

## **The complaint**

Mr S has complained about the delays and incorrect information provided by Phoenix Life Limited (Phoenix Life) when transferring his personal pension to a SIPP, which he feels has caused him to suffer financially.

## **What happened**

In 2022 Mr S became unable to work due to a diagnosis of a severe illness. As a result of this he decided review his pension arrangements and consolidate them with the help of his independent financial adviser (IFA). In November 2022 he submitted a request to Phoenix Life to transfer his pension to a different provider that I shall call Provider F. The request was made via the Origo system and came from Mr S' IFA. This was received by Phoenix Life on 24 November 2022.

Phoenix Life then issued a pension advice declaration form but used the incorrect figures so after the IFA notified Phoenix Life of this a new form was issued.

Phoenix Life re-issued the pension advice declaration form on 21 December 2022 which stated the value of Mr S' pension to be in the region of £138,000.

However, it seems the incorrect figures were again used so a third form was issued and this completed and correct form was received by Phoenix Life from the IFA on 3 January 2023. A transfer quote was then issued on 26 January 2023 which quoted a value of £133,756 was to be transferred. The plan was then transferred to Provider F on 1 February 2023 and the claim was backdated to 2 December 2022.

Mr S queried the change in value of his pension and when Phoenix Life looked into the matter it explained to Mr S in March 2023 that the drop in the value was due to recalculation being carried out on the fund from January 2023. Mr S felt this was unfair and was of the view that the value quoted to him in December was the correct value that should have been paid to him.

When Mr S brought his complaint to this Service Phoenix Life reviewed the matter and discovered that the explanation it had given for the change in value was incorrect as Mr S' pension wasn't in fact affected by the rate change. It found that the first valuation of around £138,000 was simply incorrect due to an administrative error and the value was always in the region of £133,000.

It also acknowledged that it had caused delays and made several errors and apologised for this. It offered Mr S £550 for the distress and inconvenience it caused by these errors and also acknowledged that had no errors occurred the pension would have been transferred on 25 November 2022– the day after Phoenix Life had received the initial request to transfer. The value of the pension on this date would have been £133,584. So, to ensure Mr S hadn't been suffered financial detriment by its actions Phoenix Life contacted Provider F requesting information about the transferred pension so a loss calculation could be carried out.

Mr S remained unhappy with the offers made by Phoenix Life and so brought his complaint to this Service where it was assessed by one of our investigators. He was of the view that while Phoenix Life had made errors and caused delays the offer it made to rectify the situation was in line with the approach of this service. Therefore, he endorsed the offer and felt Phoenix Life didn't need to do anything further.

Mr S didn't agree with the assessment. So the complaint has been passed to me to decide.

### **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've taken into account relevant: law and regulations; regulatory rules; guidance and standards; codes of practice; and (where appropriate) what I consider to have been good industry practice at the relevant time.

Where the evidence is incomplete or inconclusive (as some of it is here) I've reached my decision based on the balance of probabilities – in other words, on what I think is more likely than not to have happened given the available evidence and wider circumstances.

Initially I think it's important to make clear that there were several errors made by Phoenix Life in the process of this transfer. These resulted in delays that certainly could have caused Mr S some financial loss. It is disappointing to see this has happened. However, I am pleased to see that Phoenix Life has identified its errors and has proactively sought a way to resolve this matter.

What Phoenix Life has offered to do, pay Mr S £550 for distress and inconvenience and to conduct a loss assessment back dated to the date the transfer *should* have been made had no errors occurred is the way that I would have looked to resolve this matter had Phoenix Life not made its offer. I also agree with the date Phoenix Life is proposing to use as the date of transfer and one day to complete a transfer seems reasonable to me.

In terms of the physical calculation, the potential loss can only be calculated with the help of Provider F.

I know that Phoenix Life has asked Provider F for the following:

- For the payment that was issued on 1 February 2023, if Mr S had opted for immediate vesting of the policy upon completion of the transfer, what retirement benefits did this provide and on what basis is the pension payable.
- Had the delays not been caused a payment of the correct amount (£133,584) would have been issued on 25 November 2022, so what retirement benefits would this have provided had it been received on 25 November 2022 assuming the same basis as above.
- If the retirement benefits of the correct amount would have provided if received on 25 November 2022 is greater than that currently being provided what payment would Provider F require from Phoenix Life to enhance the benefits to the higher amount.
- If Mr S opted to defer taking retirement benefits until a later date what is the number of units purchased by the sum transferred in February 2023 and where was it invested.
- What would the number of units purchased be if the correct amount was transferred on 25 November 2022.
- If the units purchased on 25 November 2022 had been of a greater number, what

amount would be required from Phoenix Life to enhance the unit holding.

Provider F is the only source from which Phoenix Life can obtain this information. This first request was made in August 2023, and I am aware that Phoenix Life has continued to chase Provider F for the information. So, while I can appreciate it is frustrating that the loss assessment hasn't yet been carried out, I am satisfied Phoenix has done all it can to get the information that will allow it to do this. I have no reason to doubt that once the information has been provided to Phoenix Life that it will carry out the correct calculations and if Mr S has lost out financially it will reimburse his pension accordingly.

Turning now to Mr S's claim that he should receive the value that was quoted to him in December 2022. This would only be possible if his pension was in reality actually worth that amount at that point in time. However, Phoenix Life has confirmed this quoted value was a mistake and that his pension was only ever worth in the region of £133,000. I know that the calculations have been checked by the appropriate department in Phoenix Life and is in line with the values that had been quoted in correspondence sent to Mr S in October 2022 and also is in line with information provided in his annual statements.

Overall, therefore, while I can fully understand how frustrating this has been for Mr S and there were undoubtedly mistakes made by Phoenix Life, I am satisfied that the offer it has made to resolve the problems is the correct one. The amount for distress and inconvenience suitably recognises the effects of these errors on Mr S and the methodology employed by Phoenix Life to calculate any financial loss he may have suffered is the correct one. And the calculations will be carried out upon receipt of the relevant information from Provider F.

### **My final decision**

My decision is that, for the reasons I have set out above, I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 October 2023.

Ayshea Khan  
**Ombudsman**