Before the Arbiter for Financial Services

Case ASF 179/2025

GE

('Complainant')

Vs

STM Malta Pension Services Ltd.

(C 51028)

('STM' or 'Service Provider')

Sitting of 13 March 2026

The Arbiter,

This case involves a claim for €8,300 which Complainant is demanding from STM as compensation for their failure to act with due despatch on the in-specie transfer of his pension fund to a UK Trustee.

He claims he needed this transfer for tax efficiency as he needed to encash his pension fund under the double tax treaty between UK and Netherlands, as the Malta jurisdiction had no such treaty with Netherlands.

He maintains that the delay caused by STM forced him to miss an investment opportunity which was time sensitive. This missing out has caused considerable financial consequences for which he expects at least 1 month equivalent of the financial loss quantified as €8,333.

In support of his claim, he provided a letter from NV WEYN HONING SA (being the investee company in which he was seeking to acquire a 20% minority stake)

stating that missing out on investing due to delay in release of funds *"are resulting in a minimal loss of €8,333 per month".* [1]

The Complaint[2]

In his complaint filed on 28 July 2025, Complainant stated:

'I requested the transfer of my pension from STM to IFGL in November last year to facilitate a tax-free cash lump sum withdrawal from my pension in the absence of a double tax agreement between Malta and The Netherlands. This process took over 5 months before final sign off by STM which substantially delayed my onward investment to Weyn Hoening with substantiated losses (see letter attached) of over €8k per month. STM were made aware that the transfer was time sensitive in early January. The chronology of events shows clear delays by STM in completing the process in a timely manner. They claim that IFGL contributed to the delays and are using this as a basis to offer only €500 in compensation even though they acknowledge their shortcomings. It is clear from the evidence that STM were largely at fault and were not willing to make a fair offer to compensate me even when I generously offered to reduce my claim to €4K (from €8,333) to settle the claim amicably. At the back end of the process, when evidence of transfer was required by IFGL from STM, I am aware that this delay was exacerbated due to the absence on leave of a key signatory. I find it difficult to understand why such critical sign offs are not delegated as is usual in well-run businesses. To give you additional context to the significant distress I have experienced through this process, STM initially suggested I would need to pay €25K if I wanted to complete the transfer to IFGL. If I did not challenge this, then STM would have received excessive charges for an in-specie transfer that should only cost €1K based on their tariff. I have provided additional supporting documents requested except IFGL emails dated 22/11/24 and 12/12/24. It may take a couple of weeks to obtain these due to the absence of key contact on leave.

STM have not completed the in-specie transfer resulting in significant financial loss. The chronology of events clearly identifies gaps in STM responding in a timely manner both in respect of the initial process and then at the back end

[1] Page (p). 10
[2] P. 1 – 6 and attachments p. 7 - 99

being responsible for further delays in providing evidence of transfer. A relatively simple task they just simply did not action in a reasonable timeframe.

I am now seeking full compensation of €8,333 representing 1 month's financial loss due to my inability to meet my agreed financial obligation to Weyn Hoening. To be honest, I could have made a more substantial claim but felt that in offering a middle ground claim, the matter would be closed swiftly and amicably.

My investment in Weyn's is confidential and I hope that the letter from them will suffice in demonstrating the loss and subsequent claim that I am making.'[3]

The Reply[4]

In their Reply of 21 August 2025, the Service Provider stated:

'1. That the Complaint is unfounded for the reasons outlined below:

(a) No financial loss has been substantiated

The Complainant claims that the Company caused a financial loss of €8,333 due to delays in executing an in-specie transfer of his QROPS pension to a SIPP with IFGL UK. However, following a full internal review, it is the Company's position that no actual loss has been established.

The transfer was executed on an in-specie basis, meaning the underlying assets held within the pension remained invested and intact throughout the entire transfer process. At no point were the assets liquidated or moved to cash by the Company. Accordingly, the Complainant continued to benefit from full market exposure, and there was no break in investment continuity attributable to the Company's actions. To date, the Complainant has presented no comparative valuation, trading data, or market evidence to demonstrate that the timing of the transfer caused any missed investment opportunity or actual financial harm.

Furthermore:

(i) no investment instrument has been identified by the Complainant as having been missed;

[3] P. 3
[4] P. 108 - 110

(ii) no calculation or timeframe has been provided to validate the alleged €8,333 loss; and

(iii) no comparison of valuations before and after the transfer supports the existence of such a loss.

(b) The Weyn's Honing NV letter lacks evidentiary value [see page 9 and 10 of the Complaint]

The Complainant relies on a letter issued by Weyn's Honing NV dated 12th May 2025, which states that an intended investment was delayed due to the timing of the pension transfer, allegedly resulting in a "minimal loss of €8,333 per month".

The Company respectfully submits that this letter:

(i) does not reference any contractual agreement or binding investment commitment;

(ii) does not specify a start or end date for the purported investment loss;

(iii) does not explain how the loss was calculated; and furthermore

(iv) it fails to demonstrate a direct or proximate causal link between the Company's actions and the alleged financial impact.

Accordingly, the Company submits that the letter is insufficient to establish liability on its part or to support the amount of the claim in question.

While the Company acknowledges a short delay on its part in mid-April 2025 due to the temporary unavailability of an authorised signatory, this must be considered within the broader context of the transfer timeline, which reflects shared responsibility between the parties involved:

(i) the Deed of Adherence was sent by the Company to IFGL on the 14th of January 2025 [see email first attachment];

(ii) IFGL returned the signed Deed on the 5th of February 2025, resulting in an initial three-week delay attributable to IFGL [see email second attachment];

(iii) IFGL issued multiple follow-ups for the evidence of transfer between late March and mid-April, some of which could have been consolidated had there been clearer coordination from IFGL earlier in the process; and

(iv) the final transfer confirmation was received by IFGL on the 23rd of April 2025.

Furthermore, the Company refers to an email [see third attachment] issued by Friends Provident International (FPI) on the 13th of March 2025, confirming that the reassignment had been completed. This email was sent to the Company and copied to IFGL. From that point onward, IFGL had full visibility of the policy status and could have commenced internal processing, regardless of whether the final confirmation letter from the Company had been issued.

The Company therefore submits that nothing materially precluded IFGL from operating on the policy after the 13th of March, and that any continued delay beyond that date cannot be attributed solely to the Company. Moreover, the Complainant was also fully aware that his policy had officially been transferred to IFGL. This was confirmed via email, by deVere, on the 18th of March, 2025 [see page 19 of the Complaint].

The Company also submits that the overall process of approximately four months is consistent with standard industry timeframes for in-specie cross-border pension transfers, and that responsibility for delays was shared between the Company, IFGL and Friends Provident International, the investment provider Company.

2. Goodwill offer

Without prejudice to the above, and purely as a gesture of goodwill, the Company has previously offered the Complainant the sum of £500 in full and final settlement. This offer reflects the lack of substantiated financial loss, and the shared nature of the administrative delays between the Company, IFGL and FPI.

This offer remains open and is being made without any admission of liability.

3. Reservation of Rights

The Company reserves the right to produce further oral and documentary proof and to make additional submissions in support of its position, including but not limited to, internal communication records and timeline data.

4. Conclusion

The Company respectfully submits that, for the reasons stated above, the Complaint is unfounded in fact and ought to be dismissed in its entirety.

No financial loss has been substantiated, market exposure remained uninterrupted throughout the transfer, and any administrative delays were minimal, shared, and in part attributable to IFGL. Moreover, the Complainant's suggestion that IFGL could not act until receiving the Company's final confirmation is contradicted by the email referred to above, issued by Friends Provident International on the 13th of March 2025, confirming that the reassignment had been completed and that IFGL had already been notified [see third attachment].

Without prejudice to the above, and solely in the interest of amicable resolution, the Company reiterates its goodwill offer of £500, made without admission of liability.

The Company therefore respectfully requests that all of the Complainant's demands be rejected.'

The Hearing

A hearing was held on 21 January 2026 where the Arbiter obtained the parties' confirmation that the issue on which he had to base his adjudicating decision were:

1. STM admit some fault which caused the delay but also say that the receiving trustee was also partly at fault. They offered a nominal compensation of GBP 500 without admittance of fault as they maintain that the evidence supporting the claimed loss of €8,333 is inadequate without proper support for its quantification.

2. STM maintain that during the transaction, the Complainant remained invested as the transfer was in-specie and there was no loss on the fund as invested.

3. STM maintain that whilst it is true that the final transfer confirmation was issued around 23 April 2025, there was evidence that reassignment to the new trustee was completed by 13 March 2025, so they claim that the new trustee could have proceeded with taking responsibility for the trust.

4. Complainant maintains that the GBP 500 is totally inadequate. Whilst he admits that supporting evidence was missing due to confidentiality reasons involving the investee company and co-investors, the investee company had a reputation of being reliable and trustworthy. He claimed that it was common knowledge that brand driven honey retailers achieve a 20% - 30% return on equity and profit margins up to 25%.[5] However, in the negotiation before filing this complaint he had indicated he was willing to settle for €4k.[6]

5. He had no interest in remaining 'as invested' and his claim is based on missing an opportunity to invest in a profitable private company due to delay caused by STM in encashment of his trust investment. He states that *'he missed a sweetheart deal and an opportunity that is unlikely to present itself to us again'*.[7]

6. Complainant maintains that whilst it is correct that the physical transfer took place on 19 March 2025, the receiving trustee were not in a position to act on his instructions before the formal written process was completed.

   They stated on 15 April 2025 that they were aware that the in-specie transfer was completed in March, however *"without the evidence of transfer, we will not be able to take action with the funds."*[8]

[5] P. 151
[6] P. 3
[7] P. 151
[8] P. 153

Final submissions

The Complainant basically repeated his arguments in his final submissions.

The Service Provider made an improved settlement offer of £1,500[9] in their final submissions (compared to a previous offer of £500).

They also raised new arguments rebutting the tax inefficiency claimed in a direct settlement between Malta and Netherlands under their respective double taxation agreement.[10]

As normal practice, the Arbiter does not take into consideration new arguments in the final submissions which were not already raised during the proceedings.

Analysis and observations

In accordance with Article 19(3)(b) of ACT CAP. 555 of the Laws of Malta, the Arbiter is to

'determine and adjudge a complaint by reference to what in his opinion, is fair equitable and reasonable in the particular circumstances and substantive merits of the case'.

The Arbiter finds fault on the part of STM in the delay of 1 month 10 days between the actual transfer and issuing the written confirmation thereof.

'Asked why it took one month and ten days for this letter to be issued, I (on behalf of STM) say, as already said, that there was a signatory who was on leave. And this caused us to send the confirmation letter when the signatory was available'.[11]

No customer should suffer the organisational deficiencies of a Service Provider.

Consequently, the Arbiter feels that the Complaint is fair and reasonable and is accepting it in so far as it is within the limits of this decision.

[9] P.155 in full and final settlement and without prejudice and without admission basis.
[10] P. 155
[11] P. 149

The Arbiter feels that the compensation offer of GBP 500 is inadequate especially as it is conditioned by non-admission of fault. An improved offer at the late submission stage is less unacceptable.

On the other hand, the Arbiter has no sufficient evidence to justify the quantum of the €8,333 compensation demanded by the Complainant, for which he had indicated readiness to accept a settlement of around 50% to close the case and move on.

In such circumstances, the Arbiter has to decide the compensation on the basis of **'arbitrio boni viri'**,[12] and for this purpose, the Arbiter orders the payment of compensation of GBP 3,125 (equivalent to 1% of the projected tax-free lump sum withdrawal of GBP 312,500).[13]

Therefore, in accordance with Article 26(3)(c)(iv) of Chapter 555 of the Laws of Malta, the Arbiter orders STM to pay the amount of GBP 3,125 (three thousand, one hundred and twenty-five pounds Sterling) to the Complainant for the reasons stated in this decision.

With interest at the rate of 3.75% p.a.[14] from the date of this decision till the date of payment.[15]

The Arbiter further decides that each party is to bear its own costs of these proceedings.

Alfred Mifsud
Arbiter for Financial Services

[12] 'Arbitrio boni viri' is a Latin expression that means "Thinking of a good man" or "Considering a good man." In legal settings, it is used to describe a judge's contemplation of what a reasonable or good person would do in a specific situation while making a decision or judgment. This phrase is frequently used to determine what would be just and fair in a given case.
[13] P. 151
[14] Equivalent to the current Bank of England Bank Rate.
[15] It is to be noted that in case this decision is appealed, should this decision be confirmed on appeal, the interest is to be calculated from the date of this decision.

Information Note related to the Arbiter's decision

Right of Appeal

The Arbiter's Decision is legally binding on the parties, subject only to the right of an appeal regulated by article 27 of the Arbiter for Financial Services Act (Cap. 555) ('the Act') to the Court of Appeal (Inferior Jurisdiction), not later than twenty (20) days from the date of notification of the Decision or, in the event of a request for clarification or correction of the Decision requested in terms of article 26(4) of the Act, from the date of notification of such interpretation or clarification or correction as provided for under article 27(3) of the Act.

Any requests for clarification of the award or requests to correct any errors in computation or clerical or typographical or similar errors requested in terms of article 26(4) of the Act, are to be filed with the Arbiter, with a copy to the other party, within fifteen (15) days from notification of the Decision in terms of the said article.

In accordance with established practice, the Arbiter's Decision will be uploaded on the OAFS website. Personal details of the Complainant(s) will be anonymised in terms of article 11(1)(f) of the Act