

The complaint

Miss W complains that Grove Pension Solutions Limited (Grove) caused unnecessary delays in providing her pension transfer advice, causing her to lose the guaranteed transfer value offered (CETV).

What happened

In December 2021, Miss W sought advice in relation to her workplace defined benefit pension. She had been offered a transfer value of £304,000, which was guaranteed until 10 March 2022. As her existing advisers were unable to provide such advice, they provided her with a list of alternative advisers who would be able to assist. Miss W selected Grove and they accepted her as a client, stating they would commence work on her case on 14 December 2021. The first stage was for Grove to provide abridged advice, the purpose of which was to help establish whether Miss W's transfer was likely to be unsuitable without the need to go through (and pay for) a full advice process. Grove do not charge a fee for abridged advice, which can only result in one of two outcomes – either that the client should not transfer their pension, or that it is unclear from the information available whether the client should transfer. Grove provided an abridged advice report on 18 January 2022 which concluded that there was insufficient information to provide a full recommendation.

Following this, Miss W wished to proceed with the full advice process. On 21 January 2022, she completed the document provided by Grove which stated that she wished to proceed to full advice and she was aware that she would need to pay a fee regardless of whether the advice was to transfer or not. The triage form was returned to Grove on 8 February 2022. On 4 March 2022, a suitability report was provided which stated that the advice was not to transfer. Despite this, Miss W still wished to transfer, and instigated the insistent client process. Grove issued an advice report on 28 March that took account of Miss W's wish to proceed as an insistent client and recommended what pension she should transfer into. However, the CETV had already expired on 10 March 2022, resulting in a subsequent CETV being required. This was £252,000, approximately 17% lower than the initial CETV of £304,000. The drop was such that Grove no longer felt it should act on Miss W's behalf because, in its view, a transfer would have created a loss for Miss W when one didn't previously exist.

Miss W was unhappy with the reduction in CETV, and complained to Grove that their delays during the process had resulted in her missing the expiry date of the initial CETV. She stated that Grove included incorrect information in their advice at the "abridged advice" stage, and if that had not been the case, the advice to transfer may have been different. Grove responded to the complaint stating that they had always made Miss W aware of the timescales, and the fact that the three month deadline prior to the expiry of the CETV may not be met. They did not believe that they had caused unavoidable delays, although acknowledged that they could have provided Miss W with a "do not transfer" recommendation at the abridged advice stage. Grove also responded to Miss W's statement that their advice incorrectly took into account her partner's income, and confirmed that even if Miss W's partner's income had been disregarded, they would still have recommended

against transferring. They offered to waive the advice fee being charged to Miss W, and allowed a four week window for Miss W to accept this. She did not do so.

Miss W was not happy with Grove's response and referred her complaint to this service. The investigator found that Grove had not acted unreasonably or caused avoidable delays, and did not uphold the complaint. Miss W disagreed and as a result the complaint has been referred to me for a decision.

Provisional findings

I issued my provisional decision on 25 September 2023. It said:

"Miss W's objectives in relation to her pension were primarily linked to flexibility and maximising her income early in retirement due to the age difference between herself and her partner. Having reviewed the advice file, I'm satisfied Grove hasn't done anything wrong in giving the advice it did. When giving advice, Grove were bound to take into account the provisions of COBS 19.1.6G, which state that the starting assumption for a transfer from a DB scheme is that it is unsuitable. The DB scheme in question was Miss W's only secure pension income (excluding her state pension, due to commence payment six years later). This means that she had an element of reliance on it. I note that Miss W had the option of tax free cash available to her from the scheme, as well as other investments, both pension and non-pension. If Miss W took the tax free cash from the scheme, she could use this alongside her other investments to provide the higher level of income required early in retirement, then reduce this when state pension commenced. State pension alongside the guaranteed pension available from the scheme would have provided a high proportion of Miss W's income requirement in retirement, which would mean a lower level of dependence on the other, non guaranteed, investments.

I also note that Miss W has limited investment experience, and an attitude to risk stated to be cautious, both factors that would make transferring a defined benefit pension less suitable.

Grove have explained that due to Miss W's circumstances, they would not advise her to transfer her DB pension. Miss W has stated that she believes this is due to Grove incorrectly taking into account her partner's income in retirement, which she states is kept separate (although could be combined if necessary). However, Grove have stated that even when disregarding Miss W's partner's income, they would still have recommended against transferring, as she could have met her objectives stated above and utilised her other assets to produce the flexibility and additional income early in retirement as outlined above without forgoing the secure income available to her under the scheme. I have considered whether the inclusion of Miss W's partner in the original recommendation would have been likely to change the advice given and am satisfied that it would not. Grove have stated that Miss W could have met her objectives without transferring and therefore they would have recommended against transferring whether or not her partner's income was considered. I am satisfied that Grove have not done anything wrong in coming to this conclusion.

Turning to the amount of time the process took. In their submissions, Grove have provided (amongst other information) a timeline of events. Miss W's details were forwarded to Grove on 2 December 2021, and she was advised that the earliest they could commence work relating to her transfer was 14 December 2021. She accepted this, and an abridged advice report was issued to Miss W on 18 January 2022. Grove received Miss W's authority to proceed to Full Advice on 24 January. Her triage form was returned on 8 February 2022, at which point quotes were requested and checked by compliance on 11 February 2022.

Following receipt of this, a calculation known as a TVAS was completed on 15 February and followed by analysis being carried out and approved by compliance on 4 March 2022. Miss W opted to proceed with full advice, and on 4 March 2022, a suitability report was issued to Miss W which included the recommendation not to transfer. Miss W opted to instigate the insistent client process. This was not completed prior to the expiry of the guaranteed period for the CETV on 10 March 2022. Due to the significant reduction in the subsequent CETV provided, the transfer was not progressed. I have considered Miss W's assertion that Grove caused delays which resulted in the transfer not being actioned prior to the expiry of the CETV. Having reviewed the timeline of events outlined above, I am satisfied that Grove followed the appropriate steps required when providing DB transfer advice, and there were no unreasonable delays in the process.

As detailed above, there are a number of steps which must be carried out when advice is being provided in relation to the transfer of a defined benefit pension. The documentation provided to Miss W explained this, and stated that the process may not be complete within three months. And whilst this doesn't mean Grove could take its time with its advice, for the reasons given above I'm satisfied it didn't cause any unreasonable delays here. I therefore do not uphold Miss W's complaint in respect of this.

I have also considered what is most likely to have happened if Grove had reached the conclusion that Miss W should not transfer on 14 January 2022 (the date that they provided the abridged advice report), and whether doing so would have allowed Miss W to transfer her DB pension prior to the expiry of the initial CETV guarantee period. I am not persuaded that it would have been possible. Either Miss W would have proceeded with the full advice process with Grove which, as outlined above, resulted in her missing her CETV deadline. Or Miss W would have gone to a different advisory firm which would have added further delays to the process. Either way, I'm satisfied the outcome of the abridged advice report isn't the reason why Miss W missed her initial CETV deadline.

In their initial response to Miss W's complaint, Grove acknowledged that the advice at the abridged advice stage should have been that a transfer was not suitable, rather than the outcome being that more information was required, and initially offered to "wind back" the process to this point, thereby avoiding a fee for Miss W. However, the final resolution letter sent to Miss W only offered this for four weeks, and in their correspondence to this service, Grove have stated that Miss W still owes this money. I am of the opinion that having conceded that its abridged advice report should have been better, and the possibility that this may have prompted Miss W to have not taken things further, it would be fair and reasonable for Grove to honour its offer to waive the advice fee. I therefore partially uphold Miss W's complaint."

Responses to my provisional decision

I have received a response to the provisional decision from Miss W, who has stated that although she is disappointed with the time taken for Grove to carry out the process, she has nothing further to add for consideration. Miss W did however wish to clarify that it was her decision not to proceed with the transfer after the reduction in the CETV, rather than Grove's decision. Grove have not responded to my provisional decision.

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 taken into account Miss W's response, I see no reason to change my decision. So I remain of the view I set out in my provisional decision – my findings as set out above should

be considered as my final decision.

My final decision

For the reasons stated above, I partially uphold Miss W's complaint, and direct that Grove Pension Solutions Limited should waive the advice fee that would have been payable by Miss W.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 6 February 2024.

Joanne Molloy
Ombudsman