

### **Lost in translation: a pension transfer gone wrong**

Tom's dream of buying his first-home was stalled when the advice he took went wrong – and there was no documentation to back him up.

Tom had talked to an adviser about transferring his UK pension to New Zealand without incurring excess fees and in a way that would allow him to access non-UK pension funds for a first-home purchase. Ultimately his pension was transferred to a Kiwisaver account but there was very little, if any, documentation about what options Tom was offered or if he was advised on their respective ramifications.

Tom later concluded that the Kiwisaver product was insufficient for his needs, as he understood that should he withdraw funds for a first-home purchase, he would incur substantial UK tax penalties.

Tom complained to FDRS that he had not been given a range of options for the pension transfer and that he had not been properly advised of the ramifications of the option put to him. Further, that option did not allow him to achieve his main goal of using the funds for a first-time home purchase within a year of transfer.

FDRS partially upheld the complaint. The adjudicator found deficiencies in the consultation and advice process, particularly with documentation of advice and options available to Tom. Whilst the adjudicator was not able to comment on what Tom would be able to do with the funds in the Kiwisaver account, the fact that he did not understand what he could or could not do further pointed to deficiency of advice. A financial loss could not be substantiated but the provider was ordered to issue an apology to the customer.