

## **The complaint**

Mr R complains that Scottish Widows trading as Clerical Medical ('Scottish Widows') failed to correctly carry out his investment fund change instructions to his pension plan. And when he asked it to correct its mistakes, it failed to do so on numerous occasions.

While Scottish Widows says it has now corrected its mistake and has offered Mr R compensation, Mr R remains unhappy with the amount of compensation he's been offered.

## **What happened**

The facts and circumstances leading up to this complaint are known by both parties and are not disputed. So I've not set everything out in detail here.

In May 2022, and after referring his complaint to our service, Scottish Widows wrote to Mr R saying that it upheld his complaint acknowledging and apologising for the series of errors it made in dealing with his investment instructions to his pension. It said it failed to carry out his fund switch requests in September 2021 correctly, and despite telling him that things were put right in January 2022, it agreed with Mr R that it had not. It said that Mr R's pension investment fund allocations were finally corrected on 28 April 2022, including backdating them to 17 September 2021 to ensure Mr R hadn't lost out. Scottish Widows said it would pay Mr R £600 by way of an apology.

Mr R wasn't happy with Scottish Widows proposal to put things right – he said he'd suffered stress and anxiety over the matter and felt the £600 offered wasn't enough. Mr R also said that because he felt compelled to transfer his pension away from Scottish Widows, which would mean he'd incur additional costs, he felt Scottish Widows should contribute towards them.

Our investigator considered all of this. They said that while they agreed Scottish Widows' agreed course of action was the right way to ensure Mr R hadn't lost out, they said Scottish Widows should provide Mr R with written confirmation of his fund allocations in an easy-to-digest format as evidence things had finally been actioned correctly. They said they thought £600 offered by Scottish Widows was fair to reflect the distress and inconvenience caused including the fact that Mr R made repeated requests to try and put things right. They said it was Mr R's decision to move his pension, so they didn't think it was fair for Scottish Widows to pay anything more.

Scottish Widows provided Mr R with monthly statements showing the correct percentage fund allocations. But because Mr R remains dissatisfied with the amount of compensation he's been offered, the complaint was passed to me for a final 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.

*Correcting Mr R's investment fund switches*

In its letter of May 2022, Scottish Widows agreed that it made a mistake and said that it had finally correctly applied Mr R's investment fund switches in line with his requested percentage allocations. In support of this, it provided what can only be described as an impenetrable document – a multi-page document - recording the investment fund switches. In their assessment of the complaint, our investigator said, and Scottish Widows agreed, that it should provide Mr R with evidence of the corrections made in a clear and simple format. I can see that Scottish Widows has provided monthly statements, which I'm satisfied shows Mr R's regular pension contributions from October 2021 onwards were invested in line with his instructions – but it has not provided clear evidence of the corrected fund switches.

I've reviewed the multi-page document Scottish Widows provided. And based on this, I think the fund switches were finally actioned correctly and backdated to 17 September 2021 as Scottish Widows says. But while I accept that Mr R has now moved his pension from Scottish Widows, I still think it is fair and reasonable for Scottish Widows to provide Mr R with the evidence that it corrected its mistake in a clear and simple format and as it agreed to do. I think a good example of this is the 'Investment Change Confirmation' and 'Investment Change Statement' it has previously issued to Mr R, showing the fund switch details including the name of the fund, the number of units held, the unit bid price on 17 September 2021 and the value on 17 September 2021. This, or something similar, is what Scottish Widows should issue to Mr R.

### *Fair compensation*

The remaining issue for me to decide is whether the amount Scottish Widows has offered Mr R to compensate him for the distress and inconvenience this matter has caused him, is fair in all the circumstances. And I've decided it is fair.

It's clear that Mr R was put to great inconvenience by his investment instructions not being carried out correctly by Scottish Widows. It also took him time and effort in trying to get things sorted out – Mr R had to explain things several times, Scottish Widows said it had corrected things when it hadn't and it wasn't until many months after he'd given the original instructions that Scottish Widows finally put things right. And while this meant Mr R hadn't lost out in terms of his investment opportunity, as he's explained to us, this matter has caused him a great deal of angst and frustration. So it's right that Scottish Widows compensates Mr R for this. And taking everything into account, including what Mr R has said about the impact this matter had on him, I think Scottish Widows' offer of £600 is fair compensation in all the circumstances.

I can see that Mr R feels he should be paid more than £600, including compensating him for the fact that he felt it necessary to transfer his pension away from Scottish Widows which meant he had to incur additional costs. But while I can understand Mr R feels let down by Scottish Widows and that his only option was to transfer his pension elsewhere, this was ultimately his decision. So I don't think it is fair that Scottish Widows pays anything towards the additional costs Mr R says he incurred as a result.

So taking everything into account, I think Scottish Widows' offer of £600 to reflect the distress and inconvenience caused to Mr R is fair in all the circumstances and so represents fair compensation.

### **Putting things right**

Scottish Widows should:

Provide Mr R with evidence that his investment switches were corrected and backdated to 17 September 2021 in a clear and accessible format as I have described above.

Pay Mr R £600 compensation – if it hasn't previously done so.

**My final decision**

I've decided to uphold this complaint. Scottish Widows Limited trading as Clerical Medical should put things right, in accordance with above.

I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 April 2023.

Paul Featherstone

**Ombudsman**