

The complaint

Mr B complains that Zurich Assurance Ltd ('Zurich') failed to respond to him with information about his personal pension in a timely way.

What happened

Zurich held a personal pension policy in Mr B's name, but it didn't have an up to date address for him. It located him using a tracing service in August 2018, so sent him a form to complete regarding his unclaimed pension. Mr B responded with his correct address, and Zurich used this information to update its records in October 2018.

On 2 November 2018, Mr B wrote to Zurich asking for information on the value of his pension. But he didn't include his policy number in his request, so Zurich sent him a form to complete so it could identify which pension he was referring to. Mr B returned this to Zurich on 13 November 2018, and also included an old policy document. But he heard nothing more until he chased his request on 1 February 2019. He then received a reply from Zurich's corporate savings department saying it couldn't find his pension plan.

In June 2019 and 2020, Zurich says it sent Mr B annual statements. In July 2020, Mr B complained to Zurich. He said he'd received the recent statement showing he did have a policy, when he'd previously thought there was no point taking this further as it had ignored his correspondence.

On 14 July 2020, Zurich sent Mr B information about his pension plan options. Mr B replied the next day, asking for a claim form to take it as a lump sum. Zurich sent this to him on 31 July 2020.

In August 2020, Zurich responded to Mr B's complaint offering him £50 compensation for failing to send him policy information when he asked for it. And it said it took eight-days longer than it should have in total to send him pension options and the claim form. So it offered to make up for any financial loss caused by this when Mr B sends all requirements to make his claim.

While Zurich's final response letter was sent to Mr B's address, he emailed it at the end of August 2020 saying he hadn't received a response. Mr B says he didn't get a reply to this email, so he brought his complaint to our service. He added that he didn't receive his 2019 annual statement and that Zurich ought to have traced him before 2018.

In July 2021, Mr B sent Zurich the forms to withdraw his pension funds as cash, which took place a few weeks later. And Zurich said it calculated his loss for the delay it highlighted in its final response letter to be £62.56.

One of our investigators looked into Mr B's complaint. He said Zurich had acknowledged it had made some errors, which were exacerbated by Mr B not receiving the 2019 statement. But he thought that what it had offered was fair and reasonable in the circumstances.

Mr B didn't agree. He said that he hadn't received the £50 compensation Zurich had offered and that he'd chased its final response letter, without a reply. He said he'd returned a car he had on PCP in February 2019 due to needing to make the balloon payment, which he might have kept if he'd known he had the pension and was able to access the cash. He said that, to resolve his complaint, he'd like £400 for the 20 hours he's spent on this, at £20 per hour.

As no agreement could be reached, the complaint's been passed to me for a decision. I told Zurich I thought it had missed opportunities to provide Mr B with the policy information he'd asked for, so it would be fair to pay him further compensation for the distress and inconvenience caused him.

But Zurich didn't think it needed to do anything more. In summary, it said that while it hadn't responded to Mr B's letter dated 13 November 2018 when it should have, he ought to have included his policy number in his February 2019 letter. And, while Mr B's letter was incorrectly directed by it to its corporate savings department, this is effectively a separate company. Zurich said Mr B took no action when he received its reply. And that the 2019 statement was correctly sent to his updated address and wasn't returned as 'gone away', so it ought to have put him on notice that his plan existed.

I let Mr B know I was minded to ask Zurich to pay him a further £150 compensation in addition to the £50 it had already offered, as I thought it had made some errors and could have provided better customer service. I said I wasn't persuaded he'd have done anything differently had he been given more information about the policy sooner, so I wasn't minded to ask Zurich to do anything further on top of the £62.56 it's offered for the delay it's highlighted. Mr B didn't respond.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm upholding Mr B's complaint. I'll explain why.

Zurich said it would have tried to trace Mr B sooner, although it's unable to say when as it only has records of the successful 2018 trace. Either way, I can't say with any certainty that it could have done more or traced Mr B any sooner, as its efforts are largely reliant on information available to it. And there's an obligation on Mr B to keep it updated with his address. So I'm not asking Zurich to do anything in this regard.

But I do think Zurich could've done more to trace Mr B's pension when he asked for details of this. Whilst I acknowledge Mr B didn't provide enough information for Zurich to identify him in his letter dated 2 November 2018, it accepts that he did in his letter dated 13 November 2018. And that it didn't respond with policy information when it should have.

Zurich has said Mr B's letter dated 1 February 2019 was directed to its corporate savings department. This isn't where it should've been directed given I can see Mr B sent it to the same address he'd used for his other correspondence, which had been received correctly. So irrespective of Zurich's assertion that this department is effectively a different entity, I'd reasonably expect his letter to have been directed as had been done previously.

I appreciate Mr B's letter didn't include his policy number though, so he's likely to have been asked for more information to identify him again. But I think this is something he could have engaged with, in contrast to being told Zurich couldn't find a plan. So I maintain it missed a further opportunity to put things right, causing Mr B frustration and confusion.

Turning to Mr B's annual statements, Mr B says he didn't receive the June 2019 statement, so he didn't know his pension existed. And that if he had he would have asked Zurich for his options in the way he did on receipt of the 2020 statement. But I think the majority of post is successful delivered. And Zurich has provided evidence which shows the 2019 statement was sent automatically to Mr B's address. So, on balance, I think this was sent. And I can't fairly hold Zurich responsible if Mr B didn't receive this, as it's done what I'd expect by sending it.

In summary, I think Zurich missed opportunities to provide Mr B with information about his pension, and this caused him distress and inconvenience. I can see how frustrated Mr B was to not get a response to something that was important to him, on top of the inconvenience of having to make repeated efforts to get information which should have been more easily obtained. And I think a further £150 compensation – on top of the £50 that Zurich's already offered – is a fair and reasonable amount in the circumstances. I appreciate Mr B said he wants £400 to reflect the time he's spent on this matter, but I can't reasonably say this would have taken 20 hours and we look at the overall impact in the circumstances, rather than an hourly amount.

Mr B hasn't suggested Zurich should compensate him for the chance he might have kept his car if it had provided him with policy information sooner. And I agree with this. I think it's most likely Mr B was always planning on returning it at the end of the finance agreement. And without using the benefit of hindsight, I'm unable to say with any degree of certainty, whether he would've done anything differently had he been given more information about the policy sooner. Especially when also bearing in mind he had the forms to cash this in from July 2020 if he wanted to, but he didn't do so until mid-2021.

Zurich has offered to pay Mr B £62.56 to redress the loss he suffered as a result of the eight-day delay it later caused by not sending him his options and the claim form. And, although I've not seen how it calculated this, it hasn't been questioned by Mr B so I see no reason to award anything different.

My final decision

For the reasons I've given, my final decision is I uphold Mr B's complaint and Zurich Assurance Ltd should pay Mr B £200 total compensation for the distress and inconvenience caused to him. In addition it should pay him, if it hasn't already done so, £62.56 for the loss in value to his pension caused by its eight-day delay.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 June 2022.

Holly Jackson
Ombudsman