

The complaint

Mr V complains that Scottish Widows Limited (SWL), his pension provider, provided a poor level of service which led to him missing out on investment opportunities.

What happened

Mr V has three pension policies with SWL. He said that in August 2021, after he'd had to have a serious operation, he started to consider his pension options. Mr V said he was considering consolidating his pensions and adding further significant contributions to them, as he felt he may soon become unemployed. Mr V also said he wanted to transfer another pension fund worth around £10,000 into his consolidated policy.

Mr V said he asked for the quote to include a 10% Tax-Free Cash (TFC) withdrawal. He said he tried, but failed, to do this online. So he then called SWL to ask for a personal quote for all three of his policies.

On 8 April 2022, SWL sent Mr V a letter about its stakeholder plan.

Mr V said SWL sent an incorrect quote. So he called it again to tell it he'd not got correct figures yet, and that the type of pension used in the quote wasn't what he'd agreed to. He said he explained again the quote he wanted, including the TFC. And said he also told SWL that he was asking for a drawdown pension. Mr V said the SWL agent he spoke to correctly repeated back to him exactly what he'd requested.

On 5 May 2022, SWL sent Mr V a further letter. This said it was about its stakeholder again.

Mr V said SWL sent a second incorrect quote to him. He said it was exactly the same as the first incorrect quote. So he called SWL again. And also sent his request by email. Mr V said he spoke to a customer service manager who promised to call him back within 48 hours. But when this didn't happen, he'd had to call him again.

Mr V said SWL sent him a third incorrect quote. And told him he'd have to start using secure messages. He felt this meant he'd lost more time. Mr V said he also told SWL about his serious health issue. He raised a complaint.

SWL wrote to Mr V on 19 May 2022 to acknowledge his complaint.

On 20 May 2022, SWL wrote to Mr V to thank him for contacting it about accessing his pension benefits for one of his three plans. It said the current value of the plan was £15,627.68. The letter recommended the Pension Wise service. And directed Mr V to SWL's website to help him understand his options.

SWL wrote to Mr V again on 9 June 2022 to tell him it was still looking into his complaint. And on 7 July 2022, SWL issued an interim final response letter. This told Mr V that while SWL had been looking into his complaint, it hadn't yet completed its review. It said it expected to do so in 4 weeks. SWL referred Mr V to this service.

Mr V brought his complaint to this service on 7 July 2022. He was unhappy with the

customer service SWL had provided. He felt he couldn't make decisions about his financial future until he had the information he'd requested from SWL. He also felt that the delay had caused stress. And had led to a financial loss, as his pensions had fallen in value since he'd first requested the quote.

Mr V also told this service that SWL wasn't prepared to give him any compensation. And that it couldn't re-create the quote he would've previously received.

Mr V told this service that he'd initially wanted to consolidate his three pensions into one policy and then to contribute £85,000 into that policy. But that he now thinks he will transfer away from SWL because of what's happened so far. Mr V also told this service that he'd invested the £85,000 in ISAs and savings bonds instead of his pension.

Our investigator asked SWL for its business file. But it asked for the case to be put on hold until it'd completed its attempt to resolve the case directly with Mr V. It said it would provide its file if, after it'd completed its review of the complaint, Mr V still wanted this service to investigate it.

Our investigator spoke to Mr V about SWL's request. Mr V told him that there'd been next to no communication with SWL. So our investigator wrote to SWL to tell it he felt that Mr V had the impression that it was no longer trying to resolve his concerns. He said that if it still was attempting to do so, it should inform him.

Our investigator contacted Mr V again on 25 October 2022 to ask him if he'd had further contact with SWL. And, if he had, if his complaint had been resolved. He also wrote to SWL the same day to again ask it for its file on the complaint.

Mr V told this service that although the manager involved in his complaint had promised to contact him after further discussion with his team, he'd had no reply from him or anyone from SWL.

SWL replied to our investigator on 28 October 2022. It said that its complaint manager had been in contact with Mr V since our investigator's 16 September 2022 email. And that it was still working on the complaint. It said it would send its complaint file once it had concluded its investigations and communicated its final response to Mr V. But it couldn't give a timescale for this.

Mr V again told our investigator on 1 November 2022 that he'd not heard from SWL. But he agreed to give it the opportunity to settle the complaint directly. He said he'd give it seven days to reach an agreement on the complaint resolution with him. And if it didn't, he wanted this service to continue to investigate the complaint. He also said his health had deteriorated further in the last month.

Our investigator wrote to SWL on 1 November 2022. He told SWL that Mr V had said he'd had no recent contact with it. And that this contradicted what SWL had said about its complaint manager contacting Mr V. He asked SWL to provide its file on the complaint by 8 November 2022 at the latest. And said that he would issue his view with the limited information we currently had on file if we didn't receive anything further by that date.

SWL wrote to our investigator on 3 November 2022, noting his comments. It said that its file notes suggested that it'd spoken to Mr V about his complaint on 14 June 2022, 10 August 2022, 21 July 2022 and 20 September 2022. So it didn't understand why Mr V had said he hadn't had any contact with anyone at SWL. It said its work on the complaint was still ongoing. And that it couldn't send this service its complete file until its complaint manager had completed their investigations and issued their final response.

SWL wrote to this service on 15 December 2022 to tell us that it was still working towards a resolution on the complaint. But that the quotations Mr V had requested had been issued that day for two of his three policies. It said that once the quote for the final policy had been issued, its complaint manager would consider the impact of the delay on Mr V.

Our investigator asked Mr V on 22 December 2022 whether he'd received the quotes SWL said it'd sent. But he didn't receive a response. So on 11 January 2023 he called Mr V to ask him if he still wanted us to investigate his complaint. Mr V said he did.

Mr V said he kept receiving quotes with 25% TFC included, rather than the 10% he'd requested. And with the wrong pensions. He said that his fund values had fallen because of the delays and he couldn't take any action. He felt he'd lost around £5,000 because of SWL's delays. And that he now intended to leave his policies where they were and wait for the funds to go back up in value.

On 11 January 2023, Mr V told this service he'd received all of the information he'd requested from SWL now. And on 24 January 2023, he provided some further valuation information for his three policies to this service. These showed that his three pensions had fallen in value since his August 2021 request for the quote.

Our investigator issued his view on the complaint on 27 January 2023. He noted that as SWL had been unable to provide the complaint file, he'd had to rely on information primarily provided by Mr V. He felt the complaint should be upheld. And that as SWL had sent Mr V incorrect information, and had failed to respond to his requests and delayed its responses, he felt it should give him £650 compensation for the distress and inconvenience it had caused.

Our investigator didn't consider that he could uphold Mr V's complaint about the financial losses he said he'd suffered due to SWL's delays. This was because he hadn't crystallised or transferred his funds.

Mr V didn't agree with our investigator. He felt this service could look into the missing evidence and obtain proof of his fund values at certain times. He said most of the information he'd provided had been given to him over the phone. He said he'd call SWL and ask if for his fund values on the dates he spoke to it. He also queried whether his latest policy statements would help his complaint. Mr V felt that the minimum financial loss he should be awarded was the decrease in the values of his policies due to the delays SWL had caused.

Our investigator told Mr V that this service could only consider crystallised losses. He said this meant, for example, that if Mr V had moved his pensions to another provider, we would then have a date where we could compare the difference in performance and that would allow us to confirm any losses. But because nothing had changed, we couldn't confirm that SWL were responsible for any losses Mr V felt he'd suffered.

Mr V provided further policy values, which showed that his pensions had continued to fall in value. Our investigator said that he still couldn't consider any financial loss Mr V felt SWL had caused because his pensions had remained invested with SWL, so no loss had been crystallised.

SWL accepted our investigator's view. And made a payment of £650 to Mr V's bank account for the: *"upset and inconvenience you have experienced"*.

Mr V didn't agree with our investigator. He felt that he'd been forced to leave the funds invested while he was waiting for the quote he'd asked for. He said that if he'd been given the correct quote, he could've made his decision on how to combine the three SWL funds,

and add the additional money he wanted to contribute to the combined policy.

Mr V also said that while he agreed that pension values did go up and down, he felt that if SWL had provided the quote he'd requested in a sensible amount of time, the values of his funds would've been far greater than now. He also felt that once he'd obtained the historical values of his funds he'd asked SWL to provide, this service might be able to consider his fund losses.

As agreement couldn't be reached, the complaint has come to me for a review.

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 intend to uphold it. But I consider that the £650 compensation payment SWL has already paid Mr V is reasonable under the circumstances of the complaint. And I agree with the investigator that this service can't uphold Mr V's complaint about financial losses as he hasn't crystallised or transferred his funds. I know this will be disappointing to Mr V. I'll explain the reasons for my decision.

Mr V feels that SWL's failure to provide the information he requested in a timely fashion led to a financial loss. In accepting our investigator's view, SWL has accepted it didn't provide the requested information on time, and agreed to pay Mr V £650 compensation for the distress and inconvenience it had caused him.

I now need to decide if I consider that SWL is responsible for any financial loss. And if the compensation our investigator recommended is fair and reasonable under the circumstances of this complaint.

I asked Mr V to provide further evidence to help me with my decision. I asked the following question:

"During a call with our investigator on 26 August 2022, you told this service that [SWL] wasn't prepared to give you any compensation. And that it couldn't re-create the quote you would've previously received. If it helps, you also referenced this in your 16 September 2022 call with this service, when you said that you'd been sent an FRL, but you didn't agree with the answer. You said you'd send the letter in but we haven't received it. You reconfirmed this point in your 25 October 2022 email to this service: "They have contacted me saying no to any form of compensation".

Mr V said he'd looked through the information he had, and had asked SWL to re-send the emails and letters they'd previously sent to him. He said the emails had been deleted by SWL.

Mr V told this service that he'd asked SWL for historical values of his three plans – "3 or 4 values for each year", as he wanted it for evidence. But that it'd sent him the wrong information.

Mr V shared a lot of the documentation SWL had sent him over the last few months, identifying where it wasn't what he'd asked for.

I also asked Mr V to give me further information about why he'd told our investigator that while he agreed that pension values did go up and down, he felt that if SWL had provided the quote he'd requested in a sensible amount of time, the values of his funds would've been

far greater than now.

Mr V said he only had limited information, because SWL hadn't sent him the information he'd requested. But that the documents he'd shared with this service showed the change in his policies values.

As Mr V said he was still waiting for the information he'd requested from SWL, our investigator emailed it to ask it for the fund values for Mr V's three plans dating back from August 2021 to the present in 6-month intervals.

I'm grateful to Mr V for the additional evidence he's provided this service. However, I don't consider that any further historical fund value information on his SWL plans would help with my decision.

I first considered whether SWL was responsible for any financial loss for Mr V. He told this service that he wanted to make one of the following choices after he'd got the requested information:

- to go into drawdown with his SWL pensions whilst taking 10% TFC, or
- to consolidate his pensions with SWL and those with another provider with SWL.

Mr V told this service that he first asked SWL for information on his policies in August 2021 and that he only received all the information he needed at the start of 2023. SWL hasn't provided any contrasting information about the timeline here.

Mr V said that if he'd had all the information he'd asked for in a reasonable time, he would've probably consolidated all his pension funds with SWL. And that he would've added £85,000 in cash contributions in 2021.

Mr V hasn't been able to provide any other evidence, apart from his testimony, that confirms this is what he would've done, or when he would've taken those actions. I'm not surprised that this is the case, because it appears that Mr V wanted further information so that he could firm up his decision about what he did next.

I'm satisfied that Mr V wanted more information from SWL in August 2021. But I have no way of knowing what he would've done if he'd actually received the information he wanted.

And in any event, although it's clear that it took too long for SWL to provide the requested information, I'm not persuaded that Mr V couldn't have carried out the actions he said he might've taken without that information. I say this because I don't consider that an up-to-date fund value was necessarily needed for a potential consolidation. This is because I'm satisfied that Mr V would've received the correct fund values in the consolidation process. Therefore I can't fairly say that SWL's failure to provide the information Mr V had asked for prevented him from consolidating his pensions.

I've seen no evidence that Mr V asked SWL for any transfer forms, or asked it how he could invest £85,000. This may have been relatively difficult to achieve in any event, unless Mr V had "carry forward", given the standard maximum someone can contribute in any one tax year into a pension fund is £40,000.

Mr V told this service that, as he hadn't got the information from SWL he'd felt he needed, he'd invested the £85,000 in ISAs and savings bonds instead of his pension.

I've been provided with no evidence that Mr V has been financially disadvantaged by the

investment he made instead, as I have no detail on those investments. However, as I noted before, I'm not persuaded that the delayed information Mr V had requested prevented him from making any pension contributions he felt he wanted to make.

So, while I acknowledge that Mr V feels he's made a financial loss of at least £5,000 because he didn't get the requested information in good time, I can't fairly agree. And I don't uphold this part of the complaint.

I next considered the distress and inconvenience SWL's failure to provide the information Mr V requested in a timely fashion caused.

Although it's unclear which information that SWL sent Mr V was incorrect, SWL accepted our investigator's recommendation to pay Mr V £650 compensation for the delay and for its failure to return phone calls when it said it would.

From what I've seen, Mr V had to wait from August 2021, when he first requested information on his three plans, to January 2023, when he said he'd received it. This is clearly unreasonable. SWL hasn't told this service why it couldn't process Mr V's request sooner.

Mr V has also had serious health problems, which he had made known to SWL, during the period he's been waiting for his complaint to be resolved. Under these circumstances, I would've normally expected a business to handle any request from Mr V as quickly as it could, so as not to cause him any further concerns.

Based on everything I've seen, I agree with our investigator that SWL should pay Mr V £650 compensation. I say this because I consider SWL's failure to provide the requested information, or to return calls when it said it would, has led to distress and inconvenience over a prolonged period of time. And the fact that this happened when Mr V had serious health issues should clearly also impact the amount of fair compensation required.

I uphold the complaint, for the reasons I've given above.

Putting things right

As Scottish Widows Limited has already paid Mr V the £650 compensation I require, it doesn't need to take any further action.

My final decision

For the reasons I've given above, I uphold the complaint. Scottish Widows Limited has already paid Mr V the recommended compensation, so I don't require it to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 17 May 2023.

Jo Occleshaw
Ombudsman