

The complaint

Mrs S complains about advice from Phoenix Life Assurance Limited (Phoenix) to transfer her final salary pension to a personal pension

What happened

Mrs S said she joined a public pension scheme in 1982. Due to a change in employment she had to join a private pension scheme around 1991 and was advised to transfer her final salary benefits from the public scheme. She later re-joined the public scheme in 2000. However when she re-joined the public scheme she had to join a new section as she lost the right to re-join the section she had been in before. She said as a result of what happened she couldn't take her pension at age 60 on her current salary. She now needed to work for longer before she retired.

Phoenix consented to this service reviewing this complaint even though it relates to events from the 1990's. It didn't uphold the complaint. It said Mrs S took out a personal pension in autumn 1991 and made regular monthly contributions. In spring 1992 around £5,300 was received from her previous employers defined benefit pension scheme. She was in her late twenties at the time. She continued to make contributions for around 4 years and invested in a with profits fund. The sale of her pension was reviewed as part of the industry regulator scheme that reviewed pension from the period 1988 to 1994. This showed it had been incorrect to advise her to transfer out of her defined benefit pension plan and she had lost out. It wrote to her in early 2000 and offered a payment in compensation. Mrs S accepted the offer in early 2000 and the payment was made into her plan. As a consequence it was no longer possible to revisit the advice given in the past and it couldn't uphold her complaint.

The investigator said she could not uphold the complaint. She was satisfied the transfer had been through the pension review process and that meant it was not possible to revisit the advice she received or the transfer itself.

Mrs S didn't agree. She accepted that she had received a payment in early 2000 but didn't feel this had taken into account the current value and benefits that had been lost. She said she lost the ability to retire at age 55 on a final salary pension. She said that because of this she could not now retire until age 67. She said she was not advised of this when she took the personal pension nor when the review was performed in 2000.

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.

While I am very sorry to disappoint Mrs S I am not able to uphold her complaint for the reasons below. I note what Mrs S has said and that she would have liked to retire earlier.

In effect Mrs S says that she is not now able to do what she would have been able to do had she not transferred her pension. She doesn't think the compensation she received took this into account and it was not explained to her at the time.

The financial regulator set out the approach to be taken to the calculation of the compensation to reflect the fact she was worse off, and there is no evidence to suggest this was not applied correctly at the time.

I note she says this wasn't explained at the time. I note that the offer letter didn't explain the offer in detail, but it did direct her to take independent financial advice, if she wished to. I don't know whether she decided to do so at the time, but had she done so this might perhaps have helped her better understand the offer.

I have seen the offer acceptance form that Mrs S signed in early 2000. This says that she agreed to accept the offer

'in full and final settlement of any and all claims I may have against Pearl or its agents in connection with or arising out of the sale of my Pearl Personal Pension Plan'

This settlement wording is very broad and is clear that it is in full and final settlement of any and all claims in connection with the sale of the personal pension. That would include the claim she now makes. So it is not possible to reopen the review and settlement.

So for those reasons, I cannot consider her complaint further as it relates to advice given in the past and where an agreement for compensation has already been made and where the settlement terms cover any and all claims.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 7 September 2023.

Colette Bewley
Ombudsman