



## Case study: Pensions

### PENSION PROVIDER'S REFUSAL TO TRANSFER PENSION DUE TO INAPPROPRIATE FINANCIAL ADVICE

Themes: Pension transfer, independent financial adviser, pension scheme transfer fee, qualifying recognised overseas pension scheme (QROPS)

A beneficiary of a pension plan complained that his pension trustee refused his request to transfer his pension plan to another provider.

Mr X was a member of a qualifying recognised overseas pension scheme ("QROPS") and he wanted to transfer his pension plan to a UK-based pension provider that had been recommended by his independent financial adviser.

Mr X asked his existing pension provider to forward the relevant transfer documentation to his financial adviser. Mr X's financial adviser received the documentation and contacted the new pension provider. The existing pension provider then heard from Mr X's financial adviser that the new pension provider had asked for further information. The existing pension provider provided the requested information, but it pointed out that the scheme did not meet the new pension provider's transfer requirements, so the proposed transfer did not take place.

Mr X complained to his existing pension provider, who replied saying the requested pension plan transfer would not be in his best interests. Mr X disagreed and complained to CIFO saying that it was his pension scheme and therefore his decision whether to transfer his pension plan. He also said his existing pension provider's fees had increased drastically.

CIFO looked at the plan fees and the additional fees quoted for the pension plan transfer. Mr X had previously been notified of the pension scheme transfer fee increase and CIFO decided this disclosure had been fair and reasonable. CIFO spoke with Mr X and his existing pension provider, and it was revealed that the existing pension provider's problem was with the quality and integrity of the advice provided by Mr X's financial adviser, not the pension plan transfer itself. After these conversations, Mr X engaged a new independent financial adviser and a new pension plan transfer was completed to meet Mr X's wishes.