You should take care when considering possible inheritances, for example, how these might be affected by long term care needs. Finding out about your client's other assets may also help in assessing their knowledge and experience."*

PWL has referred to the example of good practice given immediately beneath this section which mentions a protected retirement age associated with a DB scheme and contributions made to a DC scheme. But I still don't think this suggests PWL needed to gather the minutiae of the workings of any pension scheme Mr R held, such as, for example, the bid/offer spread, list of other investments available and whether the plan facilitated adviser charges, before it could provide the abridged advice. Instead, it suggests that the value, type of pension (wrapper) and the way the funds are invested (investment profile) could be sufficient. And I think this is information Mr R could've given PWL by sending it statements from his pension providers, which he could access through his online accounts. I accept that knowing the level of contributions could also be a relevant factor but Mr R's statements would also show what had been contributed to the pension over the previous year. And any additional information relating to this could've been sought from Mr R during the fact-find call.

As a further example of PWL asking for excessive information, I note that in an email from PWL dated 18 July 2022, the adviser told Mr R it needed detailed health information so that it could look at annuities. PWL said that, *"as part of our process in providing the most appropriate solution for your circumstances, we must consider all of the options available and that does include at looking at possible enhanced annuity terms you could qualify for."*

However, this goes beyond the scope of abridged advice. Section 4.61 of FG21/3 states:

*"... But you should not make projections based on the transfer value, get annuity illustrations or carry out any comparisons of the ceding scheme benefits with a proposed receiving scheme. This type of modelling would be part of [Appropriate Pension Transfer Analysis - APTA] so cannot be used when giving abridged advice."*



PWL says that knowing about Mr R's health conditions allowed it to understand whether there could have been any enhanced terms available to him without it actually obtaining annuity quotes. But I still think that this went beyond what was needed to provide Mr R with abridged advice, as ultimately, the enhanced terms could only have come into play if advice was given to transfer.

I'm mindful of section 2.12 of FG21/3, which says firms should treat the advice process as if it might result in a transfer to flexible benefits. But Section 4.60 states:

***“You may not need to collect all the information described earlier in this chapter to recommend that your client should remain in their DB scheme. This will vary on the facts of each case. If you conclude that the outcome is unclear, you should have a reasonable basis for your conclusion. Where the client is reliant on the DB scheme income, this is more likely to mean that you will have collected all the information that can be used in abridged advice to rule out a recommendation to remain in the scheme. (my emphasis)”***

I don't necessarily think that it was unreasonable for PWL to request all of the information it did from Mr R's DC scheme providers at the outset, particularly if it did go on to provide full advice as it would reduce delays. But in my view, there was nothing stopping PWL from delivering the abridged advice to Mr R even if some information was outstanding. And that's particularly the case given that I don't think the information PWL was waiting for was necessary in order for it to give the abridged advice. And given that PWL's advice to Mr R to remain in the DB scheme was given largely based on the fact the CETV had expired, I think once it had completed the fact find call and obtained DC scheme statements from Mr R and information from the DB scheme, it could've delivered the abridged advice to him.

*Should PWL have been able to deliver its abridged advice sooner and if so, what was the impact on Mr R?*

As I think PWL was waiting to receive information that wasn't necessary in order for it to deliver the abridged advice, I've thought about the information it needed to gather and when it ought reasonably to have received this. And I've considered whether this means it could have delivered the abridged advice to Mr R before his original CETV expired.

I'm mindful that Mr R has said that he thinks eight weeks from the date he was introduced to PWL was sufficient time for it to be able to deliver the abridged advice to him. That would mean that PWL should've provided the advice to him in mid-April 2022. But I've still considered what should've happened had PWL made reasonable requests and acted on the information it received appropriately.

It appears Mr R was introduced to PWL by Firm R on 14 February 2022 – Firm R had provided PWL with a copy of Mr R's CETV. PWL sent Mr R an email on the same day including its terms of business and links to some questionnaires Mr R was required to complete before the fact-find call with the adviser. A welcome call was then arranged between PWL and Mr R on 15 February 2022.

I've listened to this call and I note the main purpose of it was to establish that Mr R fulfilled PWL's eligibility criteria to be considered for advice on a DB transfer. The representative noted that Mr R was eligible and that they had received his signed letter of authority ('LOA'). She asked Mr R for details of his other pensions; saying she didn't need the values, she just needed to know the providers so PWL could send them Mr R's LOA and contact them for information. Mr R said he would provide that information by email. But instead of asking Mr R to simply send details of the providers, I think the representative could've asked Mr R whether he was able to provide a recent statement for each pension. I'm satisfied this

would've shown information such as the current value, the type of pension, charges, contributions made, how the funds were invested and an illustration of the benefits he was entitled to at retirement. And I think this would've provided PWL with sufficient information about those pensions for it to deliver the abridged advice.

I'm also satisfied that Mr R would've been able to provide PWL with this information straight away. I say this because following the welcome call on 15 February 2022, Mr R emailed PWL saying he'd completed the questionnaires. He attached a copy of an excel spreadsheet giving the values of his investments and assets, gave valuations of his DC pensions and attached annual statements for all of them. He also attached state pension forecasts for himself and Mrs R. So, I don't think it was necessary for PWL to approach Mr R's DC pension providers in order to provide him with abridged advice. However, I accept that making the requests to the DC scheme providers at that stage wasn't necessarily unreasonable as it would mean that PWL could move to the full advice stage without delay.

Nevertheless, I don't think that this means PWL was in a position to deliver its abridged advice on 15 February 2022. An adviser still needed to carry out a full fact-find with Mr R, assess his risk appetite and explore his objectives. And although PWL had received Mr R's CETV, this didn't set out what Mr R's pension and tax-free cash entitlement was if he were to take benefits straight away or at his normal retirement age of 65. And I think that it needed this information in order to give the abridged advice. I appreciate that Mr R says he had access to this information and as such, could've provided it to PWL if it had asked him for it. He's provided me with a copy of retirement quotes he received in February 2021 to support this, showing his entitlements at age 60 and age 62. But I don't think it was unreasonable for PWL to approach the DB scheme trustee for this information directly in the first instance. I've therefore considered the requests made and whether these were chased promptly, looking at PWL's portal entries.

I should say here that whilst PWL was waiting for this information, I think it should have completed the full fact-find call and discussions with Mr R so that it was in a position to deliver its abridged advice as soon as the outstanding information was received.

PWL sent its initial request to Mr R's DB scheme trustee on 15 February 2022 by email. I've seen a copy of this and the email set out what was required clearly. This was acknowledged on 16 February 2022 and the email explained the trustee would be in touch within five to ten business days, depending on how busy they were. As no response was forthcoming, PWL chased this by phone on 4 March 2022. The trustee informed PWL that it had already responded by email on 22 February 2022 – the representative located this information and asked for it to be uploaded to Mr R's file. However, it doesn't appear that the information was reviewed by PWL until 19 March 2022, when it noted that most of the information it had asked for was outstanding and so it chased this by email.

PWL phoned the DB scheme trustee to chase the outstanding information on 29 March 2022. The DB scheme trustee said it had responded by email on 25 March 2022 but PWL noted that it couldn't open the attachment so the DB scheme trustee said it would send that information by post. However, I can see an entry dated 19 April 2022, where PWL noted it had been able to open an email from the DB scheme trustee dated 25 March 2022 which included the immediate retirement quote and said that the normal retirement age quote would follow. So, it chased this information by email on 19 April 2022. PWL phoned the DB scheme trustee on 17 May 2022 to chase the outstanding information and was advised the remaining information had been emailed to PWL on 27 April 2022. The PWL representative located this and confirmed that it had been received.

It's evident from the above events that PWL did not chase information as promptly as it could have and that it was routinely missing that the DB scheme trustee had provided information

that it had asked for. So, I think that PWL should have been in receipt of the information it required from the DB scheme trustee sooner.

It's evident that PWL received the DB scheme trustee's response to its initial request on 22 February 2022. PWL didn't realise it had received this until 4 March 2022 but the missing information wasn't chased until 19 March 2022. I think PWL ought to have noticed it had received a response to its initial request, reviewed the information received and then chased the outstanding information within five working days, so by 1 March 2022.

PWL says five working days is unreasonable and 15 working days would be more reasonable given that the information requested was complex and PWL had some staffing issues at the time. I am sympathetic to the particular staffing issues PWL has brought to my attention, but I still think five working days is a reasonable time-period in which to expect PWL to review information received and act upon it, bearing in mind that DB pension transfers are time-sensitive. And I don't think that the information that needed to be reviewed was complex – PWL simply needed to look at whether the information received matched the information asked for, and if not, chase what was outstanding.

The DB scheme trustee responded to PWL's 19 March 2022 request on 25 March 2022, five working days later. So, if PWL had chased the information on 1 March 2022, I think it would've had a response by 8 March 2022. Using the same timescales above, I think PWL should have reviewed and requested the remaining outstanding information (the normal retirement age quote) by 15 March 2022. The DB scheme trustee provided this information on 27 April 2022, having been chased by PWL for it on 19 April 2022 – six working days later. So, had PWL chased this information on 15 March 2022, I think it would've been provided by 23 March 2022.

So, overall, I think PWL ought to have had all of the information it needed from Mr R and his DB scheme trustee by 23 March 2022. And I think that PWL ought to have reviewed this information, considered all of the other information it had received then completed and delivered its abridged advice to Mr R within 10 working days. This means that I think PWL should have provided Mr R with the abridged advice by 6 April 2022.

I note that the CETV had an original expiry date of 23 March 2022. However, Mr R informed PWL on 17 March 2022 that it had been extended by two weeks to 6 April 2022. So, while I think that PWL could've technically delivered the abridged advice to Mr R before the CETV expired, I don't think he'd have been able to secure a transfer on the basis of that CETV.

That's because under the Regulator's rules, Mr R would still have been required to take full advice from PWL (or another firm) before he could transfer out of his scheme. So, regardless of the outcome of the abridged advice process (unsuitable or unclear), Mr R would've had to take full advice and I don't think PWL or another firm could've completed that on the day. I think PWL or the other firm would've needed extra information from his DC schemes (that wasn't available through ordinary statements) in order to assess whether any of those plans could be a suitable destination for the DB pension transfer proceeds. And as can be seen from PWL's portal entries, that information took several months to be provided. It would've also had to undertake APTA, which would've included obtaining a transfer value comparator, annuity quotes and carrying out cash-flow modelling.

So, ultimately, I'm not persuaded that the delays I can attribute to PWL resulted in Mr R missing out on securing the CETV of £111,115. I think this would've always expired given that Mr R had to take full advice.

It's evident that when Mr R was eventually able to transfer out of his DB scheme, the amount he received from the DB scheme was lower than the original CETV. But I don't think it would

be fair or reasonable to attribute any other financial loss to PWL as a result of the delays it caused. It's clear that Mr R would've always needed to obtain a new CETV from the DB scheme trustees once it had expired on 6 April 2022.

Mr R didn't ask for a new CETV until late August 2022, after PWL provided its abridged advice and he'd approached Firm H. It follows therefore that if the abridged advice had been delivered sooner, in early April 2022, Mr R would've likely approached his new adviser and would've obtained a new CETV earlier. However, I don't think I can speculate on whether or not Mr R would've been able to receive a higher CETV than one he obtained dated 2 September 2022 had he asked for one at an earlier date. It isn't the case that if a CETV has decreased between two points in time the value will have decreased consistently – the CETV is based on a complicated calculation taking account of numerous factors.

Mr R says that I don't need to speculate; I should approach his former DB scheme trustee for a hypothetical CETV figure and consider whether he has suffered a loss based on this figure. But I cannot compel Mr R's former DB scheme trustee to calculate a hypothetical CETV based on an earlier date. And even if Mr R's former scheme trustee might be prepared to calculate such a figure, I don't think it is fair to take that approach when I know that other DB scheme trustees would not be prepared to or be able to calculate hypothetical CETVs for customers in similar circumstances. So, for that reason, I don't think it is fair for me overall to consider awarding redress on the basis of whether Mr R could've secured a higher CETV had the abridged advice been delivered sooner.

I still think that PWL's failure to deliver the advice sooner caused Mr R annoyance and inconvenience. It's clear to me that Mr R was very keen to transfer his pension funds and as per my explanation above, the abridged advice took too long to deliver, which would've been frustrating. Overall, I think that PWL should pay Mr R compensation of £250 for this. I appreciate that Mr R doesn't think this amount is fair, but Mr R was still ultimately able to transfer his pension funds using the services of another firm so the delay didn't ultimately prevent him from proceeding with the transfer.

#### *The suitability of the advice given by PWL*

I've thought about what would've happened if PWL hadn't delayed providing the abridged advice to Mr R and whether that would've had an impact on the advice it actually gave. I say this given that the CETV having expired appears to have been a significant factor in PWL's advice to remain in the scheme.

I've considered this carefully but I still think PWL would've concluded that Mr R should remain in the DB scheme if it had been able to deliver the abridged advice by 6 April 2022. The CETV still would've expired long before a full advice process could've been completed. So I don't think the absence of delays would've had an impact on the advice PWL actually delivered – the CETV had expired for all intents and purposes.

I note what Mr R has said about how PWL considered his inheritance tax liability and how it factored his bridging pension into its cashflow analysis. But ultimately I don't think it had an impact on the advice PWL gave to Mr R. I haven't seen evidence to persuade me that these were significant factors in the recommendation to remain in the DB scheme.

That said, I note that Mr R disagrees with the recommendation PWL gave at the abridged advice stage. He believes that it should've concluded that it would need to proceed to the full advice stage and ultimately determined that a transfer out of the DB scheme was in his best interests. Mr R points to the advice he received from Firm H as evidence of this, his own calculations and the fact he says several other firms told him transferring was in his best interests. He's provided their contact details so I can verify what he's said.

I don't think it is necessary for me to contact the other advisers Mr R spoke with, or consider the advice Firm H gave him, as I'm only considering whether the advice PWL gave Mr R was suitable here.

As I've said above, PWL should have only considered a transfer if it could clearly demonstrate that the transfer was in Mr R's best interests. PWL recommended that Mr R should remain in his DB scheme because his CETV had expired and he had no need to transfer at that point in time, so he could wait until closer to his normal retirement age. I appreciate Mr R feels very strongly that this was the wrong decision, but overall I think PWL's conclusion that a transfer wouldn't be in Mr R's best interests at this time was a reasonable one.

I think it's important to stress that PWL's role here wasn't simply to transact what Mr R wanted it to do. Its role was to advise Mr R, and in doing so it had to look beyond what Mr R wanted and make a determination of what it believed was in his best interests.

If PWL had delivered the advice promptly, the CETV would've still been on the verge of expiring and PWL was aware that any new CETV offered was likely to be lower because of changes to economic and demographic assumptions used to calculate the CETV. Mr R questions how it could know this as it didn't request a new CETV for Mr R. But I think PWL would've known this was the case given its area of expertise and the fact it would've been assisting other customers with pension transfers.

It's evident that there was no urgent need for Mr R to transfer out of his DB scheme at the time – although he had some health concerns there's no suggestion that he wasn't expecting to reach his normal retirement age. As such, Mr R had time to allow for the CETV to potentially increase and during this time, his entitlement to benefits would be guaranteed and would continue to be revalued, despite the difficult economic conditions. So, overall, I don't think PWL's conclusion that it wasn't in Mr R's best interests to transfer out of his DB scheme at that point in time was unreasonable.

### **Putting things right**

I require Pension Works Limited to pay Mr R £250 compensation for the annoyance and inconvenience caused by the delays in providing him with abridged advice.

### **My final decision**

I'm upholding this complaint in part.

I require Pension Works Limited to pay Mr R compensation of £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 June 2024.

Hannah Wise  
**Ombudsman**