

The complaint

Mrs T has complained about the service she's received from Liverpool Victoria Financial Services Limited (LV) when trying to set up regular pension contributions of £25 per month.

What happened

Following the cancellation of premiums to her Free Standing Additional Voluntary contribution (FSAVC) policy due to what she considered to be poor fund performance, Mrs T contacted LV in May 2022 to confirm that she wished to restart payments.

But despite ensuing correspondence between the parties over the following months, the contributions didn't restart. Mrs T has said that she spent a long time on the phone trying to speak to members of staff who didn't execute the actions they said they would.

Frustrated with the lack of progress in trying to restart her pension contributions, Mrs T referred the matter to this service.

LV did then set up Mrs T's pension contributions, but it took amounts of £75 and £100 in December 2022 and January 2023 respectively, rather than the £25 per month which Mrs T had wanted to contribute.

One of our investigators considered the matter and thought it should be upheld, saying the following in summary:

- She noted that LV had acknowledged that it had made errors, and so she considered what it needed to do to put matters right for Mrs T.
- Mrs T had wanted to set up pension contributions at £25 per month, starting in May 2022. And so she would have been making contributions since then.
- LV had confirmed that it had set up contributions for £25 per month from February 2023. It had already taken contributions amounting to £175, and it had agreed to waive the remaining £75. This was sufficient to put Mrs T in the position she would otherwise have been, had her contributions begun in May 2022.
- LV had also offered Mrs T £300 in compensation for the distress and inconvenience caused, and the investigator was satisfied that this was in line with the type of award this service would make under similar circumstances.

The investigator therefore endorsed the proposals made by LV.

Mrs T then contacted the investigator to say that she'd received a letter from LV saying that her policy was going to lapse.

Mrs T therefore said that she'd like the matter referred to an ombudsman for review.

The investigator queried the letter with LV, which confirmed that it had been sent in error,

and that Mrs T's policy wouldn't lapse.

LV further confirmed that the necessary unit adjustment had been made on Mrs T's policy to reflect a monthly payment from May 2022 to date, and that it was trying to resolve the matter of the ongoing premiums.

Mrs T asked that the referral to an ombudsman be paused whilst LV was looking into the premium issue.

But she then told the investigator that she'd received a further letter from LV which she said created more confusion about the payments made since September 2022. She also said that she hadn't at any point been made aware that the minimum premium was £75 and that she was told in September 2022 that this was the payment to which she would revert – as she had contributed for previous years.

As she had ongoing concerns about LV's handling of the matter, she said that she'd like the matter to be referred to an ombudsman.

The investigator queried the new letter with LV, which looked into it and then said that it had confirmed to Mrs T directly by email that the letter had been issued as a result of it changing the premium to £25 per month. It said that it would collect £50 in March 2023 in respect of the February and March premiums. And that Mrs T could ignore the letter sent to her.

At Mrs T's request, however, the complaint has been referred to me for 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.

As far as I can tell, Mrs T has asked for the referral to an ombudsman more for reassurance that matters are "in hand" – and I can understand why. It does seem as if the picture over the last 11 months has been somewhat confusing, and the more recent letters since the referral to this service and our investigator's assessment have added to that confusion.

It does, however, seem to be the case that LV is committed to ensuring that Mrs T is placed in the position she should now be in, but for the errors made. I obviously can't oversee the actual implementation of the corrective action which LV has proposed, but from reading its internal emails, it does appear that it's already taken steps to ensure that the correct number of units has been added to reflect the missed premiums from May 2022.

As it's also committed to ensuring that the correct premiums are taken in the future, there seems to be little more that I could direct it to do in terms of ensuring that the policy functions properly.

But if there are further problems in the future, Mrs T can of course complain again and refer that complaint to this service if she remains dissatisfied with LV's response.

I've also then thought about the amount LV offered to Mrs T in respect of the trouble and upset caused by the matter. As I've said above, I do think that Mrs T will have been understandably confused, upset and frustrated by events since May 2022.

But as with the investigator, I'm satisfied that the amount of £300 offered by LV, along with the waived shortfall in the premiums actually paid by Mrs T since May 2022, is probably about right in the circumstances.

Putting things right

LV should ensure that the unit amendment has been applied properly (my understanding is that this has already happened), and that the correct premiums are collected from Mrs T on an ongoing basis.

If the £300 payment hasn't yet been made, and subject to Mrs T's acceptance of this decision, LV should also pay this to Mrs T.

My final decision

My final decision is that I uphold the complaint and direct Liverpool Victoria Financial Services Limited to undertake the above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 24 May 2023.

Philip Miller
Ombudsman