



# TeX Best Practice Guide: Transfer Rejections – December 2025

## Purpose and Scope

This best practice guide has been developed by TeX through eight working group meetings in 2025, involving representatives across its membership. Its aim is to support its corporate members in improving the efficiency, consistency, and customer outcomes associated with **transfer rejections** across **Pensions, ISAs, and General Investment Accounts (GIAs)**.

Transfer rejections are frequently the result of the **first operational step** in an electronic transfer journey. Evidence shared by TeX members, together with wider industry insight (including recent Equisoft research and webinars), demonstrates that rejection rates remain unacceptably high across the UK industry, driven by avoidable data, process, and communication issues. Whilst the percentage of rejected discovery messages has reduced from 30% in 2024 to 27% in 2025 there is still a long way to go.

Poor handling of rejections can lead to extended end-to-end transfer times, increased operational cost and manual rework, customer frustration, complaints, and potential detriment, as well as strained relationships between ceding and acquiring firms.

This guide collates detailed notes and agreed themes from the TeX member working group on rejections (March–November 2025). It also brings out the practical insights shared during an Equisoft webinar and associated industry commentary on reducing transfer rejections. Common operational issues observed across UK electronic transfer processes are highlighted.

The focus is deliberately **operational**, aimed at transfer, platform, operations, and change teams within financial services firms. It highlights recurring rejection issues, the problems they create, and **clear, actionable best practices** that firms can adopt when performing electronic transfers for their customers.

This guide does not replace regulatory requirements, scheme rules, or contractual obligations. Instead, it promotes **consistent, proportionate, and customer-centric operational standards** that firms are encouraged to embed alongside existing frameworks.

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## Agreed Industry Principles

Through the TeX working group discussions, members consistently agreed the following principles should underpin all transfer rejection activity:

- Rejections should be **the exception, not the default outcome**.
- Data should be validated **as early as possible** in the transfer journey.
- Rejection reasons must be **clear, specific, and actionable**.
- Firms should actively seek to **reduce the use of “Other”** as a rejection reason.
- Automation should be supported by **human oversight and common-sense judgement**.
- Firms should recognise and actively manage any **customer impact**, particularly where time, market movement, or the tax position may be affected, as a way of demonstrating commitment to the FCA’s Consumer Duty requirements.

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## Best Practice Issues, Impacts and Recommendations

### Top 5 Industry Pain Points (2025)

Identified consistently across the TeX working group and reinforced by wider industry insight.

1. **Incorrect legal entity selection** (customer or platform vs asset manager confusion)
  2. **Customer data mismatches** (names, middle names, formatting, NI numbers)
  3. **Over-use of generic rejection reasons**, particularly “Other”
  4. **Account number and product type errors**, often driven by use of historic data.
  5. **Inflexible automation**, rejecting cases that could be resolved with human review.
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### A. Data Quality & Customer Matching

Issue	What the Issue Is	Why It Matters	Best Practice
<b>Customer Name Mismatches</b>	Differences in spelling, abbreviations, middle names, double-barrelled names or use of friendly names.	<ul style="list-style-type: none"><li>• High rejection volumes</li></ul>	<ul style="list-style-type: none"><li>• Apply tolerance for reasonable variations (e.g. Bob/Robert)</li><li>• Avoid middle names if possible</li><li>• Use NI number and date of birth as primary identifiers where permitted</li></ul>
<b>Whitespace, Formatting &amp; Minor Errors</b>	Rejections caused by spaces, punctuation, or formatting differences.	<ul style="list-style-type: none"><li>• Avoidable rejections</li><li>• Customer frustration</li></ul>	<ul style="list-style-type: none"><li>• Automatically trim whitespace</li><li>• Apply proportionate validation rules</li><li>• Do not reject for non-material formatting issues</li></ul>
<b>Incorrect or Historic Account Numbers</b>	Use of outdated, partial, or incorrectly formatted account numbers.	<ul style="list-style-type: none"><li>• Rejections and rework</li></ul>	<ul style="list-style-type: none"><li>• Validate account number formats before submission</li><li>• Encourage use of recent statements</li><li>• Clearly document acceptable formats in TeX Register</li></ul>

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### B. Provider, Product & Asset Complexity

Issue	What the Issue Is	Why It Matters	Best Practice
<b>Legal Entity Confusion</b>	Incorrect selection of provider legal entity (e.g. platform vs asset manager).	<ul style="list-style-type: none"><li>• One of the highest rejection drivers</li></ul>	<ul style="list-style-type: none"><li>• Always check the TeX Register before submitting requests</li><li>• Encourage customers to check recent statements</li><li>• Manual clarification required</li><li>• Keep own Register entries up to date</li><li>• Add explanatory notes for complex group structures</li></ul>

<b>Product Type or Wrapper Errors</b>	Incorrect product or wrapper selected for the transfer request.	<ul style="list-style-type: none"> <li>• Rejection and restart of transfer</li> <li>• Customer impact</li> </ul>	<ul style="list-style-type: none"> <li>• Train teams on product eligibility rules</li> <li>• Publish clear product transfer rules</li> <li>• Use accurate rejection codes</li> </ul>
<b>Closed or Suspended Assets</b>	Rejections caused by suspended or closed funds, particularly during re-registration.	<ul style="list-style-type: none"> <li>• Transfers forced into manual processing</li> </ul>	<ul style="list-style-type: none"> <li>• Check fund status using ISINs</li> <li>• <a href="#">Investigate any possible suspended funds and submit re-registration request where possible</a></li> <li>• Attempt manual processing of suspended assets without rejecting the full transfer</li> <li>• Avoid rejecting the entire case where partial manual handling is possible</li> </ul>
<b>Value Discrepancies</b>	Differences between provided values and scheme records, especially for partial transfers.	<ul style="list-style-type: none"> <li>• Delays and manual investigation</li> <li>• Customer uncertainty</li> </ul>	<ul style="list-style-type: none"> <li>• Apply reasonable tolerances</li> <li>• Clearly explain discrepancies in rejection messages</li> </ul>

### C. Rejection Reason Quality & Communication

Issue	What the Issue Is	Why It Matters	Best Practice
<b>Unclear or Generic Rejection Reasons</b>	Use of vague wording or over-reliance on “Other”.	<ul style="list-style-type: none"> <li>• Repeated resubmissions</li> <li>• Inability to analyse root causes</li> </ul>	<ul style="list-style-type: none"> <li>• Actively discourage routine use of “Other”</li> <li>• Select the most accurate rejection reason available</li> <li>• Use free text to explain what needs correcting</li> </ul>
<b>Inconsistent Use of Rejection Codes</b>	Similar issues rejected under different codes across firms or teams.	<ul style="list-style-type: none"> <li>• Confusion and rework</li> <li>• Poor MI quality</li> </ul>	<ul style="list-style-type: none"> <li>• Apply QA controls to rejection coding</li> <li>• Align to agreed industry code sets</li> <li>• Share insights via TeX forums</li> </ul>
<b>Multiple Sequential Rejections</b>	One issue rejected at a time, causing repeated cycles.	<ul style="list-style-type: none"> <li>• Extended transfer times</li> <li>• Customer dissatisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Perform holistic validation before rejecting</li> <li>• Include all identified issues in a single rejection</li> </ul>
<b>Poor Communication Following Rejection</b>	Rejections issued without follow-up explanation or dialogue.	<ul style="list-style-type: none"> <li>• Delays in resolution</li> <li>• Repeat errors</li> </ul>	<ul style="list-style-type: none"> <li>• Use two-way messaging to clarify issues</li> <li>• Encourage challenge of unclear rejections</li> <li>• Reassure staff on lawful data sharing within TeX</li> </ul>

## D. Process Design, Automation & Governance

Issue	What the Issue Is	Why It Matters	Best Practice
<b>Over-Reliance on Automated Rejections</b>	Fully hard-coded validation with no human review.	<ul style="list-style-type: none"><li>• False rejections</li><li>• Inflexible outcomes</li><li>• Poor customer experience</li></ul>	<ul style="list-style-type: none"><li>• Introduce exception-based human review</li><li>• Use decision matrices or fuzzy-logic approaches</li><li>• Explore AI-supported matching where appropriate</li></ul>
<b>Delayed Rejection Issuance</b>	Rejections raised days or weeks after submission.	<ul style="list-style-type: none"><li>• Extended end-to-end times</li><li>• Customer complaints</li></ul>	<ul style="list-style-type: none"><li>• Validate early in the journey</li><li>• Set internal SLAs for issuing rejections</li><li>• Monitor timeliness through MI</li></ul>
<b>Lack of MI and Feedback Loops</b>	Rejection data not analysed or shared.	<ul style="list-style-type: none"><li>• Persistent issues remain unresolved</li><li>• No continuous improvement</li></ul>	<ul style="list-style-type: none"><li>• Track rejection volumes and reasons</li><li>• Review trends in governance forums</li><li>• Share insights internally and with industry groups</li></ul>

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## Implementation and Governance

To embed and sustain best practice, TeX recommends that member firms:

- Assign clear ownership for transfer rejection policy and standards.
- Review rejection reason libraries and validation rules regularly.
- Incorporate rejection metrics into operational MI and senior governance.
- Actively engage with TeX initiatives (including Register enhancements, APIs, and future standards).
- Share learnings and data to support industry-wide reduction in rejections.

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## Conclusion

Transfer rejections remain a significant source of delay, cost, and customer dissatisfaction across the UK investment and pensions industry. The evidence from TeX members and wider industry insight shows that many rejections are **avoidable** through better data quality, clearer communication, proportionate validation, and greater consistency.

By adopting the practices set out in this guide, firms can materially reduce rejection volumes, improve operational efficiency, and deliver better outcomes for customers. TeX encourages all members to treat this guide as a living reference point and to continue contributing to its evolution as industry practices and technology develop.