

## **The complaint**

Ms S complains that Zurich Assurance Limited incorrectly calculated the transfer value of her pension plan at the date that they received the switch request, rather than the actual date that they undertook the transfer.

Ms S says the value of her plan was higher at the actual date of transfer, so that's the value she should be entitled to. She'd now like Zurich to reimburse her for the higher amount that she feels is due to her.

## **What happened**

In late 2022, Ms S decided that she wanted to move her existing pension plan with Zurich to Vanguard. After contacting Zurich to understand the process, she set up a new plan with Vanguard who then submitted an Origo request to Zurich on 30 January 2023. As the Origo request was received in the afternoon of that day, Zurich treated the notification date as 31 January 2023.

As Ms S was paying monthly direct debits into the plan and the most recent payment had been made on 1 February 2023, they had to wait for the contribution to clear before they were able to start processing the switch request.

On 3 and 10 February 2023, Ms S contacted Zurich for an update on the progress of the switch, and on each of the dates, she asked Zurich for the current value of her pension. On 10 February 2023, she was advised that her pension was valued at £175,078 and understood from her conversation with Zurich, that this would be the value sent to Vanguard.

On 14 February 2023, Zurich sent Ms S's pension funds to Vanguard – however, when Zurich confirmed that they had transferred £170,935, Ms S complained to Zurich. In summary, she said the difference between that figure and the amount she was advised was the value of her pension on 10 February 2023, amounted to around £4,000, and as such, she wanted Zurich to cover that lost value.

After reviewing Ms S's complaint, Zurich concluded that they were satisfied they'd transferred the correct amount of money to Vanguard. They also said, in summary, that they should have been clearer in their telephone calls with her on 3 and 10 February 2023 that they use the value of the pension on the date that the request is received as the value that's switched. As the request was received on 31 January 2023, that was the value that was sent to Vanguard. To apologise for the confusion caused, Zurich offered Ms S £105 for the trouble.

Ms S was unhappy with Zurich's response, so she referred her complaint to this service. In summary, she said that she didn't think Zurich were being reasonable by using the plan's value on 31 January 2023 and as such, asked this service to make them pay her the £4,000 that she felt they'd unfairly held on to.

The complaint was then considered by one of our Investigators. He concluded that whilst Zurich could have been clearer during their telephone discussion on 10 February 2023, the correct amount appeared to have been sent to Vanguard. He felt that the £105 that Zurich had offered Ms S for the upset caused was fair.

Ms S, however, disagreed with our Investigator's findings. In summary, she said that the £105 didn't fully reflect her distress, confusion, anger and the fact that Zurich had taken over her pension fund for their own gain whilst leaving her to believe that she was still benefiting from the fund's financial growth. Ms S said that, as she wasn't advised of the 'cut off' point, Zurich hasn't acted in her best interests. Ms S went on to say that she feels compensation of at least £1,000 would better reflect the upset that she's suffered.

Our Investigator was not persuaded to change his view as he didn't believe that Ms S had presented any new arguments he'd not already considered or responded to. Ms S then asked the Investigator to pass the case to an Ombudsman to review that outcome.

### **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 can well imagine Ms S's concern when she saw a lower transfer value than she was anticipating, arrive in her new pension with Vanguard. But, having carefully considered Ms S's concerns, whilst I'm upholding her complaint because I think Zurich could have been clearer during their interactions with her, I'm not going to ask them to take any further action beyond what they've already offered to do. Whilst I appreciate that Ms S will likely be disappointed by my decision, I'll explain why below.

As I've already explained, Zurich received the Origo switch request from Vanguard in the afternoon of 30 January 2023, so that meant the valuation day for the transfer was 31 January 2023. The policy provisions that Ms S would've been provided with at the time she set her plan up with Zurich (previously Allied Dunbar), do say that when a transfer request is received, it's the value at that particular point that's used. This is covered in section 10 of those terms and conditions. Typically, but not always, transfer monies are then sent 10 days later, however in Ms S's case, because Zurich had collected a direct debit the following day, they had to wait for that premium to clear to allow them to return it to Ms S before they could complete the switch to Vanguard. The monies (£170,935) from Ms S's Zurich plan were sent to Vanguard on 14 February 2023 and as this was the value of her plan on 31 January 2023, the correct amount was transferred. So, I've not seen any evidence that Ms S has suffered financially as a consequence of Zurich.

However, during the switch process, Ms S contacted Zurich on a number of occasions to understand the progress of her application. During those discussions, Zurich provided Ms S with a value of her plan, which subsequently transpired that it was higher than the value on 31 January 2023 and therefore the amount transferred. So, I can see why Ms S was confused when she saw the lesser amount credited to her new Vanguard plan on 14 February 2023. Importantly though, Zurich have already conceded that they should have only informed Ms S of the switch value from 31 January 2023 to avoid any confusion. But, despite being the wrong information, Ms S hasn't suffered a financial loss as a consequence of that information. Whilst Ms S says her decision making has been determined by the information provided by Zurich from those calls, I don't agree, and that's because she wasn't in a position to make any investment decisions with her monies until the funds were transferred to Vanguard. And in any event, Zurich transferred the correct

amount to her, but even had they provided the correct information to her, the switch would've proceeded in the same manner and as such, she would be in no different of a position to the one that she found herself in.

I've considered very carefully what Ms S has told this service about the impact that Zurich's actions have had on her. In her complaint, she told this service that she wanted Zurich to refund the £4,000 difference between what was transferred and what she was told her plan was worth. Ms S has also told this service she feels that compensation of £1,000 would better reflect the upset that Zurich have caused her. I don't doubt that she would have found the experience of receiving less than she thought that she would do both disappointing and upsetting, however the role of this service isn't to punish businesses when mistakes occur, that's the role of the Financial Conduct Authority. Our role is to ensure that businesses put consumers back into the position that they would've been in, had it not been for their mistake. Whilst Zurich could have been clearer that the plan value that they provided to Ms S over the telephone wasn't the transfer amount that would be sent to Vanguard, I don't believe that Zurich should pay her the amount that they told her the plan was worth on 3 and 10 February 2023, because that wasn't the value that was ever going to be switched to Vanguard.

Zurich have already acknowledged that they could have better managed Ms S's expectations during their telephone discussions with her, and they've offered her £105 to say sorry. When we ask a business to pay a consumer compensation for the trouble that they've caused, whilst all cases are considered on their own individual merits, we do look to be consistent across similar cases. And, thinking about Zurich's offer of £105, I think it's fair and reasonable in the circumstances for failing to better manage Ms S's expectations. So, whilst I appreciate that Ms S will likely be disappointed by my decision, I won't be asking them to increase that offer.

### **My final decision**

Zurich Assurance Limited has already made an offer to pay Ms S £105 to settle the complaint and I think that this offer is fair and reasonable in all of the circumstances.

So, my final decision is that Zurich Assurance Limited should pay Ms S £105, if they've not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 7 January 2024.

Simon Fox  
**Ombudsman**