

The complaint

Mr H complains that The Royal London Mutual Insurance Society Limited (Royal London) unduly delayed the transfer of his pension to Aegon. The delays suffered led to a reduced transfer value following the expiration of a transfer value quote on 1 April 2023, and a subsequent negative bonus being applied to the policy.

Mr H states that had Royal London acted appropriately, his policy would have been transferred earlier and he would have received the earlier, higher transfer value.

What happened

On 13 July 2022 Mr H emailed Royal London repeating a request for policy information. The email asked for the total pension pot value, questioned whether there was a tax-free amount available and if so, how much, and asked whether taking any tax-free amount would initiate the rest of the pension payments.

Following receipt of paperwork in which his name was spelt incorrectly, Mr H contacted Royal London on 8 August 2022 to confirm his correct name and ask them to amend their records.

Having appointed an IFA to provide advice on his Royal London policy, the chosen IFA wrote to Royal London on 28 October 2022 asking for relevant policy information. A letter of authority signed by Mr H was included with the request.

This was chased in November 2022 where it became apparent that there were still issues around Mr H's name being recorded incorrectly by Royal London.

On 5 December 2022 Royal London wrote to the IFA with the requested policy information. This included a transfer value quote. A follow up email was sent by Royal London to the IFA the following day with additional documentation and confirmation that all completed documents should be returned to Royal London's Manchester address.

On 3 March 2023 a further transfer value quote (giving a policy value of around £115,000) was issued to Mr H. This confirmed the value was valid for 30 days (expiring on 1 April 2023).

After the IFA had provided Mr H with advice, transfer documents were signed by Mr H and the IFA. The transfer documents were signed by the adviser on 20 March 2023 with these being forwarded to Aegon, who received them on 22 March 2023.

On 27 March 2023 Aegon sent the completed transfer paperwork to Royal London at their Glasgow office. This was subsequently returned as undelivered with the paperwork resent on 17 April 2023 to the Royal London address in Manchester.

On 25 May 2023 Royal London wrote to Mr H's IFA stating that whilst confirmation of advice form had been received, the additional covering letter on company headed paper had not been provided. Royal London asked for the relevant letter, stating that they could not

proceed to payment of Mr H's benefits until this had been received.

This letter was provided by the IFA on 30 May 2023 and received by Royal London the following day.

Following receipt of the transfer documentation and the expiration of the earlier transfer value, Royal London wrote to Mr H on 8 June 2023 to confirm that the transfer value had decreased to around £95,000. The letter explained that this was due to the poor performance of the underlying investments within the previous year and stated that unless Mr H confirmed otherwise within five working days, Royal London would proceed with the transfer and make payment of the updated value to the Aegon pension.

As a result of the reduced transfer value the IFA complained to Royal London on 12 June 2023.

Royal London issued their response on 15 June 2023. This explained that Royal London were not upholding the complaint and stated that whilst the transfer value issued in March 2023 expired on 1 April 2023, the relevant paperwork was not received from Aegon until 17 April 2023, with the covering letter from the IFA (on company headed paper) that should have been sent with the confirmation of financial advice document only being received on 31 May 2023. As such Royal London did not consider themselves responsible for the missed deadline of 1 April 2023.

On 19 June 2023 Royal London wrote to Mr H about a matter unrelated to the pension transfer, returning an overpayment of around £75. This letter and the accompanying cheque were issued with Mr H's name again spelt incorrectly.

Mr H's IFA responded to Royal London on 28 June 2023. The IFA stated that not all the delays suffered by Mr H had been considered. The IFA also provided tracking information proving that Aegon had sent the transfer paperwork on 27 March 2023 with the documents being returned on 14 April 2023.

Royal London issued a response to the IFA on 5 July 2023. This reconfirmed that they did not consider themselves responsible for the missed deadline.

Mr H referred his complaint to this service on 21 July 2023.

Our investigator looked into the timeline of events and agreed with the outcome reached by Royal London. The investigator noted that whilst transfer paperwork had been sent on 27 March 2023 (before the 1 April 2023 deadline) this had been sent to the wrong address, and the IFA had not provided the required covering letter until May 2023, as such the missed deadline could not be considered Royal London's fault.

Mr H did not agree and noted that the letter issued in June 2023 still spelling his name incorrectly showed Royal London's poor administration. In addition, this poor administration caused delays at the start of the process when the information from Royal London was delayed as a result of his name being recorded incorrectly. Mr H stated that he felt the total delays to the process had not been apportioned appropriately within the investigators findings.

The investigator was not minded to change their outcome, and noted that whilst there were delays to the provision of information to the IFA, this information had been available from 5 December 2022 with the investigator believing this provided adequate time for the relevant documentation to be submitted to Royal London before 1 April 2023.

As no agreement could be reached the case has been passed to me.

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 firstly like to state that I do have sympathy for the situation Mr H finds himself in. The drop in pension fund value was significant and it will undoubtedly have an impact on Mr H's retirement.

That said, having assessed the chain of events above, I have reached the same conclusions as our investigator and for broadly the same reasons.

I have considered carefully the point made by Mr H and his IFA that there were delays early in the process outlined above. Mr H wanted additional information about his policy prior to July 2022 and the provision of this information was delayed. However, the information requested would not have been sufficient to allow an adviser to provide accurate advice on transferring the policy. The policy had valuable guarantees and as such additional detail would have been required.

Full policy information – sufficient to form the basis of financial advice – was not requested until the IFA did so on 28 October 2022. From this point I would also accept that issues were caused by Royal London holding incorrect information on the spelling of Mr H's name, with the provision of he requested information being delayed until 5 December 2022.

However, in line with the investigator's findings, I do not believe this delay was the ultimate cause of Mr H missing the 1 April 2023 deadline.

At the point Royal London provided policy information to the IFA on 5 December 2022, there remained around four months until 1 April 2023. Royal London cannot be considered responsible for this time, with there being no information on file as to why the advice paperwork was not finalised until 20 March 2023.

Whilst I appreciate there had been earlier issues which led to policy information not being provided until December 2022, I agree with our investigator's conclusion that there remained sufficient time for the advice process to be completed prior to April 2023. This is evidenced by the fact that Aegon did in fact try to submit transfer paperwork on 27 March 2023.

Whilst paperwork was sent by Aegon, this was sent to the incorrect address despite Royal London being clear that the documents should be returned to their Manchester office. The address had been pre-populated on the transfer request form they had provided, and the Manchester address had been confirmed separately in their email of 6 December 2022. As such, whilst it is unfortunate that the paperwork was sent to the incorrect address, it is not reasonable to hold Royal London accountable for this error.

The policy information sent to the IFA on 5 December 2022 was also clear that the transfer value was only guaranteed for 30 days and clearly detailed the documentation that needed to be returned for Royal London to process the transfer. The 'Forms you must fill in' section of this pack stated clearly *"The 'Financial Advice Confirmation Form'. Your regulated financial adviser must fill in this form and return it with a covering letter on their firms headed paper."*

Additionally, the cover sheet to the Financial Advice Confirmation Form includes notes on what the adviser needs to do when completing the form. Section two is entitled 'forms you

need to complete' with this clearly noting that a covering letter on the firm's headed paper was necessary. It stated, *"We can't pay out the transfer value or cash lump sum until we've received these items"*.

As such I consider it clear that Royal London had given accurate information on what was required of Mr H, the IFA and Aegon for the transfer to be processed. It is not reasonable to hold Royal London responsible for the transfer paperwork being sent to the incorrect Glasgow address, nor the fact the requested covering letter was not sent with the confirmation of advice form.

Overall, whilst I appreciate that Royal London made administrative errors in relation to recording Mr H's details, and that these errors did cause an initial delay in the provision of policy information to Mr H's IFA, I have concluded that despite this delay there remained sufficient time for the transfer to be processed before the March 2023 transfer value expired.

The fact this 1 April 2023 deadline was missed resulted from the time taken to complete the advice process, the sending of relevant paperwork to the incorrect address, and the incomplete covering letter which should have accompanied the confirmation of advice document. Given this conclusion I do not consider it reasonable to hold Royal London accountable for the reduced transfer value and as such I am not upholding this complaint.

My final decision

As per the rationale above I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 November 2023.

John Rogowski
Ombudsman