

Ombudsman's Determination

Applicant	Mr R
Scheme	Firefighters' Pension Scheme (the Scheme)
Respondent	Greater Manchester Fire and Rescue Service (the Employer)

Outcome

1. I do not uphold Mr R's complaint and no further action is required by the Employer.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr R's complaint is that, due to misinformation from the Employer, he was incorrectly led to believe that he could retire from 2019.

Background information, including submissions from the parties

4. In November 1989, Mr R joined the Employer as a retained firefighter. Under the rules of the Scheme, retained service is not pensionable.
5. In January 1993, Mr R became a whole-time firefighter, at which point his service became pensionable. He began paying contributions from this time.
6. In 2006, the Employer issued a Certificate of Pensionable Service, which confirmed Mr R's pension scheme start date as 4 January 1993. Mr R signed this certificate on 25 May 2006.
7. In order to receive the maximum pension, it was necessary for Mr R to achieve 30 years' service in the Scheme. In 2007, Mr R was sent a benefits statement, which incorrectly showed his start date in the Scheme as 27 November 1989, and as such his retirement date was stated as 26 November 2019.
8. This misinformation was given to Mr R again in 2013, during a retirement planning session, arranged by the Employer.
9. Mr R has said that, in 2009, he commenced a 10 year retirement plan, which included plans to refinance his home in order to purchase additional property. His intention

was to pay off the capital on the new mortgages in 2019 with his anticipated lump sum.

10. In 2014, Mr R enquired about releasing equity from his home and applied to re-mortgage the property to facilitate this. Mr R was aged 47 at this time and, as the renegotiated mortgage term extended past the normal retirement age of 55 for firefighters, his mortgage provider requested evidence of income past this age.
11. On 11 March 2014, the Employer wrote to the mortgage provider, confirming the projected level of retirement benefits payable to Mr R from 26 November 2019.
12. In 2015, the Employer realised that Mr R's retained service period had been incorrectly included in the pension benefits statements and forecasts in 2007, 2013 and 2014. This meant that the retirement date of November 2019 was incorrect. Under the Scheme, Mr R's normal retirement age will be 55, in June 2021 and he will have achieved the full 30 years' service by January 2023.
13. Mr R complained to the Employer about the misinformation. His complaint is summarised below:-
 - Mr R has suffered a financial loss as he will have to make mortgage payments for a further 19 months as he will not be able to pay off the mortgage with the lump sum. Mr R has said these are interest only payments.
 - Mr R has suffered further financial loss as his current forecasted pension benefits payable from 2021 are lower than the projected figures he has previously been given with the 2019 pension commencement date.
 - Mr R has said that he believed the 2019 retirement date to be wrong and questioned this with the Employer's pension department in 2007, but that it was verbally confirmed the figures were correct.
 - Mr R sought legal advice on this complaint and would like to be reimbursed for the costs incurred.
14. The Employer made no further comments in response to Mr R's application to this Office. In its correspondence with Mr R during this complaint the Employer has made the following comments:-
 - As a retained firefighter Mr R was not eligible to join the Scheme, nor did he pay any contributions into the Scheme during his retained service.
 - Documentation in 2006 confirmed the correct start date in the Scheme of 4 January 1993.
 - The Employer would be in breach of the Scheme rules if it paid out benefits using the incorrect figures.

- The retired representative of the pension department Mr R has referred to said he didn't recall any dealings with Mr R, but that any important information would have been followed up in writing.
15. During this Office's investigation of Mr R's complaint, the Employer made an offer of £250 to Mr R in recognition of the distress and inconvenience caused by the misinformation. Mr R did not accept this offer.

Adjudicator's Opinion

16. Mr R's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Employer. The Adjudicator's findings are summarised briefly below:-
- Mr R would have known that he did not make pension contributions during his retained service.
 - Mr R acknowledges that he knew the start date of 1989 was incorrect and says he questioned this in 2007 with the pension manager at the time.
 - When making his financial plans in 2009, the misinformation had only been given once, and there was more evidence to support the correct start date of 1993 than the incorrect start date of 1989.
 - Mr R will still be employed after 2019, so will continue to receive a salary which means he will be able to continue making his mortgage payments.
 - By continuing to repay the mortgage, he is contributing to his own asset, so there is no financial loss.
 - Given that it was confirmed in 2015 that he could not retire in 2019, Mr R has had four years to amend his retirement planning.
 - The forecasted figures for pension benefits in 2019 were based on 30 years' service, which Mr R would never have achieved by this time, so he was never eligible for these benefits, which means there is no financial loss.
 - Mr R chose to seek legal advice and was not obliged to do so, so he is responsible for covering any such fees.
 - The Adjudicator acknowledged that there has been some loss of expectation, however she did not consider that significant distress and inconvenience had been caused, so did not recommend an award.
17. Mr R did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr R provided his further comments which do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr R, summarised below, for completeness.

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- The Adjudicator did not stress the importance of the benefits statement and Mr R's reliance upon it.
- Whilst Mr R agrees that he signed the certificate in 2006, he has not been provided with any supporting documentation, despite his request to the Employer.
- Had the information in 2007 been correct, Mr R would not have commenced his retirement planning until at least June 2011.
- Mr R will be financially disadvantaged by paying 19 additional mortgage interest payments.

Ombudsman's decision

18. Mr R has argued that it was reasonable for him to place weight upon the 2007 benefits statement, and, in 2009, he based a 10 year retirement plan upon the information given in this statement. Whilst the statement was issued during a period where changes were made to the Scheme, this was the one and only time Mr R had been given misinformation when he says he began his retirement planning. In 2009, the time Mr R has focused on as the start of his retirement planning, Mr R knew that his pensionable start date was 1993, a fact he has confirmed. He says that he challenged the incorrect start date in 2007, which shows he was confident that it was wrong.
19. Mr R did not make pension contributions during his retained service, and he further confirmed he understood his pensionable start date was 1993, when he signed the certificate in 2006. For these reasons, I consider that Mr R ought reasonably to have known, when making financial decisions in 2009, that his pensionable service began in 1993, and as such I do not consider that the misstatement in 2007 has caused him a financial loss.
20. The Employer has agreed that it repeated the misinformation about Mr R's anticipated retirement dates in 2013 and 2014. Based on this misinformation, Mr R has said he believed he would be able to retire in 2019. Mr R cannot receive benefits from the Scheme to which he is not entitled. For this reason, Mr R would never have been able to receive benefits from 2019, therefore there is no financial loss on this basis.
21. Mr R has requested supporting documents for the Certificate of Pensionable Service. However, given the time that has passed, the Employer has been unable to produce any covering letters or information that was issued with the certificate. That being said, the certificate is signed by Mr R, and he does not dispute that it is his signature. I consider that this evidence is sufficient to show that Mr R acknowledged the correct pensionable start date in 2006.
22. Mr R was issued with three documents over a seven year period with the incorrect pension start date and subsequent retirement date, which amounts to

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maladministration. I consider that these incorrect dates raised his expectations however, given the above reasons, this has not caused a financial loss. I believe Mr R ought reasonably to have known when his correct pensionable start date was, and as a result, when his 30 years' service would be complete. Whilst there has been maladministration, I do not think it has caused significant distress and inconvenience.

23. If Mr R wishes to take up the offer of £250, which his Employer has made in respect of his distress and inconvenience, he should contact them to arrange payment.
24. I do not uphold Mr R's complaint.

Anthony Arter

Pensions Ombudsman
26 September 2017