Delayed liquidation of a Pillar 3a account

Topic: **Pension products** Case number: **2018/25**

> The customer closed his Pillar 3a account and issued his bank with a corresponding instruction for the attention of its pension foundation. The closure process took almost a month in the end. The customer's units of the Pillar 3a fund were only redeemed after the corrective stock market price adjustment in February 2018 due to the delayed execution. This meant that the customer was credited with approximately 2,000 CHF less than if the redemption had been done in a timely manner. He claimed this amount from the bank by way of compensation. The bank refused to pay the compensation, whereupon the customer referred the matter to the Ombudsman. In the Ombudsman proceedings, the bank was ultimately willing to compensate the customer in full.

The customer was a former employee of the bank who had been asked to retire early against his wishes. He claimed that, in his experience, closing a Pillar 3a account used to take around one week. Since queries are sometimes necessary, he submitted the instruction to close the account two weeks before his desired closure date. In his opinion, the instruction ought to have been processed by the end of January 2018 at the latest. This left sufficient time to resolve any problems which may have arisen. A copy of an identity document and proof of residence was then missing and he proceeded to submit these. He maintained that the bank would have had the requested documents in plenty of time prior to the requested cancellation date such that timely closure would have easily been possible in spite of the delay caused by the late submission. The pension foundation then insisted on a new application form which was formatted slightly differently to the one he had submitted but was completely identical in content. This then jeopardised the processing of the instruction in a timely manner. The processing was then delayed by a further 10 days, for reasons not attributable to the customer, which ultimately resulted in the stock price losses and the damages asserted by him. He told the bank that he needed the money from the Pillar 3a account to tide him over in the period between the involuntary early retirement and reaching old age and survivors' pension (AHV) age.

In its statement on the matter, the bank informed the customer that the closure had been executed in accordance with the predefined processes, and that the processing time taken was normal. It maintained that there had been no misconduct on the part of its pension foundation.

The Ombudsman asked the bank for a statement of its position on the matter and pointed out to the bank and its pension foundation that, at approximately four weeks, the processing time in this case, given the price-relevant redemption of fund units associated with the account closure, did seem unusually lengthy. Without wishing to pre-empt the bank's statement, the Ombudsman expressed his understanding of the customer's concerns and therefore asked the bank to review its position and consider a gesture of goodwill. The bank and the pension foundation decided to reimburse the customer for the stock price losses incurred as a result of the delayed redemption. It calculated the difference between the redemption price that could have been attained on the customer's desired closure date and that ultimately attained as somewhat lower than in the customer's estimate. The latter was nonetheless satisfied with the offer and gratefully accepted it.