

## **The complaint**

Mr H complains that AJ Bell Management Limited (AJ Bell) caused avoidable delays to the transfer of his pension from his existing provider – provider J - to a Self-Invested Personal Pension (SIPP) with AJ Bell.

Mr H has made a separate complaint about provider J which this service has already considered. This decision will only consider Mr H's complaint against AJ Bell.

## **What happened**

Mr H had a SIPP with provider J. He held three Permanent Interest-Bearing Shares (PIBS) within his SIPP, including one with a business I'll refer to as business Y. His SIPP had a transfer value of £530,000, with most of the funds held in cash.

Mr H signed a Letter of Authority to transfer the benefits from his SIPP with provider J on 4 December 2019. AJ Bell said it received this on 6 December 2019.

On 9 December 2019, AJ Bell wrote to provider J to tell it that Mr H wanted to make a full transfer of his SIPP to AJ Bell. It said that it couldn't proceed with the transfer instruction until it'd received a full list of the assets that would be transferred in-specie. So that it could check that those assets would be acceptable under its scheme.

Mr H said that he'd asked AJ Bell if the PIBS could be transferred to it. And that it had confirmed that they all could. So he'd then asked for an in-specie transfer to be completed.

AJ Bell emailed Mr H on 16 December 2019. Within this email, it confirmed that it required the Stock Exchange Daily Official List (SEDOL) references for each of his SIPP assets before it could proceed with the transfer. It said this was because the SEDOL references would allow it to assess whether Mr H's current holdings with provider J would be acceptable on the AJ Bell platform. And that it couldn't proceed with an in-specie transfer until these had been provided.

AJ Bell chased provider J for a response to its 9 December 2019 transfer email on 19 December 2019.

AJ Bell wrote to Mr H on 23 December 2019 regarding discharge paperwork it had received from provider J. It asked him to complete and return the discharge paperwork. But said that it couldn't yet complete the receiving scheme declaration as it hadn't received the SEDOL references it needed. It asked Mr H to contact provider J to get that information. It said it couldn't request the information directly, as it didn't hold any authority over his account with provider J.

Mr H replied to AJ Bell on 29 December 2023, stating that he would call provider J to get the SEDOL references. And on 8 January 2020, he emailed AJ Bell to tell it that although he'd spoken to provider J, it couldn't give him the SEDOL references as there was a direct administrator - administrator C. Mr H said he'd spoken to administrator C, which had agreed to provide the SEDOL references.

After a further chaser email from AJ Bell, provider J provided the SEDOL references to AJ Bell on 13 January 2020.

AJ Bell wrote to Mr H on 23 January 2020 to tell him that, having reviewed the investments that he intended to transfer to it, it wasn't able to hold his PIBS with business Y. But it could facilitate the transfer if it were done in cash. So if Mr H wanted to proceed in cash, it asked Mr H to ask provider J to sell down the unacceptable investment, so the proceeds could be transferred as cash. AJ Bell asked Mr H to tell it how he wanted to proceed.

Mr H replied to AJ Bell. He said he had a total of three PIBS, and wanted to know why this one was different from the other two. He said he'd had a call with AJ Bell during which it'd told him it could hold all of his PIBS.

On 27 January 2020, AJ Bell told Mr H that it could hold the other two PIBS. But that it couldn't hold the PIBS with business Y as it was a Contingent Convertible (CoCo) bond. It said that CoCo bonds were non-standard investments that were out of its investment policy and therefore not eligible for its scheme.

AJ Bell apologised for any confusion. And said that due to the wide range of funds available, it sometimes only realised it couldn't accept a particular fund during the transfer process.

Mr H decided to sell the PIBS with business Y and to transfer the proceeds to AJ Bell along with the rest of the cash holding. But he soon realised that he couldn't sell the PIBS with business Y. On 4 February 2020, Mr H asked AJ Bell if it could take temporary possession of the stock before he sold it, or if he could leave the stock where it was and transfer the proceeds at a later date.

On 7 February 2020, AJ Bell said that it couldn't take temporary possession of the stock as it wasn't accepted on its platform. But that it could process a partial transfer.

Mr H then decided to arrange a partial transfer with everything from his existing SIPP except the PIBS with business Y. AJ Bell emailed provider J to confirm this on 10 February 2020. Its email stated: *"Please note, the transfer is to comprise of an in-specie transfer of the enclosed list of assets. The client has requested that the below asset is not transferred and is to remain in their account held with you: [PIBS with business Y]"*.

AJ Bell said it sent a number of chasers to provider J to progress the transfer. The first was sent on 17 March 2020. Then chasers were sent for an opening valuation on 7 April 2020, 20 April 2020 and 28 April 2020, with the valuation being received on 29 April 2020. Then it said it wrote to accept the transfer and to confirm again on 1 May 2020 that it couldn't hold the CoCo bond.

AJ Bell also said that although provider J had confirmed that it would arrange the transfer on 18 May 2020, it'd contacted it to try to expedite the process on 1 June 2020. AJ Bell said that at this point provider J told it that it needed a share certificate to transfer one of the PIBS included in the transfer. And that it wasn't until 2 July 2020 that it received this. AJ Bell said it then proceeded with the partial transfer, completing on 29 July 2020.

Mr H contacted AJ Bell in July 2020, before the partial transfer had completed, as he was unhappy with the progress of his transfer. AJ Bell replied to Mr H on 14 July 2020, noting that he didn't yet want to raise the issue as a formal complaint. However, it noted his dissatisfaction and gave him referral rights to The Pensions Ombudsman, but not this service.

Mr H then started a new transfer to a different provider for the PIBS with business Y. This

transfer was completed a few months later.

On 5 December 2022, Mr H emailed this service as he felt he'd discovered a letter from AJ Bell that categorically stated it would accept the PIBS with business Y. He felt this meant that he had grounds to complain to AJ Bell for the first two months of delay to his transfer.

Mr H felt that AJ Bell was responsible for delays to his transfer before February 2020. This was because he said he'd had a telephone conversation with AJ Bell before this date when it'd confirmed that it could accept his PIBS. And because he'd recently discovered some written advice from AJ Bell in 2015 which stated that the PIBS with business Y was a permissible instrument on its platform. However, Mr H told this service that he still held provider J primarily responsible for the delays.

Our investigator noted that although AJ Bell had noted Mr H's dissatisfaction in July 2020, it hadn't issued a final response. So Mr H hadn't been given six months from the date of such a letter to refer his complaint to this service. Therefore, although Mr H had asked us to look into this complaint in late 2022, his complaint had been brought in time for us to consider.

Mr H emailed AJ Bell on 22 December 2022. He said he'd called its transfers in department and it'd confirmed that all the stock in his pension could be transferred. And he'd also now found written confirmation (dated 29 June 2015) from AJ Bell that it could accept the PIBs with business Y. He asked it to comment on this evidence.

AJ Bell replied to Mr H the following day. It said that what it was able to hold could change on a daily basis. So a letter from four and a half years ago was out-of-date and couldn't reasonably be relied upon.

AJ Bell wrote to this service on 15 February 2023. It didn't think it had caused any delay to the pension transfer. It said its terms and conditions, which Mr H had agreed to when he opened his account, stated (Clause 5.2):

*"We may alter the permitted investments range at any time without notice and require the sale (or at our discretion if the related regulatory requirements permit, transfer out or withdrawal) of investments removed from it, but will only normally do so if, for example, purchasing or holding the investment might result in a breach of regulatory requirement or it could result in us incurring liability in excess of the value of investment or if we could consider that investment is too complex or costly to administer".*

AJ Bell said that, with the terms and condition in mind, even if it had confirmed that the asset in question was permissible, it could fairly change this at any time. It also felt that it had progressed the transfer in a timely manner and had contacted the relevant parties to query their progress.

Our investigator didn't think the complaint should be upheld. She felt that AJ Bell had been entitled to refuse to accept any of Mr H's investments, even if it had told him at the start of the process that it could accept everything. And she didn't think it caused unavoidable delays later on in the process.

Mr H didn't agree with our investigator. He still felt that AJ Bell had confirmed to him, both verbally and in writing, that it could take all the PIBS. And that it'd only later changed its mind once it'd checked the SEDOL references. He felt this made AJ Bell responsible for the first part of the delay to his transfer, from December 2019 to February 2020. Mr H said he wasn't sure whether AJ Bell or provider J was responsible for not completing the partial transfer in a timely fashion.

As agreement couldn't be reached, the complaint has come to me for a review.

### **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 not going to uphold it. I know this will be disappointing for Mr H. I'll explain the reasons for my decision.

Before I start, I appreciate that Mr H still wants to get to the bottom of who is responsible for the length of time his transfer took. I completely understand why he feels that the businesses involved in the transfer must've been responsible for at least some of the delays. I've reviewed all of the information provided in respect of this complaint against AJ Bell. And I've also looked at the relevant information about this complaint held in respect of Mr H's complaint with provider J. But I'm not able to comment on anything other than AJ Bell's role in the transfer. So I can't provide Mr H with the holistic response I know he'd find most helpful. All I can do is look at AJ Bell's actions to decide whether or not those actions caused an avoidable delay.

I'd also like to confirm that I agree with our investigator that, due to AJ Bell not actually issuing a final response referring Mr H to this service in 2020 when it first noted his dissatisfaction, his complaint has been brought to this service in time.

Mr H has been clear to this service that he holds AJ Bell responsible for any delays to his transfer between December 2019 and February 2020. This is because he feels that AJ Bell initially said it would accept all three of his PIBS in-specie, but then changed its mind after seeing the SEDOL references.

I first considered if AJ Bell did anything wrong here.

#### *Did AJ Bell cause any delays between December 2019 and February 2020?*

Mr H considers that AJ Bell made an error early on in the transfer process, when he said it confirmed to him that it could accept all of his PIBS. But that it corrected this error in February 2020, after confirming which funds it could actually accept after receiving the SEDOL references for all of Mr H's funds.

Mr H hasn't said exactly when AJ Bell told him it could accept all of his PIBS, although the timeline he's provided to this service suggested it could've been on 12 December 2019. But as early as 9 December 2019, on its initial contact with provider J, AJ Bell made it clear that it couldn't proceed with Mr H's transfer instruction until it'd fully checked whether his funds would be acceptable under its scheme. And on 16 December 2019, AJ Bell made the same point in an email to Mr H.

I consider that AJ Bell's 16 December 2019 email to Mr H clearly explained what it needed and why. And that if it'd already accepted that it could take all of Mr H's assets, it wouldn't have needed to send this. I've not seen any evidence that Mr H queried why AJ Bell needed this. I would've expected him to have done so if he genuinely felt that AJ Bell had already confirmed that it could accept all of his assets.

AJ Bell didn't receive the SEDOL references it needed until 13 January 2020. And on 23 January 2020, it wrote to Mr H to tell him it couldn't accept one of his PIBS as part of the in-specie transfer.

On 27 January 2020, AJ Bell emailed Mr H in response to his question about why two of his PIBS were acceptable, but the other one wasn't. In this email, it apologised for any confusion. It said that because it had a wide range of funds available, it sometimes didn't realise a particular fund couldn't be accepted until it was going through the transfer process.

Given the wording of this email, I'm persuaded that it's more likely than not that AJ Bell had previously told Mr H that it should be able to accept all of his funds.

However, I agree with our investigator that it's unlikely that it would've told him it could definitively accept everything. I say this because otherwise, it would've had no need to request the SEDOL references in order to do a full review of the assets Mr H intended to transfer. And when it did request Mr H's help in getting those references, he didn't question why they were needed. Or say that he'd already been told everything would be acceptable.

Even if AJ Bell did categorically state to Mr H that it could accept all of his assets – which I've no evidence that it did – its terms and conditions allow it to reject holdings as it sees fit. As our investigator noted, AJ Bell has the right to make commercial decisions about the business it's prepared to accept. And this service doesn't have the power to tell it how to operate.

Therefore, even though Mr H feels that he had a verbal confirmation from AJ Bell that it could accept all of his PIBS, and despite the written confirmation from 2015 that AJ Bell could at that time accept the PIBS with business Y, I can't reasonably say that AJ Bell did anything wrong when it told Mr H it couldn't accept that asset on its platform in 2020.

I acknowledge that AJ Bell's inability to accept the PIBS with business Y led to the transfer taking longer than it would have if it could've accepted everything. But I'm not persuaded that it directly caused a delay.

I say this because the fact of the matter is that AJ Bell was always going to reject the PIBS with business Y once it had confirmed the SEDOL references. From what I've seen, it did what it could to access the SEDOL references as soon as possible. And once it had received them, it reviewed them and informed Mr H of its decision to reject one of the PIBS in eight working days. I consider this is a reasonable timeframe for the work involved.

In summary, I'm satisfied that AJ Bell made a reasonable decision, after receiving the SEDOL codes, to reject the PIBS with business Y. And while it's clear that the transfer could've completed a lot more quickly if AJ Bell had been able to accept the third PIBS, that simply wasn't possible. So I can't reasonably say that AJ Bell caused a delay here.

Mr H is unsure whether AJ Bell or provider J was responsible for not completing the first partial transfer in a timely fashion. So I've gone on to consider whether AJ Bell was responsible for any unavoidable delays here.

#### *Did AJ Bell cause any unavoidable delays between February 2020 and July 2020?*

After this service issued the final decision on Mr H's complaint with provider J, he said that AJ Bell had provided instruction for a partial transfer on 10 February 2020 which provider J then failed to action. He said this was because provider J felt that he wanted to carry out a full transfer, which although true, needed to be carried out in two tranches. He also said that since the partial transfer instruction had been issued, all parties were waiting on provider J to process the transfer.

Mr H has also told this service that administrator C and AJ Bell were trying to progress the transfer in February 2022. But that provider J was holding them up.

Our investigator felt that with one exception, AJ Bell had processed or passed on documentation within a reasonable timescale. And that it'd been proactive in chasing for responses when necessary. She felt that the exception was that AJ Bell had taken longer than expected to return provider J's discharge form. But she wasn't persuaded that this had had any real impact on the progress of the transfer.

From what I've seen, AJ Bell understood that Mr H had decided to go ahead with a partial transfer, after an email exchange with him in early February 2020. So it sent an instruction for a partial transfer to provider J on 10 February 2020.

However, there seems to have been some confusion caused by Mr H's decision to try to sell his PIBS with business Y so that he could then transfer the full value of his pension to AJ Bell. I agree with our investigator that it isn't clear that AJ Bell understood this.

AJ Bell don't appear to have sent the transfer discharge form alongside its partial transfer instruction on 10 February 2020. Mr H's notes show that this was eventually sent on 9 March 2020.

Mr H's detailed notes also show that provider J only told AJ Bell that it couldn't proceed until AJ Bell had accepted the transfer on 3 March 2020. And on 6 March 2020, that AJ Bell hadn't completed the forms properly. Mr H said he was told that the only thing missing on the forms was the SEDOL codes, which administrator C had now provided. He also said that he'd been told on 9 March 2020 that the receiving scheme section of the discharge form hadn't been completed. But Mr H's notes also recorded that AJ Bell had felt it'd done everything provider J had previously requested of it.

Based on everything I've seen, I agree with our investigator that even if AJ Bell had sent the discharge form with its 10 February 2020 email, provider J would still have needed to confirm if the transfer was going to progress on a full or partial basis. As this issue wasn't resolved for some time, I'm not persuaded that the failure to include the discharge form with the 10 February 2020 partial transfer instruction caused any delay to the transfer process.

I'm sorry that Mr H's transfer took longer than he wanted it to. But I've not found sufficient evidence that AJ Bell caused unavoidable delays. Therefore I can't fairly uphold the complaint.

### **My final decision**

For the reasons explained above, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 November 2023.

Jo Occleshaw  
**Ombudsman**