DRN-3696291

The complaint

Mr P complains that St James's Place UK plc (SJP) issued an incorrect valuation statement of his pension. He further complains that despite his best efforts and numerous attempts to query the error, it took 128 days for SJP to correct its error. He asks to be compensated for the worry, upset and the amount of time it took SJP to realise its error.

What happened

I set out the background to this complaint in my earlier provisional decision. For clarity, I repeat it here.

Mr P holds a pension plan with SJP.

He received a quarterly statement in September 2019 and was concerned that the unit holding looked odd. On calculating his holding, he became aware there were units missing from his plan which equated to his pension being undervalued by over £8,000.

Mr P queried this statement as the figures didn’t add up and he felt certain an error had occurred. He raised a complaint and was told there had been an administrative error. Dissatisfied with the response, Mr P asked for further explanation as to what had happened.

Ultimately, Mr P became embroiled in protracted correspondence with SJP, writing some 15 letters and emails, too which he either received no response or limited further clarification, prompting further correspondence.

SJP issued three final response letters, in December 2019, Feb 2020 and finally December 2020. It was only after this third response that all the complaint points had been answered to Mr P’s satisfaction.

SJP acknowledged there had been an error which it had fully corrected but accepted there had been a number of delays, it apologised and offered Mr P £600 compensation but Mr P felt this did not reflect the worry and upset this matter had caused him and so he brought his complaint to this service.

An investigator looked into things for Mr P, he reviewed all the correspondence. He acknowledged the delays Mr P had experienced and as a result the worry and upset this matter had caused. He was of the view as the matter had now been corrected, he felt SJP had offered fair and reasonable compensation, so he didn’t ask it to do anything further.
Mr P disagreed. He is of the view that had he not put hours of work into calculating his units and being able to point out the error, SJP may never had corrected it. He felt as it “lost” his units for 128 days and undervalued his plan by over £8,000, it should suffer a similar cost for failing to correct its error until Mr P’s persistent correspondence resulted in appropriate action. Mr P says he spent hours working out the calculations to determine an error had in fact occurred and when he brought that to SJP’s attention it failed to treat him fairly or act with the appropriate duty of care he expected. As a result, it took repeated correspondence to get any action and this caused Mr P undue worry and upset.
He asked for an ombudsman review.

In my provisional findings I explained I had summarised this complaint in far less detail than the parties and that I'd done so using my own words. I explained I wasn't going to respond to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I focussed on what I find to be the key issues here.

I explained our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I said in this case, there is no dispute that an error was made, which has since been corrected. The issue here, is the length of time it took SJP to acknowledge its mistake and to correct, the delays in responding to Mr P's correspondence and then failing to provide satisfactory answers as to the reasons for the error in the first place and the impact all this had on Mr P.

The dispute lies in what is an appropriate, fair, and reasonable compensatory amount for the trouble and upset this matter has caused. I went on to explain:

Why I can't award upwards of £8,000 compensation in this case

I understand why Mr P may find it entirely reasonable to suggest SJP suffer a similar cost to that of his missing units and consequential undervaluing of his plan. But as our investigator has said it isn't role of this service to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority.

Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

In this case, SJP has, eventually acknowledged its mistake and corrected it and so Mr P hasn't suffered a financial loss to his pension plan. What I am deciding is what impact this matter has had on Mr P in terms of the worry and upset and looking to reach a fair and reasonable compensation for that.

It's also fair to say the awards for trouble and upset are relatively modest, again reflecting the fact this is a free service and alternative to the courts.

That said, I explained I do not wish to underplay the impact this has had on Mr P. In this case I said I was persuaded that SJP hasn't gone far enough to put things right for Mr P.

Why I said I don't think SJP has done enough to put things right

Mr P is in his eighties and had a serious health condition, both of these factors should have meant, as a consumer, SJP acted with a greater duty of care, due to his vulnerability. Now I should make it clear that despite his age and his health condition, Mr P should be applauded for the sheer effort he undertook in an attempt to get this matter resolved satisfactorily.

It is entirely reasonable given his age and health condition that he would wish to ensure that his significant investment was being correctly managed and that if, as in this case, an error had occurred, it would be swiftly acknowledge and rectified, so as to give Mr P the confidence he clearly needs in his pension administrator.

But it took Mr P, 15 letters either making complaints, chasing up complaints, chasing up responses alongside his calculations to have this matter fully addressed.

It took, SJP three attempts at final responses and as Mr P points out 128 days of undervalued funds. I appreciate Mr P feels very strongly that had he drawn down his funds or transferred them he feels the missing units would have been "lost" forever. Again, I understand his strength of feeling but I can't compensate him for something that hasn't occurred or judge what may have happened.

I'm persuaded this matter has had a much greater impact on Mr P than SJP has understood and as such I'm of the view that it should increase the compensation offered in recognition of that.

SJP has pointed to Mr P's previous occupation, but it should also be noted that he has been retired for some time and is gentleman in his eighties. I have also noted that SJP issued a covering letter suggesting the compensation should be £750 but enclosing a cheque of £250.

There has been a need here to issue three final response letters following the original error at the time of transfer, causing the initial incorrect values to be displayed on the quarterly statement issued in September 2019. SJP was meant to apply a fix and this wasn't done, and it also didn't make Mr P aware that the figures would need adjusting and shouldn't be relied on. So, I don't think SJP has treated Mr P fairly, nor did it take steps to minimise the impact this matter has had on him. It seems there has been a catalogue of errors in this case that has taken its toll on Mr P, at a time when he should have the confidence that his investment is secure and well managed, and for these reasons I said I was persuaded the compensatory offer should be increased.

I said in my view for the reasons I have set out, that a fair and reasonable compensation for the errors and delays in resolving this matter and the impact that has had on Mr P should be increased to £1000.

Mr P accepted my provisional findings.
SJP also accepted my provisional decision.

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, as both parties have agreed with my provisional findings and not made any additional submissions for my consideration, it follows that I have reached the same conclusion as that set out in provisional decision.

My final decision

For the reasons I have given I direct St James's Place UK plc to:

- Pay Mr P £1000 for the trouble and upset this matter has caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 26 October 2022.

Wendy Steele
Ombudsman