

The complaint

Mr T is complaining that Scottish Widows Limited (Scottish Widows) caused a delay in making a drawdown payment to him from his pension. He is also complaining that the results of a subject access request (SAR) he made were delayed.

What happened

Mr T wrote to Scottish Widows on 20 January 2022 to make a SAR, asking it to provide him with all the information it held about him. He made this request as part of another complaint which has been dealt with separately. As the SAR element was not included in the compensation paid to Mr T in relation to his other complaint, I have covered it here. Mr T contacted Scottish Widows to repeat his request on a number of occasions before the information was provided to him by email in August 2022, and in paper form in November 2022.

On 28 October 2022, Mr T's Independent Financial Adviser (IFA) contacted Scottish Widows to request a partial encashment from his pension of £1,300 as a tax free lump sum. The IFA was informed during the call that the money would be transferred to Mr T's account by 7 November 2022. Scottish Widows also wrote to Mr T confirming the arrangements on 28 October and subsequently to the IFA on 2 November to say the funds would be transferred to Mr T's account by close of business that same day. Unfortunately, Scottish Widows attempted to pay the sum to an old account of Mr T's that had been closed. The money was immediately returned to Scottish Widows, but payment was not made to the correct account until after Mr T had contacted Scottish Widows on 11 November to ask about why he had not received the payment as advised. The payment was made to Mr T's correct account on 14 November. Scottish Widows has provided evidence that the delay in making this payment was due to an operational backlog.

Scottish Widows wrote to Mr T on 18 November 2022 to confirm that it was treating the situation as a complaint. It also explained the circumstances that had led to the mistake happening and the actions that it had taken to avoid any recurrence of the problem. These actions included removing the old bank details from its records as well as ensuring that the timing delay had not resulted in any financial loss to Mr T.

Mr T contacted Scottish Widows again on 16 January 2023 to make a further withdrawal of £1,500, including £500 tax free cash. Scottish Widows wrote to him on 18 January to confirm the instruction and to inform him that the payment would be made within 5 working days. Scottish Widows also contacted Mr T's IFA to check the account details for the payment.

Mr T was unhappy with this and spoke to Scottish Widows staff on several occasions to chase both his payment and the progress of his complaint.

Scottish Widows wrote to Mr T on 23 January 2023 with its final response to his complaint. It upheld his complaint, relating to the late provision of the information he had sought in his SAR, and for the delay in making the late payment in November 2022. It offered him a payment of £204, comprising £200 in relation to the distress and inconvenience he had suffered relating to the delay in providing him the information in relation to his SAR, and also

the delay in making the late payment. It also made him a payment of £5 in interest on the late payment, reduced to £4 as this part of the compensation was taxable. Mr T was unhappy with this offer and referred his complaint to the Financial Ombudsman Service.

Our investigator reviewed all the evidence and decided that the offer was fair in terms of the circumstances of the complaint.

Mr T disagreed with the investigator, so this case has been passed to me to review the evidence again and make 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.

Having done so, I uphold this complaint, but agree with the investigator that the redress proposed by Scottish Widows is appropriate in the circumstances.

I'll explain my reasons.

Firstly, looking at the issue of the SAR Mr T made in January 2022, Mr T did not receive the information he had asked for from Scottish Widows until August 2022, when it was sent by email. Mr T had asked for the information to be sent to him 'recorded delivery', so it seems reasonable to me to find that he had requested the information be provided to him in physical form. The information was sent to him in physical form in November 2022.

The right of access of an individual to receive a copy of their personal data is outlined by the Information Commissioners Office (ICO). I think it's a relevant consideration in this case. In terms of the time this should take, it states:

You must comply with a SAR without undue delay and at the latest within one month of receiving the request. You can extend the time to respond by a further two months if the request is complex or you have received a number of requests from the individual, e.g. other types of requests relating to individuals' rights.

From this, it is clear to see that Scottish Widows hasn't acted in a fair and reasonable manner. Mr T relates that he received a phone call from his IFA in March 2022, after the one month period had passed, relaying a query from Scottish Widows as to whether Mr T still required the information.

Consequently, it follows that I find that Scottish Widows was at fault here.

Looking now at the delays to the payments that Mr T requested from his pension, I will take each of these in turn.

I find that the delay to the first payment Mr T requested happened because of a miscommunication between Scottish Widows and Mr T's IFA. In the telephone call between these two parties, neither party identified that the details of the bank account into which the money was to have been sent were incorrect. Although I think that both the IFA and Scottish Widows are at fault here, the payment to the correct account was further delayed by Scottish Widows' operational backlog, prompting Mr T to contact Scottish Widows. As Scottish Widows already had the correct bank details on file, I find that it is fair and reasonable to hold it responsible for this further delay. So it was also at fault here.

In terms of the second payment request, in January 2023, Mr T was unhappy that Scottish Widows contacted his IFA to confirm the payment account details. I find it likely that Scottish Widows took this cautious approach because of the issue with the first payment being sent to the wrong account. I can appreciate why it took this approach, and I can't see that this caused a delay to the payment being made, so I don't find that Scottish Widows has done anything wrong in this respect.

I'll turn now to the issue of what level of compensation might be appropriate in terms of redress for the poor service Mr T received from Scottish Widows. It has paid him £200 in respect of the distress and inconvenience he has suffered, which I think is fair and reasonable in the circumstances of this case. It has also made a payment of £4 net of basic rate income tax to compensate him for the late payment of the withdrawal he requested in October. I think this is fair and reasonable in the circumstances.

Putting things right

I find that the compensation already paid by Scottish Widows is fair and reasonable in the circumstances of this complaint. Consequently, I won't be asking Scottish Widows to do anything else to resolve the complaint beyond the compensation it has already paid.

My final decision

For the reasons explained above, I uphold Mr T's complaint.

However, I shall not be asking Scottish Widows Limited to do anything beyond what it has already offered to do for Mr T to resolve the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 July 2023.

Bill Catchpole
Ombudsman