

Final Determination Mr N v Abbey National International Pension Scheme (as issued on 4 June 2019)

Applicant – Mr N

Respondent – Abbey National International Pension Scheme Trustees

Final Determination – Mr N v Trustees of the Abbey National International Pension Scheme (the “Trustees”)

1. Complaint Summary

- 1.1 Mr N’s complaint relates to the process adopted for switching the funds available to him as an Abbey National International Pension Scheme (the “**Scheme**”) member when the existing Zurich Life Assurance (**ZAL**) fund platform was withdrawn and replaced by the Trustees with a new Zurich International Limited (**ZIL**) fund platform (the “**Platform Switch**”).
- 1.2 Mr N’s original complaint was set out in a detailed letter and accompanying 40 page chronology (the “**Chronology**”) and a later supplementary 50 page power point presentation (the “**Powerpoint Presentation**”) with timelines and detailed accompanying analysis. Following the issue of my provisional determination of his complaint, Mr N has submitted various additional comments in a number of separate emails plus a further 50 page submission on the areas where he disagreed with my provisional determination. I then issued an updated provisional determination on which Mr N made extensive further representations by annotating the determination. Following the issue of my updated provisional determination Mr N then argued that, to ensure fair process, the determination should not be issued in final form without a further opportunity to comment. The Trustees were broadly comfortable for the determination to be issued in final form as long as there was no material change in the reasoning from my earlier conclusions. After considering the representations of both parties carefully I issued a further updated provisional determination but tightly restricted both parties ability to make further representations to a single issue where I have made substantive changes to my previous legal analysis. I restricted the length of those final representations to a maximum of two pages.
- 1.3 I am very conscious that the Pension Ombudsman process is intended to provide a more informal (less legalistic) process than going to court where there are much tighter controls on procedure. It is important that complainants have a proper opportunity to set out their arguments (particularly where the respondent is legally represented and the complainant is not) without putting in place unduly restrictive procedural requirements. Unfortunately, in the current case, this has resulted in the determination process being much longer than it would normally have been due to the quantity of material I have needed to consider. In future complaints, where appropriate, I intend to seek to impose tighter controls on the complaints process while still giving both parties a proper opportunity to set out their respective cases.
- 1.4 Mr N’s detailed complaints can be usefully grouped under the following headings:
 - 1.1.1 there was maladministration by the Trustees of the Scheme in the implementation of the Platform Switch, In particular that:
 - 1.4.1.1 members were not given sufficient time to consider the suitability of the replacement funds made available by the Trustees under the ZIL fund platform (Mr N had only 2 days working days from receipt of the letter notifying him of the transfer to make a decision on whether to decide whether to allow the switch to the mapped funds to proceed or to reallocate assets to other fund options); **I uphold Mr N’s complaint – Mr N was not given sufficient time to consider the suitability of the replacement funds made available by the Trustees in the ZIL Platform**

in advance of the Platform Switch and this caused him distress and inconvenience and the financial loss as detailed in the body of the determination (section 13);

1.4.1.2 The Trustees did not implement his requested fund switch from 100% in the Managed 2 EP Fund (the "ZAL Managed Fund") to 50% in the ZIL Managed Fund and 50% in the ZIL Secure Fund on the dates agreed with Mr N when he provided instructions to Baker Tilly. As a consequence Mr N lost out as a result of the failure to implement the switch on the agreed date as if the fund had been invested during this period 50% in the ZIL Managed Fund and 50% in the ZIL Secure Fund the investment return would have been higher. **I uphold Mr N's complaint. The Trustee has already agreed to make a payment of £2800.10 to settle this complaint which has been accepted by Mr N. In my view there is already a binding legal agreement to pay this agreed amount to compensate Mr N for distress and inconvenience and loss as a result of the failure to invest as instructed.**

1.4.1.3 The ZIL Managed Fund generally was not a suitable a replacement for the existing ZAL Managed Fund under the mapping process. Mr N did not consider it suitable, for among other reasons, due to the size of the fund (it was much smaller than the ZAL Managed Fund), the fact that unlike the ZAL Managed Fund it had no star rating (the ZAL Managed Fund had a crown 4 star rating) and the potential cash drag on the ZAL Managed Fund while new investments were made. Mr N also had particular concerns about the new property component of the ZIL Managed Fund and the fact it was "gated" during the relevant period (in fact I now understand it was not gated but had previously been gated before the Platform Switch); **I do not uphold Mr N's complaint. The Trustees did take advice from LCP on the equivalence of the ZIL Managed Fund to the ZAL Managed Fund under the mapping process and the ZIL Managed Fund does appear to be broadly comparable to the ZAL Managed Fund;**

1.4.1.4 the alleged inadequacy of the information provided about the replacement ZIL funds provided in advance of the Platform Switch and subsequently after the end of the blackout period until July 2017. This included the fact that no access was given to the fund information until 9 December 2016 after the Platform Switch had taken place (and initially until 20 December 2016 the ZIL Fund platform was not functioning) and there was an apparent disparity between the investment objectives of the two funds and in Mr N's view the inadequacy in the fund particulars provided by Zurich describing the funds. Mr N argues that the particulars provided did not support equivalence at all, let alone, exact equivalence; **I partially uphold this complaint – the information provided initially was inadequate to enable Mr N to make an informed decision. However, by 5 January 2017 on the basis of the hard copy ZIL Managed Fund (provided on 1 November 2016) and ZAL Managed Fund sheets (provided by 20 December 2016) and the responses from Baker Tilly on 5 January 2017, Mr N had been provided with sufficient information that would have enabled most members (acting reasonably) to make a decision if it had been provided prior to the Platform Switch.**

1.4.1.5 The alleged inadequacy of the responses and time taken to deal with his requests for more information on the new fund choices during the period from the end of the blackout period to January 2017 and then from January 2017 to July 2017 (when the Trustees notified Mr N of the correction of the Zurich pricing errors following notification from Zurich of these errors). Mr N does not consider he was provided sufficient information to take independent financial advice and make a decision on a revised asset allocation until July 2017 which then took until September 2017 (after his concerns about relative performance were resolved) during which time, to protect his position and mitigate the risks he faced, he considers that he had no choice but to keep 50% of his pension assets in the Secure Fund. I agree that it took the Trustees longer than they should have during the period from the end of the blackout period to 5 January 2017 to deal with Mr N's requests for information in particular due to lack of resources applied by the Trustees to respond to the question (see 1.4.1.4 above). After 5 January 2017 the Trustees did in my view make reasonable and genuine efforts to answer Mr N's many and varied additional questions and were not, as alleged, guilty of maladministration albeit he was not satisfied with the answers until July 2017. To the extent that Mr N decided to remain invested in a higher proportion of cash assets (than he might otherwise have done) during this period this was down to him and is not the responsibility of the Trustees.

1.1.2 Mr N has also alleged:

1.4.2.1 Initially that the failure to implement the investment advice to the Trustees from LCP (as investment advisers) at the time of the Platform Switch to change the growth stage of the strategy to invest in 50% (in Standard Life Global Absolute Return Strategies Fund and 50% in Blackrock Developed World Index Fund) as part of the move to the new ZIL platform amounted to breach of the Trustees investment duties/breach of trust. Mr N's more recent submissions do seem to now recognise that this may not have been appropriate to implement the advice at the time of the Platform Switch and focus of Mr N's submissions has been much more on the subsequent failure by the Trustees to keep him updated on the progress of the investment review given that they were aware of his concerns about the fund performance; I do not consider that the initial decision to defer implementation of the LCP advice to change the growth element of the Default Lifestyle Strategy at the time of the implementation of the fund switch amounted to breach of the Trustees investment duties under the trust in relation to Mr N's investments. It was reasonable for the Trustees to decide following receipt of the LCP advice to consider this issue separately from the platform switch. Mr N was told at the time by the Scheme Secretary that "a more comprehensive review of fund choices would follow in 2017." I accept the Trustees argument that any delay in carrying out a more comprehensive review which may have resulted in the implementation the LCP advice to change the growth element of the Default Lifestyle Strategy cannot have impacted on Mr N as he had not selected that strategy. Whether the Trustee should (while acting consistently with their investment duties as trustees) have completed their review of the continued

appropriateness of the Cautious Default Investment strategy by now is a separate matter (which I have not determined as part of this complaint) but again it cannot have impacted on Mr N as he had not selected the Default Lifestyle Strategy; and

1.4.2.2 The failure of the Trustees to advise Mr N that the new ZIL Managed Fund was no longer a suitable fund for the Growth component of the Default Lifestyle Strategy following receipt of advice from LCP amounted to breach of trust. I do not uphold Mr N's complaint. I do consider, however, that there was subsequent maladministration as Mr N was not provided with the promised update on the progress of the review of the Default investment strategy.

2. Background – Preliminary Jurisdictional Issues

2.1 The Isle of Man Ombudsman/Deputy Pensions Ombudsman has jurisdiction under section 146(1) of the Pension Schemes Act 1993 (as applied to the Isle of Man under the Pension Schemes Act 1995), among other things, to investigate:

2.1.1 a complaint made by him by or on behalf of an actual or potential beneficiary of an occupational or personal pension scheme who alleges that he has suffered injustice in consequence of maladministration in connection with any act or omission or a person responsible for the management of the scheme (which for this purpose includes the trustees or managers and administrators of a scheme);

2.1.2 a dispute of fact or law in relation to an occupational or personal pension scheme between a person responsible for the management of the scheme (which for this purpose includes trustees and managers and administrators) and an actual or potential beneficiary.

2.2 There is nothing in the Pension Schemes Act 1993 (as applied to the Isle of Man) which expressly limits the Isle of Man Pensions Ombudsman/Deputy Pensions Ombudsman's jurisdiction to Isle of Man occupational or personal schemes. There is a specific power in section 145(1A) of the Pension Schemes Act 1993 (as applied to the Isle of Man) that allows regulations to be passed conferring power on the Pension Ombudsman to conduct investigations into personal and occupational pension schemes whatever their connection with the Isle of Man. However, under section 145(1C) of the Pension Schemes Act 1993 (as applied to the Isle of Man) section 145(1A) shall not be taken to prejudice any power of the Pensions Ombudsman apart from this subsection to conduct investigations in a case having connections with places outside the Isle of Man.

2.3 That said, for the pensions ombudsman to investigate a complaint against trustees, managers or administrators of an occupational pension scheme there would need, in my view, to be a sufficient connection with the Isle of Man by the trustees, managers or administrators performing functions in relation to the Scheme.

2.4 Mr N is a member of the Scheme and is resident in Jersey. The Scheme is a trust based occupational pension scheme set up to provide pension benefits for international employees of Santander based in Jersey and the Isle of Man. The Scheme has dual tax approval from the tax authorities in both in Jersey and the Isle of Man. It is also registered as an authorised scheme by the Financial Services Authority in the Isle of Man. The Financial Services Authority performs

the functions of Pension Regulator in the Isle of Man under the Retirement Benefit Schemes Act 2000. I understand that there is no equivalent pensions specific regulator in Jersey.

- 2.5 The Trust Deed provides that the governing law for Jersey members is Jersey law and the governing law for Isle of Man members is Isle of Man law (see Clause 8 of the Trust Deed). However, due to the dual tax regime registration and the fact that the Scheme is authorised under of the Retirement Benefit Schemes Act 2000 my view is that the Trustees have to comply with both Jersey and Isle of Man tax and regulatory requirements relating to investments. There cannot be a lower standard for one group than the other when the Scheme has a common investment strategy for all members.
- 2.6 The Channel Islands financial services ombudsman was not willing to consider Mr N's complaint due to the fact that the majority of trustees of the Scheme are Isle of Man resident and the Scheme has Isle of Man administrators.
- 2.7 I am satisfied that, given the majority of trustees are Isle of Man based, there is sufficient degree of connection for me between the Trustees and the Isle of Man for me to investigate the complaint notwithstanding Mr N is a Jersey member. The fact that Mr N is Jersey resident does not in itself in my view preclude me from looking at this complaint. I note in this connection that the Scheme trustees have accepted that I do have jurisdiction to investigate the complaint.
- 2.8 To the extent, however, that Jersey law is relevant to any dispute of law between Mr N and the Trustees I will, however, need to consider the position under Jersey Law.

3. Trustees' investment powers and duties

- 3.1 In order to consider Mr N's complaint it is first necessary consider what the Trustees investment powers and duties are under the Trust Deed and Jersey and, if applicable, Manx law. In this connection it should be noted that the Scheme is a money purchase scheme and the benefits payable to members, such as Mr N, are linked to the value of the Member's Account as defined in the Scheme rules. Unlike a defined benefit scheme the member, not the employer, therefore takes the investment risk. If the investments perform well the value of the Member's account will increase and if they perform badly the value of the Account will decrease. I should also note that, contrary to a statement in the LCP report on the proposed Platform Switch, which I refer to later, the investment provisions of the Pensions Act 1995 which apply in the UK do not apply in either the Isle of Man or Jersey.
- 3.2 The Trustees of the Scheme have wide ranging powers of investment under the Trust Deed. Under Clause 15.1 legal ownership of the Fund is vested in the Trustees. Under Clause 15.13 (Investment) have wide ranging powers of investment to the intent that they shall have the same full and unrestricted powers of investing and transposing investments in all respects as if they were absolutely entitled beneficially. In relation to a money purchase occupational pension scheme you would expect the Trustees to typically still make available a reasonable range of investment funds to enable members to make choices and also include a default fund(s) for members who do not wish to make active choices.

- 3.3 In exercising the powers of investment in my view the Trustees are effectively subject to any applicable laws of Jersey and the Isle of Man relating to investment as otherwise they would not be able to manage the Scheme given that they have both Jersey and Isle of Man members. The Trustees are also subject to general trust law duties as trustees.
- 3.4 Under Jersey law I understand from the Trustees (who have confirmed this with their Jersey lawyers and this is consistent with my research into the law of Jersey) that:
- 3.1.1 there are no specific statutory pension law provisions relevant to investment decisions. Pension schemes are governed by Part 19 of the Income Tax (Jersey) Law 1961. However, the statute does not set restrictions on trustee investment decisions. The investment powers of pension scheme trustees in Jersey are more generally governed by the Trusts (Jersey) Law 1984 and the Scheme's rules;
 - 3.1.2 by Article 24(1) and (2) of the Trusts (Jersey) Law 1984, trustees of Jersey trusts shall:
 - 3.4.2.1 in relation to trust property have the same powers as a natural person acting as beneficial owner of such property; and
 - 3.4.2.2 exercise the trustee's powers only in the interests of the beneficiaries and in accordance with the terms of the trust;
 - 3.1.3 trustees may also "delegate management of trust property to and employ investment managers whom the trustee reasonably considers competent and qualified to manage the investment of trust law by Article 25(2) (a).
- 3.5 Under Isle of Man law the investment requirements are more similar to those in the Pensions Act 1995 in the United Kingdom. Tynwald has however did not apply the UK Pensions Act 1995 investment requirements to the Isle of Man when it adopted and applied other provisions of the Pensions Act 1995. The investment requirements applicable to Isle of Man schemes are set out in the Retirement Benefit Schemes Act 2000 and the Retirement Benefit Schemes (Domestic Schemes) (General Administration) Regulations 2004 (**Administration Regulations**). These include the following:
- 3.1.1 under regulation 13(1) of the Administration Regulations, as in Jersey, a trustee of a scheme which is an occupational pension scheme may, subject to any restriction imposed by the scheme make any kind of investment that the trustee could make if the trustee were absolutely entitled to the assets of the scheme;
 - 3.1.2 under regulation 13(2) of the Administration Regulations, as in Jersey, any discretion of the trustee of a scheme to make any decision about investments may be delegated by the trustee to an investment manager.
- 3.6 Under the Administration Regulations I should note for completeness that there are other obligations on certain non-exempt Isle of Man authorised schemes. There is a requirement that:
- 3.1.1 The trustees should prepare, maintain and from time to time (at least every 3 years) a revised written statement of investment principles

governing decisions about investments for the purposes of the scheme.
The written statement must cover the trustee's policy for meeting;

3.1.2 Except in relation to delegated investment powers the trustee must:

3.6.2.1 before making any investment obtain and consider appropriate investment advice on the question whether the investment is satisfactory having regard to the statement of investment principles;

3.6.2.2 the need for diversification of investments and the suitability of the proposed investments in so far as they are appropriate to the circumstances of the scheme.

Any advice must be given and confirmed in writing.

3.7 I agree with the Trustees' legal advisers, however, that none of the requirements set out in paragraph 3.6 apply to "excepted schemes" and the Scheme falls within the relevant exemption given that all its investments are in an insured policy.

3.8 Accordingly there is no statutory requirement applicable to the Scheme in Jersey or the Isle of Man to prepare a statement of investment principles or to take and consider advice on the suitability of the investment or the need for diversification. The Trustees are, however, still subject to a requirement to exercise their powers in a way which promotes the purposes of the scheme and act in the interests of the members when exercising their investment powers. I would still expect the Trustees of a multi-member occupational pension scheme to generally take investment advice (and consider whether to act on that advice) on the suitability of the investment fund choice if they do not have that expertise themselves.

3.9 I also agree with Mr N that it is also reasonable for members to be able to seek and obtain information about the funds in which Scheme assets are invested and to respond in a timely fashion to reasonable requests for information about the funds. It also does need to be recognised that there is, however, a limit to the amount of the information that trustees can reasonably be expected to provide for an individual member.

4. Trustees' duties and best practice in relation to platform switches

4.1 It is not uncommon for trustees to change investment platforms as a result of advice from their investment advisers or as a result of a withdrawal of a platform option by a provider.

4.2 I would expect trustees of an occupational pension scheme acting in accordance with their general trust law duties and best practice in relation to Platform Switches:

4.1.1 to still take and consider investment advice on comparability of the replacement fund options offered under the new ZIL platform;

4.1.2 to communicate sufficient details of the new fund options in sufficient time to allow members acting reasonably, to switch funds, if they consider appropriate. This will involve giving members access to fund particulars;

- 4.1.3 where a fund switch option will occur by default to adopt a fund mapping process so the replacement fund is the nearest equivalent available fund to the existing fund;
 - 4.1.4 to take steps to minimise the time the funds are out of market so the members are not exposed to investment risk during the out of market period;
 - 4.1.5 in so far as possible not to choose funds with a significantly higher charge than under the existing charges;
- 4.3 The Trustees have no duty, nor is it appropriate for the Trustees, to give specific investment advice to members. It is not possible to give such advice without detailed knowledge of the attitude to risk of the member and the personal and financial circumstances of the member. To do so would also amount to giving financial advice which the Trustees are not authorised to give under financial services requirements. The Trustees can only provide generic information/guidance on the investment options available to members under the Scheme.
- 4.4 There is also must be a limit to the extent of the generic information Trustees are required to make available and also any subsequent questions that the Trustees can reasonably expect to be available before the implementation of the Platform Switch.
- 4.5 There is also in my view no requirement to ensure that identical funds are available on a Platform Switch (which, in any event, is never going to be possible as in this case where fund options are being withdrawn by an insurer in a particular market). Where, a compulsory switch is going to occur, the Trustees should seek to ensure that the replacement fund is suitable and the nearest equivalent in terms of investment strategy to the fund being withdrawn (i.e. to adopt a fund mapping process). Also if the replacement fund does not perform as well as the fund it has replaced it does not follow that the Trustees are at fault if they have taken investment advice and had regard to that advice in choosing the replacement fund.
- 4.6 In terms of member communication I would expect that any communication about the replacement funds contained sufficient information about the fund options in order to enable members to make their own decision, or if they considered appropriate, to take their own investment advice on the continued suitability of the investment options. The Trustees are not, and cannot be, responsible however for the wording of the fund particulars provided by an insurer as it is the responsibility of the insurer to prepare these in accordance with any applicable financial services legislation.

5. Did the Trustees comply with their investment duties in relation to the Platform Switch and was there maladministration in relation to the switching process?

- 5.1 Broadly the sequence of event relating to the Platform Switch is as follows.
- 5.1.1 Zurich wrote to the Trustees on 17 August 2015 notifying them of a strategic review of their corporate savings Channel Islands business. Zurich advised the Trustees that they were withdrawing all administrative services for existing ZAL Corporate Savings Channel Island customers from 31 July 2016 (this deadline later was pushed back) and would offer

a seamless migration of member funds to their international ZILL business.

- 5.1.2 The Scheme administrators (Baker Tilly) appear to have advised the pension manager of Santander (who is the sponsor of the Scheme) of the withdrawal of the platform facilities in August and then October 2015 and then again on 10 February 2016.
 - 5.1.3 Zurich then sent a chasing email to the Scheme administrators and the pensions manager on 24 March 2016 asking if there have been any developments so that they could begin the transition.
 - 5.1.4 Baker Tilly as Scheme administrators chased the pension manager again on 1 April 2016.
 - 5.1.5 The pension manager responded on 11 April 2016 advising Baker Tilly initially that statutory money purchase illustrations would be needed.
 - 5.1.6 Sample member communications were to have been provided to the pension manager on 11 April 2016 by Zurich. A timeline would be produced by Zurich once the go ahead was given for the transition.
 - 5.1.7 A project plan was then produced in May 2016 (presumably after the go ahead was given) with a detailed action log by Zurich. It would appear that a series of communications were originally built into the project plan but this does not seem to have happened due to the timescale slipping
 - 5.1.8 There were then various discussions in May 2016 about the fund prices and the mapping process.
 - 5.1.9 LCP were instructed at some stage and Zurich's proposed fund mappings for the Platform Switch were initially confirmed the fund mappings on 8 June 2016 with one change.
 - 5.1.10 There were discussions in July 2016 about the fact that one of the property funds had been gated and it was now proposed to map the funds into Threadneedle UK Property Trust Fund which caused delays in relation to the issue of member communications.
- 5.2 At some stage during the process the Trustees, took investment advice from their own investment advisers (LCP), on the fund mapping proposed by Zurich in relation to the Scheme. The Trustees also asked LCP to make more general recommendations for the Scheme's default investment strategy and fund range. The advice seems to originally have been provided in September 2016 (I have not seen this version of the advice) and was then updated on 7 October 2016 (replacing earlier advice dated 1 September 2016). It is not clear to me why the advice was not finalised earlier. The LCP advice:
- 5.1.1 Confirmed that LCP were satisfied that the proposed fund mappings were appropriate and should be implemented in accordance with Zurich's suggested timeline;
 - 5.1.2 Recommended changes to the existing life-styling strategies although LCP considered that the current aim of the default strategy remained appropriate;

5.1.3 The recommendations on lifestyle options included a recommendation that:

5.2.3.1 The ZIL Managed Fund is no longer appropriate for the growth phase of the Default Lifestyle Strategy and recommended that a strategy of 50% passive equities and 50% diversified growth instead; and

5.2.3.2 Recommended that a new cash lifestyle option should be adopted alongside existing default, balanced and adventurous lifestyles.

5.3 The LCP report however did not recommend the removal of the ZIL Managed Fund as one of the other investment options. It did however recognise that that it may be possible to improve the risk/reward profile of the members compared with the alternative approach using the ZIL Managed Fund.

5.4 LCP incorrectly assumed in their report (as already noted above) that the Scheme was subject to section 36 of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 (which are applicable in the UK) and confirmed that the proposed investment strategy changes outlined in this note, including the change to the Growth phase of the default strategy (to invest 50% in the Standard Life Global Absolute Return Strategies Fund and 50% in the Blackrock Developed World Index Fund), are suitable and appropriate for the Scheme taking into account the Act Pensions Act 1995 and the Regulations. Furthermore given the demographics of the Scheme's members and investment objectives of the Trustees, LCP believed that the level of risk associated with the default investment strategy and associated investments is appropriate. The fund based charges remained at 0.75% (covered by Abbey National Offshore) with the balance of the Total Expense Ratio for the relevant fund payable by the member, although this was built into the unit price.

5.5 The Trustees, however, appear following receipt of the investment advice, to have decided to go ahead with the Platform Switch and then come back to considering the wider investment option review (including fund charges) and revisit the advice on the recommended default option later.

5.6 I have not had sight of all the communications during the run up to the Platform Switch but there would appear to have been issues with adequacy of the initial communications drafted by Zurich which needed to be reworked and some agreed deferment of the initial time period for implementation of the Platform Switch.

5.7 The fund mapping options eventually adopted and communicated to members were as follows:

The Existing ZAL Investment Fund	ZILL Investment Fund
American 1 EP	Threadneedle American
Asia 2 EP	Threadneedle Asia
Equity Managed 2EP	Sterling Adventurous
European 2 EP	Threadneedle European

Global Select 2 EP	Blackrock Developed World Index GBP
Japan 2EP	Threadneedle Japan
Long Dated Gilt 2 EP	Vanguard UK Long Duration Gilt
Managed 2EP	ZIL Managed Fund
Property 3EP	Threadneedle UK Property Fund
Secure 2EP	Insight GBP Liquidity
UK Equity 2 EP	Threadneedle UK
UK Index Tracker 2EP	Blackrock UK Index
UK Preference and Fixed Interest 2 EP	Blackrock FID GiltTrak
ZZ UK Opportunities 2EP	Threadneedle UK

5.8 Members were also provided with a list of Questions and Answers prepared jointly with Zurich. Members were told that they did not need to take any action now unless they wished to change investments before the Platform Switch. Members were also told that there would be a blackout period during which members would not be able to switch investments. Members were also given information in the Q&As about where they could obtain more information about the funds. In particular the Q&As included the following:

"Q Where Can I find information on the current funds my plan is invested in with ZAL?"

A. By signing in to your online account you will be able to see the funds you are currently invested in. Please find below a link to financial express to enable you to find fund fact sheets for each of the funds you were invested in.

Q Where can I find more details on the funds available to my Plan when it transfers to ZIL?"

A. You will have access to a fund centre link which can be found on the home page of ZIO once you have logged in.

Q. What is the fund centre?"

A. The fund centre is a site designed to help you make investment choices for your retirement. The fund centre will provide a detailed breakdown of the fund performance and fund information to ensure that you are best placed to make your decision. You will also have the ability to produce comparison reports on each of the funds available and compare fund performance. Further information and guides on how to use the fund centre will be available on the literature section of ZIO."

5.9 The communication materials about the Platform Switch were not eventually issued to Mr N until 24 October 2016 (which I understand were received by Mr N on 27 October 2016 on 2 working days' notice of the Platform Switch and 5 days before the US election) advising him that his pension fund investment in the ZAL Managed Fund was being transferred to the ZIL Managed Fund and that he would have no access to the fund during the blackout period to 22 November 2016.

6. Events following the Platform Switch

6.1 The subsequent sequence of events is set out in a detailed 40 page Chronology attached to a letter from Mr N dated 21 January 2018. Little purpose would be served by setting this out again in full in the determination

6.2 Mr N alleges, among other things, that the initial communication received on 27 October 2016 contained limited information in the new fund which was insufficient to obtain advice and make a decision on the new ZIL Managed Fund. Mr N therefore instructed Baker Tilly on 30 October 2016 to move 50% of his Scheme assets into the Secure Fund prior to the Platform Switch but the instruction was not I understand implemented by the date agreed with Baker Tilly (see above). The Platform Switch occurred on 8 November 2016 and due to the blackout period Mr N was not able to access the information in relation to the new funds until 20 December 2016 after the blackout period had expired. (Mr N received confirmation from Baker Tilly on 05 December 2016 that the blackout period had been lifted late in the previous week).

6.3 After the initial communication was received on 27 October 2016 Mr N then requested more information on the new ZIL Managed fund. Baker Tilly's response on 1 November 2016 confirmed that the Trustees had obtained advice from LCP on the appropriateness of the fund mapping process. I also understand that on 1 November 2016 Mr N was provided with a copy of the ZIL Managed Fund sheet as at 30 September 2016. Mr N was not provided with a copy of an up-to-date ZAL Managed Fund sheet until 20 December 2016 so he could not make a direct comparison of the fund structures until then (Mr N would nevertheless have had a copy of an older version of the ZAL Managed Fund sheet in 2015 when he had previously taken his own independent financial advice on the fund options so would have had a broad idea of the historic constituents of the ZAL Managed Fund).

6.4 Mr N wrote to the Trustees on 4 November 2016 making it clear that in view of the market, the proposed migration and the blackout period, the lack of information provided in advance of the switch, the lack of time to take independent financial advice in advance of the switch he had made arrangements to switch 50% of his fund from the ZIL Managed Fund to the Secure fund. The letter stated "*I felt that I had to take some corrective/mitigating action to address his concerns ahead of the blackout period*". Mr N asked to be compensated for the shortfall on the switch of £2,800.10 (I understand that MR N calculated this figure by reference to the difference between the unit price of the Managed ZAL Fund agreed at the date of request as 5.691 and unit price at date of implementation of switch) of 5.666 which resulted in a reduced value of transfer to the Secure Fund from £637,410.20 to £634,610.20.

6.5 There was then extensive further correspondence between (1) Mr N and (2) the Trustees and Baker Tilly (as administrator of the Scheme) about the new ZIL

Managed Fund and differences in the relative performance of the new ZIL Managed Fund to the old ZAL Managed Fund (the performance was broadly similar but slightly worse). Mr N raised very detailed questions about the constituents of the two funds including:

- 6.1.1 Whether the new ZIL Managed Fund was be comparable in terms of investment objectives and asset allocation (Mr N has noted in this connection that the ZAL Managed Fund and ZIL Managed Fund factsheets contain differently worded objectives which made him concerned that the objectives were different);
 - 6.1.2 that differences in the performance of the ZIL Managed fund and the ZAL Managed Fund (the price of the ZAL Fund was apparently going down faster than its benchmark and that of the ZAL Managed Fund was going up in contrast with the results of back testing by Zurich). Zurich could not provide answers to Mr N which he considered adequate and told him that he would need to raise the issue with the Trustees;
 - 6.1.3 the relative size of the two funds – the ZIL Managed Fund was smaller (£73m v over £600 m);
 - 6.1.4 the charges levied by the two funds, the factsheet indicated that the charge for the ZIL Managed Fund was not limited to the percentage stated and Mr N wanted to clarify the position; and
 - 6.1.5 the fact that the ZAL Managed Fund had a four star Crown Rating and the ZIL Managed Fund was not rated as it did not have sufficient track record.
- 6.6 The Trustees/Baker Tilly sought to answer Mr N's many detailed and extensive queries but the Trustees/Baker Tilly allege that the reason for the delay was due to the fact that initially they did not have access to all the historical information. The explanation for the delay is disputed by Mr N who argues that the reasons for the delay included the fact the Scheme Secretary did not have sufficient time to deal with the queries due to other commitments he had with other Santander schemes and Baker Tilly admitted in correspondence that they were reliant on the Trustees in order to respond. My view is that all these factors contributed to the delays in resolving the queries and the information should have been provided more quickly in the period up to 5 January 2017. I would note, however that, as mentioned in the Chronology, initial attempts to answer the questions were made on 1 November 2016 (but Mr N raised further questions on 4th November).
- 6.7 Baker Tilly did, however, seek to answer Mr N's initial fund comparison questions on 5 January 2017 (See item 26 and 27 in the Chronology). This included confirmation that the two funds were managed by the fund manager and had the same Benchmarks, however, each have different underlying constituent funds (as a result of moving away from the ZAL insurance pools which were only available to ZAL Policy holders). By this stage Mr N also had a copy of the detailed fund sheets.
- 6.8 Mr N was still not satisfied with the answers as he considered that the response failed to adequately answer many of the questions previously raised in his letter dated 4 November 2016 Mr N then raised many and varied further questions. This included questions relating to the failure to properly give Mr N sufficient warning of the fund switch and governance issues generally. Mr N also raised

supplementary questions about the answers given about whether the new ZIL Managed fund was indeed equivalent and issues about the liquidity issues in connection with the property component of the fund and how the property component differed in the two funds (essentially drilling down further into the equivalence issue of the two funds). Various questions were also raised about the performance of the new fund compared with the old one which it was subsequently established (with hindsight) was due mainly to various unit pricing errors by Zurich. The fact that the difference in performance was due in a large part to pricing errors made by Zurich was not known by either Mr N or the Trustees until later.

6.9 Mr N has alleged that all his questions were not finally answered satisfactorily until July 2017 (after confirmation had been received of the correction of the Zurich pricing errors) and until then he was not in a position to take financial advice and make an investment decision to switch out of the Secure Fund. After taking the opportunity to take financial advice Mr N subsequently reduced his Secure Fund holding by 10% in September 2017 from 50% ZIL Managed Fund/50% Secure Fund to 60% ZIL Managed Fund/40% Secure Fund. I understand that Mr N later divested units in the Secure Fund and increased his ZIL Managed Fund holding so that from January 2018 he had moved to (68/32% Managed Fund/Secure Fund) and from February 2018 onwards he moved to 80%/20% Managed Fund/Secure Fund).

7. Independent Disputes Process and Reference to Ombudsman

7.1 Eventually the complaint was considered by the Trustees as part of an independent disputes process.

7.2 In the initial IDRPs response sent by Scheme Secretary on behalf of the Trustees on 7 April 2017 , the Trustees:

- 7.1.1 acknowledged that insufficient notice had been given to members about the changes and that a minimum of 2 months would have been appropriate (*I consider that 6-8 weeks would have been reasonable*);
- 7.1.2 accepted that Baker Tilly should have been better prepared to respond to member queries;
- 7.1.3 agreed to put in place an IDRPs process which mirrored that in the UK pension scheme;
- 7.1.4 maintained that the replacement platform was satisfactory noting that for each of the existing funds available, Zurich proposed mapping to a comparable ZIL Fund. The Trustees engaged LCP to review Zurich's proposals and LCP confirmed that it was satisfied overall that the ZIL funds selected were suitable replacements for the ZAL Funds;
- 7.1.5 offered Mr N compensation of £2,800.10 to be made to Mr N's in relation to the loss suffered as a result of the failure to implement his request to switch 50% of his assets into the Secure ZAL Fund by the dates agreed with Baker Tilly. The Trustees did however not offer any further compensation in respect of any further alleged investment loss after that date (which was not admitted).

7.3 In my view the offer to pay the £2,800.10 in respect of the initial delays in implementing his instructions to switch to the Secure Fund amounted to an

unconditional offer to compromise Mr N's claim for the loss in relation to the delay in implementing his request which was accepted by Mr N.

7.4 In my view a legally binding compromise was entered into. Later, however, the Trustees advised Mr N that that they would only pay this amount in full and final settlement of all his complaints including his claim for loss in relation to him continuing to remain invested 50% in the Secure Fund after the initial switch. The £2,800.10 has not yet been paid as the Trustee has delayed payment until all elements of Mr N's the complaint has been resolved.

7.5 In relation to Mr N's complaint about subsequent investment performance where no offer of compensation was made by the Trustees Mr N requested the Trustees to reconsider the issue.

7.6 The matter was then referred by Mr N to the Jersey Financial Services Ombudsman who declined jurisdiction and following this response to the Isle of Man Ombudsman on 27 April 2017 (see above).

8. Mr N's complaint that there has been maladministration in relation to the time given for the implementation the Platform Switch and the information given about the fund choices

8.1 As noted above, the Trustees were originally notified by Zurich of the withdrawal of the ZAL Fund platform in August 2015. However, despite various chasers from Baker Tilly and Zurich did not appear to have taken any action until April 2016. It is arguable that many of the subsequent delays were outside their control e.g. the lack of continued availability of one of the chosen funds, and problems with the initial communication materials prepared by Zurich which needed to be reworked. I am satisfied that if the Trustees had started the process earlier when first notified of the withdrawal of the ZAL platform and had project managed the process more effectively they had more than enough time to provide the communication materials to members sufficiently in advance of the proposed Platform Switch to enable Mr N to have made a more informed decision on whether to allow his existing investments in the ZAL Managed Fund to be mapped into the new ZIL Managed Fund.

8.2 It has been argued in the letter dated 25 October 2018 prepared by the Scheme's lawyers that:

8.1.1 although the Trustees were first informed by the Trustees in August 2015 that it would be necessary to transition the investment platform, it would not be realistic to expect the Trustees to take immediate actions in relation to the project. Rather, the Trustees principal obligation was to ensure that the Platform Switch deadline was not missed. Actions would then be planned and taken with the goal of meeting the deadline;

8.1.2 while the Trustees acknowledge that there were some actions, which for various reasons, were not completed when originally planned, it would not be right to classify the missed target dates for certain steps relating to the platform transition as maladministration giving rise to the considerable losses Mr N is claiming for – particularly given that the ultimate goal (which was achieved) was to ensure that the Platform Switch was implemented.

8.1.3 one particular aspect singled out by Mr N as amounting to maladministration was the timing of member communication. In an ideal

world the communication process would have started sooner. However, it would always be the case that the key communication (i.e. the one that gave detailed information about the platform transition and let the members know what action (if any) they needed to take), would be circulated to members close to the actual platform transition. If communications are too far removed from the events to which they relate, they reduce the efficacy as to the member's incentive consider and attend to the issue in hand is diminished.

- 8.1.4 Despite the fact the draft communication provided by Zurich was not, in the Trustees' opinion, fit for purpose the Trustees and their advisers managed to re-work the communication so that members received the platform transition in time for them to take any necessary actions. However, it is accepted that more time would have been preferable and the Trustees' offer of an award of £250 for distress and inconvenience, reflects this.
- 8.3 I do not accept the above arguments advanced on behalf of the Trustees. On the evidence I have seen there was undoubtedly maladministration by the Trustees in the implementation of the Platform Switch. It may not have been appropriate for the Trustees to have taken immediate action following notification from Zurich of the withdrawal of the ZAL platform. However, on the evidence I have seen, despite being chased by their own advisers on several occasions (in October 2015, February 2016 and March 2016), the Trustees did not fully engage with the transition project until April 2016 when it was concluded that money purchase illustrations would need to be prepared.
- 8.4 Any project plan needs to build in a contingency for the possibility of slippage. If the Trustees (who were ultimately responsible for the Platform Switch) had begun planning earlier in my view they could have been in a position to issue communications to members in sufficient time before the Platform Switch to enable the members to consider whether they wished to have their existing investments in the ZIL Funds mapped to the replacement ZAL funds (taking financial advice if they considered appropriate). I agree that it would not be appropriate to issue communications too far in advance. However, in my view a 6-8 week period would have been appropriate and achievable.
- 8.5 A period of 2 days in Mr N's case before the commencement of the blackout period (which is I accept is generally necessary in fund switch exercises) where full access to the details of the existing and replacement funds was not made available until 9/20 December 2018 does amount to maladministration for which he is entitled to be compensated to the extent it can be shown that Mr N has suffered distress and inconvenience (a form of non-financial loss). I am satisfied that Mr N has suffered considerable distress and inconvenience as a result of maladministration in relation to the management of the Platform Switch process.
- 8.6 There is a separate issue of the extent (if any) of any financial loss suffered by Mr N were caused by and flowed from any alleged failures by the Trustees (using normal legal principles that a court would apply) and in particular whether Mr N acted reasonably by initially switching 50% of his fund from the ZAL Managed Fund to the Secure Fund and whether his decision to retain 50% of this pension assets in the Secure Fund until September 2017 was a result of (or a legal consequence) of failures by the Trustee at the time of the Platform Switch and

following the Platform Switch and accordingly whether he has suffered the financial loss he alleges. I will consider this issue further below.

9. Mr N's complaint about the information provided about the fund choices and the delays in responding to his requests for information from November 2016 to September 2017

9.1 This element of the complaint overlaps with the element of the complaint discussed in section 8 of the determination. Mr N has alleged that the information provided about the replacement ZIL Funds was not sufficient or adequate before July 2017 to enable him, after a period to seek independent financial advice, to make an informed decision about his investment choices until September 2017.

9.2 In terms of communication I would expect the Trustees:

9.1.1 to explain the reasons for the Platform Switch from the ZAL platform to the ZIL platform;

9.1.2 provide sufficient details of the fund choices available on the two platforms to enable members to satisfy themselves that the investments were broadly equivalent to the existing funds (e.g. if they are invested in a managed fund or an equity tracker that they will be switched to a managed fund or an equity tracker fund);

9.1.3 explain that a mapping process had been undertaken to map the existing investments into the nearest equivalent available fund – and show in the fund comparison what those funds are;

9.1.4 describe any major differences in charges in relation to the two fund platforms.

9.3 The members were not provided with details of the fund particulars in advance of the Platform Switch but my understanding is that full access to the fund particulars was made available post Platform Switch via the Zurich website from 9 December 2016 onwards but the website was not fully functioning until 20 December 2016. The Trustees' lawyers argue that it not common to provide a full set of fact sheets for the funds prior to the choice. I agree that this may not be common or appropriate for most members (who often are very reluctant to engage in pension matters and fund choice in particular preferring to rely on the default fund option). It would however have been appropriate for members to be given access to the fund particulars in advance of the switch to those members (possibly a limited number) who wanted to consider this information and review their own investment choices. I note that the Trustees did not provide Mr N with a copy of the ZIL Managed Fund particulars on 1 November 2016 and an up to date copy of the ZAL Managed Fund particulars on 20 December 2016.

9.4 I consider that certain of the questions raised by Mr N initially in October/December 2016 were reasonable questions to ask given the lack of information provided at the time of the Platform Switch. In particular Mr N as a minimum needed comfort that the ZIL Managed Fund was broadly equivalent to the ZAL Managed Fund in terms of fund composition and investment benchmarks and had a broadly similar mix of investments that you might expect in a similar managed fund. Members cannot however reasonably expect the fund to be identical given the original fund was being withdrawn or to have the same crown star rating if the ZIL platform did not contain a broadly comparable fund with sufficient history to be granted one. The fact that the Fund had no Crown ratings

is not a legitimate objection as past performance is no guide to future performance – the key issue is whether it was broadly equivalent in terms of fund structure and the constituent elements of new ZIL Managed Fund. The level of detail of some of the subsequent questions asked go significantly beyond what a typical member might have been expected to ask in relation to a Platform Switch (e.g. questions relating to simulation testing). It is possible to argue that sufficient answers had been provided to Mr N's questions to enable a fund choice decision to be made by 1 November 2016 or by 20 December 2016 when the fund particulars were provided. It is also however possible to argue that answers to the questions raised on 20 December 2016 were needed to make an informed decision. Answers to Mr N's questions raised on 20 December 2016 were provided by 5 January 2017 in the responses referred to at items 26 and 27 of the Chronology. In particular, it is my understanding, that the response:

- 9.1.1 Confirmed that the two funds were managed by the same manager and had the same benchmarks although the constituent elements were different;
- 9.1.2 Confirmed that when constructing the fund, a back testing simulation was carried out to ensure that the new constituent funds did not detract from the new ZIL Managed Fund profile;
- 9.1.3 Provided an explanation of the initial differences in performance between the two funds (Mr N alleges that the explanation was not adequate as the explanation only covered an initial simulation of expected performance and some initial cash drag issues. Mr N alleges that the actual performance issues he raised were very different);
- 9.1.4 Explained that the purpose of the fund switch exercise was simply to move from one Zurich investment platform to another one. Zurich had proposed the closest equivalent fund on the new platform. The Trustees had taken advice on whether the new funds were appropriate;
- 9.1.5 Answered questions on the property fund and explained that the Trustees had taken advice on the fund mapping process.

9.5 In my view, notwithstanding the additional issues Mr N raised, for most members the initial answers, if they had been provided at the time of the original Platform Switch, would have been sufficient to give them a reasonable level of comfort that the funds were broadly equivalent and had similar characteristics. Genuine efforts were made to answer these questions.

9.6 Mr N however then asked further more detailed questions on the investment choices in the period up to July 2017 (some of which related to the funds and some of them to relative subsequent fund performance compared with the ZAL Managed Fund where he still had concerns). I am impressed by the degree and depth to which Mr N has sought to investigate the options on offer in order to decide how to invest his fund. In practice, however, even if the fund switch process had been project managed more effectively and fuller information provided initially it is unlikely to have been possible to get answers to these really detailed questions in a reasonable timeframe for a Platform Switch and to the extent that they relate to events occurring after the date of the Platform Switch they could never have been dealt with in advance of the Platform Switch. It would only be usual to expect details of the Platform Switch to be given between 4-8 weeks before it took place.

9.7 Mr N would therefore have been faced, if the Platform Switch had been project managed properly, with the option of going ahead with the proposed fund mapping into the ZIL Managed Fund or de-risking as he did in any event having regard to the proposed fund switches (which was always going to have a blackout period) and market conditions generally). If the information which was eventually provided in January 2017 had been provided prior to the Platform Switch in my view a member acting reasonably would have sufficient information in order for him to make a decision to allow the switch to the ZIL Managed Fund to proceed (or if he preferred invest in other available fund options with a higher growth element) even if he then wanted to follow up with more detailed questions about the comparability of the two funds. Mr N would then have needed some time to implement any switch (which I assume would have been possible by the end of January 2017).

9.8 I also do not accept that, as argued by Mr N, if the Trustees had managed the Platform Switch process better they would have been able to move the switch date to avoid the possibility of market turbulence during the blackout period – which can occur at any time. I accept the Trustees' arguments that to a large extent the timing was out of their control and also that there are always going to be macroeconomic events (a US election or otherwise) which could impact on fund performance and generally it is impossible to predict when there are going to be changes in stock market performance.

10. Mr N's complaint about the suitability of the ZIL Managed Fund as a replacement fund for the existing ZAL Managed Fund

- 10.1 This complaint again partially overlaps with the complaints dealt with in sections 8 and 9 of the determination. I have also previously analysed the Trustees' investment duties under the Trust Deed and Isle of Man and Jersey Law and the steps I would expect the Trustees to take when managing a fund platform transition (see above).
- 10.2 The Trustees did take advice from LCP on whether the funds proposed by Zurich as part of the mapping process remained suitable and that members were switched to the nearest equivalent fund. On the evidence I have seen LCP did provide advice that they were "*satisfied that the proposed fund mappings were appropriate*" including the mapping of the ZAL Managed Fund to the ZIL Managed Fund. I will consider the issue of whether the Trustees should have reviewed the default strategy later.
- 10.3 Mr N has raised a number of detailed concerns about whether the new ZAL Managed Fund was indeed suitable having regard to the size of the new fund, the potential cash drag when investing on the fund switch, the observed investment performance that was impacted by control issues in the fund at the time and the property component. My view is however that it was reasonable for the Trustees to rely on the advice received from LCP in this regard. On the basis of the fund particulars of the Zurich Managed Fund and the ZIL Managed Fund it would appear that both funds did contain a broadly similar mix of equities, bonds and real property. The main difference would appear to have been the higher holding of property in the ZAL Managed Fund (10.5% compared with 5.2%) and the higher holding of cash in the ZIL Managed Fund. The fund objectives in the particulars are not formulated in the same way but by the beginning of January 2017 it has been confirmed to Mr N that the funds had the same manager and same benchmark albeit that

he then sought further direct confirmation of this from Zurich. Mr N also had the fund factsheets which showed that the investment asset class mix was broadly equivalent. Also I understand that the ZIL Managed Fund has subsequently performed in the top quartile of funds. I do not therefore uphold this element of Mr N's complaint.

10.4 I also do not consider that the Trustees can be criticised for the fact that the new ZIL Managed Fund was smaller than the ZAL Managed Fund or that it did not have a crown rating.

10.5 It is also important to recognise (as Mr N often has lost sight of this in relation to his many submissions) that the option to remain invested in the ZAL Managed Fund was not available after the Platform Switch as Zurich removed this option. The fact that the performance of the ZIL Managed Fund may have lagged the ZAL Managed Fund is not relevant in relation to the reasonableness of the initial Trustees decision to switch members' funds which were previously invested in the ZAL Managed Fund into the ZIL Managed Fund. The key issue is whether the trustees took appropriate advice to ensure that the ZIL Managed Fund was broadly comparable prior to the Platform Switch (which on the evidence I have seen they did).

11. Mr N's complaint that the Trustees acted in breach of their investment duties under the trusts of the Scheme in relation to the failure to notify members about LCP's recommendations to change the default investment strategy

11.1 Mr N has alleged that the Trustees acted in breach of their investment duties/trust by failing to advise members of LCP's advice on the continued appropriateness of the Default Lifestyle Strategy. In particular that the ZIL Managed Fund was not an appropriate component in the growth phase of the Default Lifestyle Strategy.

11.2 The Trustees' lawyers have provided the following explanation of the background to the Trustees decision not to implement LCP's recommendations about the changes to the Default Lifestyle Strategy:

11.1.1 The LCP investment advice was sent by email to the Trustees who agreed that the Default Lifestyle Strategy would not be changed until after the fund mapping had completed;

11.1.2 The Trustees decided to deal with the matter in two stages and considered the LCP as identifying two separate priorities. The first priority was to map the ZAL funds to the ZIL Funds without delay and as smoothly as possible. The second was to then consider LCP's recommendations regarding the Default Lifestyle Strategy post the transfer. At the time, there was a more general review in relation to the investment costs which were borne by the employer and the trustees felt that any change to the default investment strategy could be dealt with after the review;

11.1.3 The Trustees' lawyers understand that after the Platform Switch, there was some discussion about seeking further clarification from LCP about the advice on the Default Lifestyle Strategy. The decision was then necessarily delayed due to changes to the Trustee body. These changes have taken time as the Scheme provisions dealing with appointment of

trustees require the active membership to appoint two member trustees (finding member trustee is not always straightforward). Having appointed member trustees in accordance with the Scheme's requirements, the new trustees need time to understand and consider the LCP advice that had been obtained prior to their appointment. Their review, I understand has now been completed and will shortly be communicated to the membership.

- 11.3 The Trustees' lawyers note that Mr N has always invested on a self-select basis under the Scheme. Until he chose to move 50% of his funds to a cash holding, his funds were wholly invested in the ZAL Managed Fund. LCP investment advice confirmed that it was appropriate for the ZAL Managed Fund to be mapped to the ZIL Managed Fund. The issue raised by LCP was about the appropriateness of the ZIL Managed Fund forming part of the Default Lifestyle Strategy. However, as Mr N had never selected the Default Lifestyle Strategy, this aspect of the LCP advice has no relevance to his investment.
- 11.4 I accept that the Trustees acted reasonably by de-coupling a more general consideration of the default investment strategy available to members from the Platform Switch. It would have been unusual to deal with both matters as part of the same exercise as there would have been considerable scope for confusion amongst the membership. It was therefore reasonable to defer consideration of the change in default strategy and there was no breach of trust by failing to do so at the time of the platform switch.
- 11.5 I also do not consider that the Trustees acted in breach of their investment duties under the terms of the trust governing the Scheme by failing to make the detailed LCP advice available to the members at the time of the switch. Having decided to decouple the Platform Switch from the review it would not have been appropriate to share this advice. LCP would also have prepared the advice solely for the use of the Trustees and not for the use of individual members as they were not providing member specific advice. LCP would have had to have specifically agreed to the advice being shared for the members. Mr N was, however, told by the Scheme Secretary on 5 January 2017 that a more comprehensive review of fund choice would follow in 2017 and he would be notified of the results of the review (which never seems to have occurred).
- 11.6 I am also perplexed and troubled, however, by the fact that we are now over two years on and the Trustees have only just completed the investment review of the default options.
- 11.7 The Trustees have submitted that to the extent that there is any alleged breach of investment duties (which is denied) this does not have any relevance to Mr N's complaint as he did not elect to invest his pension fund in the Default Lifestyle Strategy and generally would appear to always have taken his own advice/made his own active decisions on the choice of investment.
- 11.8 Mr N disputes this. Mr N submits that:
 - 11.8.1 his original decision to invest 100% in the ZAL Managed Fund was made in 2004 following receipt of a 14 page investment guide which offered members a choice of investing in 14 funds or three lifestyle

strategies. The Trustees recommended that members seek independent financial advice on their choices and if the member's did not return their investment forms by that date, their Retirement Account and future contributions would be invested in the Default Lifestyle Strategy;

- 11.8.2 the Default Lifestyle Strategy invested 100% in the ZAL Managed Fund with a proportion switching into a Long Dated Gilt Fund and Secure Fund each year starting 10 years prior to the date of his retirement. The Guide stated that a "lifestyle strategy" will work better if the Trustees know when the member wishes to retire. The guide also made it clear that the Trustees would review the performance of each fund at least annually (ii) that performance figures would be provided to members with their annual benefit statements and the Trustees assumed Mr N would be retiring at age 60;
 - 11.8.3 Mr N sought advice in December 2003 from financial advisers in Jersey who advised him previously on a private pension scheme investment being the Managed 2EP Fund with Eagle Star, the same product offered to him on the Scheme;
 - 11.8.4 based on that advice, Mr N returned his election form on 19 December 2003, on the basis that it formed the core growth strategy for the Default Lifestyle Strategy, was confirmed to be suitable and he did not know when he was going to retire;
 - 11.8.5 Mr N has confirmed that he sought advice from Hepburns (a financial adviser) in September 2005, and he transferred c £56,000 from his private Eagle Star Pension investment to his retirement account with the Schemes an AVC;
 - 11.8.6 statements were then received annually for the position at the end of April, together with fund performance;
 - 11.8.7 Mr N alleges he never changed his choice of 100% investment in the ZAL Managed Fund even during the 2008 financial crisis as he was happy with the advice he received from both the Trustees [*In this connection I would note that the Trustees never provided financial advice just generic guidance*] and also independently. At no time during the period from 2003 to November 2016 did Mr N ever change his selected 100% allocation to the ZAL Managed Fund. The change in November 2016 was "caused" by the Trustees' actions;
 - 11.8.8 Mr N refreshed the investment advice when being made redundant from Abbey International in 2015 and his decision was to maintain the 100% investment in the Managed 2EP Fund;
 - 11.8.9 in January 2016, Mr N made a further AVC contribution of £50,000 to the Fund at a time when the Trustees were aware that the Platform Switch would be required.
- 11.9 Mr N has clarified during his later submissions (contrary to what I had originally understood) that "*he does not claim that the Trustees decision to go ahead with the Platform Switch and to come back to the wider investment option review is in breach of the Trustees' investment duties*" but they were aware of his general concerns about the performance of the two funds and

was promised that a more comprehensive fund review would be undertaken by 2017 (which did not then happen). Given however that Mr N does not seem to have been following the Default Investment Strategy but was making his own decisions on his investment I cannot see how any loss can have flowed from any failure to implement the recommendations to carry out a review of the Default Investment Strategy in a timely fashion following the Platform Switch.

- 11.10 There was, however, a failure by the Trustees to keep Mr N updated about the status of the investment review in the two years following the Platform Switch given that Mr N was told originally that the review would take place in 2017 and he would be updated about progress. In my view this failure to update Mr N amounts to maladministration for which a further award of compensation for distress and inconvenience is appropriate of an additional £500.

12. Complaint about the inclusion of the Property Fund in the ZIL Managed Fund

- 12.1 Mr N has raised various complaints about the appropriateness of the new Property Fund element as a component of the ZIL Managed Fund. In particular the fact that it was gated and the initial drag on fund performance while the transferred funds were invested. Also more generally the holding of property funds was a risk factor and the fact that it had been gated was a material red flag to him.
- 12.2 The Trustees note that although the property fund which was one of the constituent elements of the ZIL Managed Fund was suspended from 6 July to 26 September 2016 (for a short period), any fund has the potential for an unexpected event to occur in respect of its underlying holdings. The period of suspension also occurred before the Platform Switch so the Trustees did not hold the fund at the time of the suspension so any lack of communication about the suspension cannot be relevant.
- 12.3 I agree with Mr N that if new funds have to be invested this can cause a cash drag on performance. However, again the Trustees took advice on the suitability of the funds proposed for the ZIL platform from LCP and (leaving aside the issue of the continued appropriateness of growth element of the Default Investment Strategy) acted on that advice. I therefore do not uphold Mr N's complaint about the inclusion of the property element in the new ZIL Managed Fund.

13. What compensation is Mr N entitled to for any distress and inconvenience suffered as a consequence of the maladministration in connection with the Platform Switch?

- 13.1 There is no direct authority in the Isle of Man yet on the extent of the Pension Ombudsman/Deputy Pension Ombudsman's powers for non-financial loss for distress and inconvenience. The jurisdiction of the Pensions Ombudsman/Deputy Pensions Ombudsman is virtually identical however to the jurisdiction of the Pensions Ombudsman in the UK and the Isle of Man courts are likely to adopt a similar approach if the matter was ever litigated.
- 13.2 In the UK it is well established that the Pensions Ombudsman can make reasonable awards for distress and inconvenience. Originally the UK Courts

indicated that the maximum awards, in non-exceptional cases, should not exceed £1,000 but recent court decisions indicate that a higher rebased award of up to £1650 (i.e. £1,000 increased by inflation) may be appropriate in non-exceptional cases and higher awards may be appropriate where there have been persistent or multiple breaches. The trend of awards is definitely upwards. UK Ombudsman has also recently adopted a tariff of awards depending on the severity of the breach.

Nominal	Significant	Serious	Severe	Exceptional
No Award	£500	£1,000	£2,000	£2,000 plus

13.3 I am not bound to follow this approach in the Isle of Man but will have regard to the severity of the breach in deciding the size of the award. I consider that an award of only £250 as proposed by the Trustees' lawyers for the distress and inconvenience suffered by Mr N as result of the maladministration in connection with and following the Platform Switch is too low. I consider that an award of £1,000 (i.e. a Serious breach in the above classification) is appropriate. In addition a further award of £500 (Significant) should be made for failure to keep Mr N informed about the status of the more general review of the investment choices available which he was told originally would be carried out in 2017. Mr N was given assurances following the Platform Switch that he would be updated on the status of this review. This did not happen.

13.4 During the determination of Mr N's complaint Trustees instructed LCP to carry out a calculation of the loss on the basis of my provisional determination until 31 January taking into account the unit pricing errors one of which was not corrected until March and one to 30 June 2017. The calculation did not, despite assurances that it did, properly reflect the pricing errors and this has caused further inconvenience and distress to Mr N as it has lengthened the determination process. I recognise, however, that the Trustees/LCP had received inaccurate information which was why the calculation was incorrect. I therefore do not consider it appropriate to make an additional award for distress and inconvenience as a separate head of loss).

13.5 Having regard to all the above I consider that an award of:

13.5.1 £1000 in relation to the distress and inconvenience caused by the Platform Switch and the time taken to deal with his questions following the Platform Switch up to 5 January 2017); and

13.5.2 £500 in relation to the failure to keep Mr N informed about the review of the default investment strategy as promised for distress and inconvenience is appropriate in the circumstances.

14. What financial loss has Mr N suffered (if any) in relation to the alleged maladministration in connection with the Platform Switch?

14.1 In relation to financial loss suffered as a result of maladministration or other breach of law it is well established in the UK that the UK Pensions Ombudsman can only make awards where there has been legal loss in accordance with established legal principles including that the loss must be caused by and flow from the breach (where there is no direct Isle of Man

authority any case law in the UK is potentially persuasive authority and could be considered by the High Court in the Isle of Man on appeal from my decision on a point of law). Mr N has argued that as a consequence of the fact he was given only two days to decide on whether to have his funds mapped to the ZIL Funds and the lack of information given about the new funds, it was reasonable for him to switch 50% of his pension previously invested in the ZAL Managed Fund into the new Secure Fund. Mr N also alleges that he was not provided with sufficient information to make a decision on how to invest his funds going forward until July 2017 and accordingly it was reasonable for him to remain invested in the Secure Fund until September 2017 given that he then needed time to take financial advice after notification of the Zurich pricing errors in July 2017. Mr N has submitted that as a consequence of the maladministration/breach of investment duties under the terms of the trust governing the Scheme by the Trustees in relation to the Platform Switch he has suffered financial losses of £92,867. These losses are calculated by reference to a notional fund holding the ZAL Managed Fund.

- 14.2 I agree with the Trustees that Mr N's comparison with a notional fund holding in the ZAL Managed Fund is not legitimate. To compare his actual fund performance with the ZAL Managed Fund that was available to him prior to the platform transition is inappropriate, as the ZAL Managed Fund was not available from November 2016. I do not accept Mr N's argument that the ZIL Managed Fund was not appropriate given the mapping advice received from LCP.
- 14.3 The Trustees then submit that:
 - 14.3.1 Mr N did not have good cause to disinvest from the proposed ZIL Managed Fund on account of the prospect of that fund mapping or the short time frame to consider it; and
 - 14.3.2 Mr N's reasons for disinvestment into cash were his own and, accordingly, any losses arising from such disinvestment should not be laid at the door of the Trustees but are for Mr N alone.
- 14.4 In relation to the first issue – Mr N's decision to invest in cash the Trustees have put forward the following additional arguments:
 - 14.4.1 Mr N's decision to invest his ZAL Managed Fund into a cash holding in the Secure Fund rather than receive equivalent investments in the ZIL Managed Fund into which he would otherwise have been mapped, was his decision and his alone and did not a consequence of any alleged maladministration. Having taken investment advice the Trustees had selected the ZIL Managed Fund as an appropriate equivalent for the ZAL Managed Fund. In effect this was the Trustees' best mitigation of an event outside the Trustees' control;
 - 14.4.2 This mitigation would have happened automatically had Mr N taken no action and given the reassurances of the Trustees (in this regard) and their fiduciary responsibilities would have represented the most obvious mitigation to take in the light of the Platform Switch. The Trustees' understanding (from a preliminary review of correspondence) is that the balance of 210 or so members accepted their switches into the proposed mapped funds and no other members

sought to move funds by way of their own mitigation in respect of the Platform Switch: a move of 50% of the Fund into a cash holding therefore strikes the Trustees as both an unusual and unreasonable response for Mr N to take;

14.4.3 The Trustees then question why the investment decision was taken (i.e. whether it was primarily driven by Mr N's concerns around the suitability of the ZIL Managed Fund or were there other material considerations affecting his decision?). The Trustees note that Mr N was concerned principally about the investment blackout period. In particular the impact of the US election, the potential outcome of the court ruling (i.e. Brexit) and the expected announcement of the OECD on oil production as events in November 2016 that made his inability to trade during the blackout period particularly pernicious. The Trustees note that Mr N's letter dated 4 November 2016 concludes that *"In view of the market, proposed migration and blackout period concerns expressed above, I made arrangements to switch 50% of my Managed fund into the Secure fund. I felt that I had to take some corrective/mitigating action to address my concerns ahead of the blackout period"*;

14.4.4 the Trustees submit that it was ultimately Mr N's perception of significant market uncertainty during November 2016 combined with the blackout period that was the central driver to his decision to take a very defensive market position and switch 50% of his investment portfolio into cash to mitigate the market collapse. Ultimately had he taken no action (in line with the mitigation proposed by the Trustees) his position would have been as per the ZIL Managed Fund and he would not have occurred the missed opportunity losses he is subsequently claiming and which derive from his own market driven decision to invest in cash;

14.4.5 The Trustees further submit that while a member might require more time to decide whether any changes should be made to his Scheme investment as a result of the platform transition, the Trustees disagree that switching to and maintaining 50% of one's funds in a cash holding (pending further consideration of the investment options) could be regarded as a reasonable response.

14.5 In relation to the Second issue the Trustees submit further that

14.5.1 that Mr N has also claimed that there were delays dealing with certain issues he raised with the Trustees which meant that he could not make any investment decisions in respect of his cash holding. The issues raised were varied and many (some of which required information from ZIL) and it was questionable whether all of those issues (some of which related to trustee governance and the communication process) could be regarded as genuinely relevant or material to his decision to continue to keep 50% of his pension fund in the Secure Fund. In the Trustees' view the information provided to Mr N prior to the blackout was sufficient for him to determine whether it was a suitable equivalent fund to be mapped into as part of the Platform Switch;

- 14.5.2 also Mr N alleged that all his questions were addressed by the end of July 2017 and he subsequently reduced his cash holding by 10% in September 2017. This means that, even accepting his own timings (re all questions answered rather than those pertinent to an investment decision) he was only prepared to move away from his cautious cash holding by an additional switch of cash to the ZIL Managed Fund, and he did not effect that until September 2017. Furthermore, he retained his 40% cash holding (as opposed to the 100% managed fund which was his position prior to the platform transition) until January 2018 at which point he started divesting away from cash as follows (as at January 2018 (68/32% managed/cash) and as at February 2018 to date (80/20% managed/cash));
- 14.5.3 this would further indicate that the original decision to switch a substantial part of his Scheme's investment to cash (and maintain a cash holding) was as a result of his (or his financial adviser's) view of the market i.e. that the ZIL Managed Fund would, given the wider economic and political risks that lay ahead, fall substantially in value so he could re-enter at a lower value. On the balance of probabilities, the Trustees consider this to be the most obvious interpretation of Mr N's actions (otherwise why remain so heavily invested in cash, even at today's date).
- 14.5 The Trustees also argue on the issue of causality and financial loss on any alleged maladministration that:
- 14.5.1 ultimately, Mr N's view of the market turned out to be unjustified (and looking at the matter with hindsight he exited the market at the wrong time and lost out on investment growth. However, any losses alleged to have been incurred have therefore been caused by his own investment decision making and his particular view of the market rather than by the platform transition or the way the transition was implemented and communicated to members;
- 14.5.2 even if that were not the case and (contrary to the evidence, inter alia, his current cash holding) Mr N maintains that it was uncertainty around the ZIL Managed Fund (rather than a combination of market conditions and blackout) that was his main driver for the decision. The Trustees submit that investing half his investment portfolio in a cash fund and then maintaining it there between November 2016 and September 2017 was not a reasonable response to uncertainty around a proposed equivalent fund selected by a trustee pursuant to professional investment advice.
- 14.6 In response to the Trustees' arguments, as articulated above, Mr N has stated again in his letter of 11 December 2018 that "*his decision to switch 50% in cash in November 2016 was caused of information and timely communication by the Trustees, and his inability to seek further advice in advance of a sudden change being imposed on Mr N.*"
- 14.7 In Mr N's further 50 page paper on my provisional determination he argues that it is inconceivable that he would have made the decision to disinvest in any event and that his concerns about the market uncertainties were driven by the fact that he had no ability to confirm or otherwise the suitability of the

ZIL Managed Fund into which his Retirement Account had been transferred without adequate notice. Mr N argues that the reason why he did not reduce the holding in the Secure Fund from 50%, to 40% and then 32% and 20% earlier was due to the continuing uncertainties in relation to the appropriateness of the ZIL Managed Fund due to the inadequacy of the answers received from the Trustees to his questions and, among other things, the continuing unresolved issues about the comparability and relative performance of the two funds which were not resolved until later in July 2017. Mr N therefore phased the switch out of the ZIL Secure Fund. Mr N notes that in relation to certain of his other investments outside the Scheme he remained fully invested and did not move to cash.

- 14.8 In his submissions on the redrafted provisional determination Mr N, notes among other things, that he was originally invested privately in Zurich (Eagle Star) Managed 2EP Fund based on advice that he had received. Upon receiving that advice he chose to invest his Retirement Account in the Managed 2EP Fund from 2004 and took comfort from the fact that the Managed 2EP Fund formed the growth phase of the Lifestyle Strategy from a risk/return perspective. Mr N would submit he would not have switched 50% into cash at the time of the Platform Switch (even with a blackout period) had the Managed 2EP Fund remained available as an investment choice (which he accepts it was not). Mr N submits that he would have been comfortable to remain fully invested as he had done in 2008 and he did in 2016 with his two other pension funds. Mr N alleges that the switch was driven by the Platform change after which he was not provided with sufficient information (before July 2017) that the ZIL Managed Fund remained suitable for his purposes. Mr N alleges that the change in the product, its uncorrelated performance caused by the control weaknesses within Zurich and the failure by the Trustees to respond meant that he was unable, emotionally and psychologically, to satisfy himself as to the perceived risk of the product. Accordingly, the lesser investment performance resulting from remaining in the Secure Fund was due to failures by the Trustees.
- 14.9 Having regard to the evidence submitted I do not accept that Mr N had sufficient information to make a decision on the investment allocation (post Platform Switch) before the blackout period and his decision to move some of his fund into the ZIL Secure Fund was in part as a result of lack of information about the ZIL Managed Fund but was also driven by other factors (see above). If there had been no maladministration in the Platform Switch process Mr N would still have been faced with the fact that (a) as a result of the Platform Switch there would be a blackout period (which would have occurred in any event) and (b) this blackout period coincided with the US election, post-Brexit vote uncertainty and other macro-economic events. It is difficult with hindsight to be certain as to what Mr N would have done if adequate and sufficient information had been given in a timely fashion before the Platform Switch. The best evidence I do have of how Mr N may have acted is now he did in fact invest after he acknowledges in his various submissions his questions had been satisfactorily answered. Given that after Mr N obtained answers to all his various questions on the new ZIL Fund Mr N decided to remain 40% invested in cash in September 2017 (by which time we had the results of the US election and were no longer in a blackout period), on the balance of probabilities Mr N would in my view on the evidence still have initially de-risked to some extent but not to the degree he

did in fact de-risk (i.e. to 50% in the Secure Fund). I do not consider that the fact Mr N chose not to de-risk his other pension scheme assets is conclusive of what Mr N might have done in relation to his investments under the Scheme when faced with the blackout period.

- 14.10 On the balance of probabilities and having regard to his investment allocation in September 2017 his loss is equal to the amount by which the performance of his Fund (if it had been invested 60% in the ZAL Managed Fund and 40% in the Secure Fund) on 8 November 2016 would have exceeded the actual performance of his actual investments during the period from the date of the platform switch on 8 November 2016 to the date he had been provided with sufficient information to make and implement a choice amongst the available Scheme investments (including the new ZIL Managed Fund) at the time of the Platform Switch.
- 14.11 It is then still necessary to work out when the period of any loss calculation should end. In my view Mr N was in a position to reasonably have made a choice on whether to move a greater proportion of assets back to the ZIL Managed Fund by 5 January 2017 or invest in other growth assets (amongst the other fund options) if he was still at that stage unhappy with the ZIL Managed Fund option due to its relative performance compared with the ZAL Managed Fund (which with hindsight it was later established was due primarily to the Zurich pricing errors). There would then need to be some time to implement the Platform Switch so my view is that the calculation should be carried out by 31 January 2017 to establish the extent of any legal loss.
- 14.11 I do recognise that Mr N's had genuine continuing concerns about the relative lower performance of the ZIL Managed Fund (compared with the ZAL Managed Fund) was a factor Mr N had regard to when deciding the extent to which the ZIL Managed Fund was an appropriate fund to invest in. However, his decision to invest as he did in the meantime cannot, in terms of legal causality, be down to any failure by the Trustees in relation to the original implementation of the Platform Switch. The loss flows from Mr N's own general approach not to make a decision until he had carried out a very detailed analysis of the replacement fund and/or his reaction to post Platform Switch events (eg actual post Platform Switch fund performance which it transpired with hindsight was due primarily to the Zurich pricing errors) for which the Trustees are not responsible. It was also always open to Mr N once he had adequate generic information on the fund choices available to have taken a pick and mix strategy investing in a mix of other funds with a view to achieving his investment objectives while seeking to resolve his concerns about the pricing issues. Mr N has submitted that the other fund choices were not consistent with the investment strategy he wished to adopt. However, in my view this was his choice and not down to the Trustees.
- 14.12 Mr N has submitted in his final most recent two page submission that the Trustees are still responsible for his decision not to move back into the ZIL Managed Fund as the Trustees failed in the period from January 2017 to June 2017 to adequately to respond to Mr N's further queries on the observed performance issues in the ZIL Managed Fund (which at the time he did not know were due to pricing errors). Mr N argues that it was the Trustees' duty to monitor the performance of the funds and should have been more actively pursuing the matter with Zurich. Mr N submits that if the Trustees had raised

the issue with Zurich themselves and clarified the position by February 2017 Mr N would have been in a position earlier to make a decision on his investment allocation before September 2017 (following resolution of the pricing error issue in July 2017).

- 14.13 I have reviewed the 40 page chronological summary of events prepared by Mr N again. As noted previously Mr N asked many and varied questions on multiple issues: including a request to engage directly with Zurich; a request to make a partial transfer out; an IDRPs and ombudsman complaint; multiple further emails on the performance of the investments and Zurich product; issues on fund charges and fund size; governance issues, issues about the role of the Principal Employer; lack of correlation of fund performance and many more questions.
- 14.14 The Chronology demonstrates that Trustees did forward certain of Mr N's emails to Zurich about the fund performance and sought to allow Mr N to engage directly with Zurich (but Zurich notified Baker Tilly that they wanted communication to be via the trustees in February) and forwarded certain information received from Zurich to Mr N in February. The Chronology demonstrate in my view that genuine attempts were made to answer Mr N's many and varied questions during this period. On the relative performance issue there must have been communication with Zurich as Zurich eventually notified the Trustees of the details of the various pricing errors following completion of their internal investigations into the matter and this information was then shared with Mr N. The answers given may not have initially satisfied Mr N or have been obtained as quickly or in the timeframe as he wanted. Mr N may also has been proved right with hindsight about his concerns about the performance of the new fund as it transpired eventually that the relative poorer performance was due in part to pricing errors by Zurich (which were later corrected). However, it does not follow that there was maladministration by the Trustees during this period or that the Trustees were responsible for Mr N's decision to remain invested in the Secure Fund to the extent he was during that period.
- 14.15 Having regard to the above my view remains that the Trustees cannot be held responsible for Mr N's decision to remain invested as he did after 31 January 2017.
- 14.16 The detailed calculation of the loss prepared by the Scheme's actuary (and shared with Mr N) indicates that if Mr N has invested on the basis set out in paragraph 14.10 and assuming the period of the loss calculation ends on 31 January 2017, the amount of loss is £4,447.92 after the proposed payment of £2,800.10 has been made.

15. **Directions**

15.1 I direct that:

- 15.1.1 The Trustees shall make Mr N a payment of £1,000 for distress and inconvenience suffered as a result of maladministration in connection with the failure to implement his initial instructions and more generally in relation to the failures to provide timely answers following the Platform Switch up to 5 January 2017;

- 15.1.2 The Trustees shall make a further payment of £500 for distress and inconvenience in relation to their failure to keep him informed of the progress on their more general review of fund choices as he was promised;
- 15.1.3 The Trustees make a further payment of £2,800.10 to Mr N in respect of the agreed loss suffered as a result of the failure to implement his instruction to move to 50% ZIL Managed Fund and 50% in the ZIL Secure Fund ; and
- 15.1.4 The Trustees make a further payment of £4,447.92 to Mr N in relation to the loss suffered by Mr N flowing from the failures to properly give Mr N sufficient warning of and information on the Platform Switch prior to the Platform Switch taking place and during the period up to 5 January 2017.
- 15.2 This amounts in total to compensation of £8,748.02 i.e. £1,000+ £500 +£2,800.10 + £4,447.92. All payments to be made within 20 working days of the date of issue of the final determination.

Ian Greenstreet

Pensions Ombudsman

4 June 2019