

complaint

Mr H's complaint relates to advice he received from a representative of TenetConnect Limited ("Tenet") to transfer his occupational pension scheme ("OPS") to a personal pension plan ("PPP"). He says in particular that the pension Tenet recommended didn't allow him the control he wanted over his investments.

background

Mr H's employers asked Tenet's appointed representatives to provide independent advice to their employees.

Mr H's existing scheme offered him an enhanced pension transfer value.

In September 2015, Tenet's adviser sent Mr H two suitability reports. One report recommended he transfer his pension to a PPP with Provider A whilst the other report recommended he transfer to a PPP with Provider B.

Both reports were produced free of charge and Mr H didn't pay any fees to the adviser as the fees were paid by his employers.

Mr H transferred his OPS to a PPP with Provider B.

Soon after he realised he wasn't able to buy or sell his investments himself. He could only make investment choices by asking the financial adviser to do this on his behalf or by putting in place written instructions for Provider B to action.

Mr H said this wasn't what he'd wanted. He said the adviser was aware one of his main objectives at the time of advice was to have full control over his investments.

Mr H complained to Tenet about a number of issues. He said:

- He was unhappy with the advice and service he had received;
- He didn't feel he had been put into the correct pension plan, which meant he had incurred a loss; and
- He felt that the adviser hadn't taken account of the fact that he wanted to manage his pension online himself.

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Tenet replied to Mr H and said:

- Mr H's complaint about the advice and service he received appeared to relate to the early stage in the process when he was provided with incorrect or insufficient information by the OPS and its administrators. Tenet's representative wasn't responsible for this. So it didn't uphold this part of his complaint.
- It agreed that Mr H's funds had not been invested properly.
- It didn't agree that Mr H couldn't manage his pension himself. It said that Provider B had confirmed this to Tenet in September 2015.

Tenet offered to pay Mr H £74.47 in respect of his loss when his funds were incorrectly invested. And it also offered him £100 for his distress and inconvenience in relation to this issue. But Mr H wasn't satisfied with Tenet's response, and brought his complaint to us.

our adjudicator's view

The adjudicator looking into his complaint agreed that Tenet hadn't acted fairly. She said:

- The adviser had told Mr H he was no longer recommending the Provider A plan. This was because it was unsuitable for his needs as the Provider A plan wouldn't have allowed Mr H full control of his investments.
- The adviser recommended the PPP with Provider B was a more suitable product as it met Mr H's needs.
- Both suitability reports recorded several statements which showed that one of Mr H's main objectives at the time of advice was to have full control over his pension in which he was able to buy and sell investments himself.
- At the time of advice Provider B had another product that would've been more suitable for Mr H but the adviser didn't include this in his recommendations.
- This alternative product (direct-to-consumer online platform) would've allowed Mr H full control over his pension which would've allowed him to buy and sell investments himself without the need for a financial adviser.

The adjudicator recommended Tenet pay for the cost of a financial adviser to provide Mr H with suitable pension transfer advice. She felt this was reasonable as Mr H was unable to move his pension to another product with Provider B because his funds were crystallised. She also recommended Tenet pay £300 for the trouble and upset Mr H had experienced in bringing this complaint.

Tenet didn't agree with the adjudicator's assessment. It said:

- Mr H hadn't stated he wanted online access during the original advice.
- It is unfair for Mr H to claim this after the advice was given.
- Provider B had confirmed Mr H was able to deal with their contact centre directly in order to make investment choices.

my provisional view

I issued my provisional view to both parties on 22 March 2017. In summary:

- Tenet said that Mr H hadn't said that he wanted online access during the initial advice. And it said that it was unfair of him to claim this after the advice was given. But I was minded to accept that Mr H had confirmed that he wanted to be able to manage his pension himself. He said that this was the reason that the adviser recommended Provider B over Provider A. My provisional view was that this was the most plausible explanation as to why the adviser would recommend a second provider so soon after the first recommendation.
- I was also persuaded from the documents that I'd seen that the adviser was aware that Mr H didn't want ongoing advice. The letter of engagement dated 1 October 2015 said:

"There will be no continuing advice and services in respect of this transaction";

In addition, the suitability report for Provider B said:

"You confirmed that you do not require me to review your investment on a regular basis and have agreed to contact me if you require further assistance".

- Tenet had said that Provider B confirmed that Mr H would be able to deal with its contact centre directly in order to make investment choices. But Mr H said, and I was minded to accept, that dealing with the contact centre involves delays which make it difficult for him to deal with his pension effectively.
- As I was persuaded that Tenet was aware that Mr H wanted to manage his pension himself – whether online or otherwise – I was minded to find that it should have taken more care to ensure that the provider it recommended was suitable for his needs.
- Our adjudicator had recommended that Tenet should pay for Mr H to receive financial advice on a suitable pension transfer. This was because Mr H was unable to transfer his benefits to a direct-to-consumer online platform with his current provider. I agreed that Tenet should pay the reasonable cost of Mr H obtaining such advice. And I asked Mr H to provide this service with an estimate of the costs he would incur in his response to this provisional decision.
- Our adjudicator had recommended that Tenet should pay Mr H £300 in respect of his distress and inconvenience. I considered that the redress she suggested was fair and reasonable in the circumstances.
- In its final response letter, Tenet accepted that Mr H's funds were not invested properly initially. It said that Provider B had confirmed the loss to be £74.47. And it also offered Mr H an additional £100 for his distress and inconvenience. Our adjudicator didn't deal with this issue in her view. But I was persuaded that it was fair and reasonable for Tenet to pay this amount to Mr H in addition to the compensations set out above.

Tenet has responded to my provisional decision. It says it agrees that Mr H wanted to manage the pension himself. But it refers me again to the email in which Provider B confirmed that customers would be able to deal with its contact centre directly. And it says that it should not be held responsible for any error in the information it had been given.

Mr H has accepted my provisional decision. But he has not been able to provide an estimate of the costs he would incur in taking financial advice. So he has agreed that I should decide on a figure for these costs which I find to be fair and reasonable.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Tenet says that it agrees that Mr H wanted to manage the pension himself. But it says that Provider B confirmed by email that Mr H would be able to deal with its contact centre himself. And it says that it should not be held responsible for any error in the information it had been given.

I confirm that I considered the email that Tenet refers to before I issued my provisional decision. And I agree that it says that if a client wanted to make changes and not take advice going forward then they could deal with the call centre direct. But Mr H's experience has shown that this is not the "efficient and streamlined" service that the email suggests. And Provider B has confirmed to this service that a direct-to-consumer platform was available at the time the advice was given.

The email Tenet refers to doesn't set out the question that prompted the response from Provider B. Without that information, it is impossible to be sure why Provider B didn't refer to the direct-to-consumer platform in its response. And, on the basis of the evidence provided to me, I'm not persuaded to change my provisional view that Tenet should have taken greater care to ensure that the product recommended was suitable for Mr H's needs.

Our adjudicator recommended that Tenet should pay for Mr H to receive financial advice on a suitable pension transfer. I agreed with this recommendation in my provisional decision, as Mr H was unable to transfer his benefits to the direct-to-consumer platform with his current provider. And I asked Mr H to provide an estimate of the costs he would incur in obtaining financial advice on a suitable pension transfer. Mr H has not been able to supply estimates. But he has agreed that I should decide on a reasonable amount to compensate him for his costs in obtaining this advice. And, in the circumstances, I find that Tenet should pay Mr H's reasonable costs of obtaining financial advice on a suitable pension transfer up to a maximum of £1,000 (plus VAT if applicable), within 28 days of Mr H supplying Tenet with invoices showing the costs he has incurred. For the avoidance of doubt, the invoiced work must relate only to advice on a suitable transfer, and not to any other issue.

my final decision

My decision is that I uphold this complaint. I order TenetConnect Limited to pay Mr H:

- Up to £1,000 (plus VAT if applicable) in respect of Mr H's reasonable costs in obtaining financial advice on a suitable pension transfer, within 28 days of Mr H supplying invoices showing that those costs have been incurred;
- £74.47 in respect of his loss when the funds were incorrectly invested; and
- £400 compensation for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 August 2017.

Alison Cribbs
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