

The complaint

Mrs H complains that Skipton Building Society failed to provide her with appropriate assistance following the death of her husband resulting in a significant delay in claiming some pension benefits that were due to her. And she complains that Skipton failed to arrange a financial review meeting with her in a timely manner.

What happened

I issued a provisional decision on this complaint in April 2023. In that decision I explained why I thought the complaint should be upheld and what Skipton needed to do in order to put things right. Both parties have received a copy of the provisional decision but, for completeness and so those findings form part of this decision, I include some extracts from it below. In my decision I said;

Mrs H's husband sadly died in June 2021. I hope that she will accept my condolences for her loss. He held pension benefits with a firm that I will call F, and other savings that had been managed through Skipton. Mrs H approached Skipton to ask for its assistance in dealing with her late husband's financial affairs.

Mrs H provided Skipton with a copy of her late husband's death certificate. And Skipton advised Mrs H that she would need to apply for a Grant of Probate ("GoP") before she would be able to request payment of her late husband's pension benefits, and other investments. The GoP was issued to Mrs H on 27 September and she provided a copy to Skipton shortly afterwards.

In October 2021, after receiving the GoP from Skipton, F said that it would be unable to proceed with deciding the beneficiary of the late Mr H's pension benefits without receipt of a copy of his will. But Mrs H had needed to send the will to the Probate Office with her application. So she needed to request a copy of the will from that office, and this was provided to F in late January 2022.

Shortly afterwards F told Skipton that it needed an original, or certified copy, of Mr H's will. It wasn't able to accept the photocopy Mrs H had provided. But, after some further discussions between Mrs H, Skipton and F, it agreed to accept the copy provided it was supported by a receipt from the Probate Office. This was provided in mid-February 2022.

F then commenced its processes to accept Mrs H as the beneficiary of her late husband's pension benefits. Following that decision it asked Mrs H to provide copies of her bank statements to verify the payment details. And it ultimately paid the pension benefits to Mrs H in April 2022.

When Mrs H first complained to Skipton it accepted that it should have given her better information at the outset about the need to provide a copy of the will. It apologised to Mrs H for that oversight and offered her £75 for the inconvenience she'd been caused. It later increased that offer to £100. Mrs H didn't accept Skipton's offer and brought her complaint to us.

There have been two regulated businesses involved in the matters that form this complaint. Skipton agreed to help Mrs H in dealing with the estate of her late husband. One of the firms that Skipton helped Mrs H deal with was F – her late husband's pension provider. But F isn't the subject of this complaint. So although I will naturally reflect on some of the requirements F placed on Mrs H, I don't make any findings as to its conduct. Should Mrs H feel that F has acted inappropriately she would need to make a separate complaint against that firm.

The late Mr H held pension savings with F. In common with many pension plans of that type, the pension provider has discretion to pay pension benefits after death to a beneficiary that it chooses. In order to make that payment a two-stage process needs to take place. First of all F needs to identify which beneficiaries it will pay the pension benefits to. And, once those beneficiaries have been identified, F needs to undertake some basic anti-money laundering checks on the beneficiaries before making any benefit payment.

When Mrs H first approached Skipton for its help, the firm identified that she would need to request a Grant of Probate. The GoP essentially provides Mrs H with the legal authority to act on behalf of the estate of her late husband, and distribute any assets in accordance with his will. But, as part of the GoP application process Mrs H needed to send the original copy of her late husband's will to the Courts.

As part of its process to identify the beneficiaries to receive Mr H's pension savings F required a certified copy of the will. The will would give F an indication who Mr H had decided would be his chosen beneficiaries for his other assets. Although F was under no obligation to follow the directions Mr H had given in his will for his other assets, it would be normal for those wishes to influence the decisions F was taking.

Skipton failed to make Mrs H aware of the need to provide F with a certified copy of the will when it advised her to apply for a GoP. Skipton has accepted that was an oversight, and something that its teams should have been aware of. That left Mrs H in a difficult position, needing to send F a certified copy of a document she had already provided to the probate office. Had Skipton made Mrs H aware of the need for a certified copy of the will to be provided that is something that I am sure Mrs H would have arranged before making the application for the GoP.

I've looked carefully at the timeline that applied to Mrs H's dealings with F. It seems that she first provided the GoP in early October 2021. Those timescales are unlikely to have been affected by obtaining a certified copy of the will. And after starting its processing work F then asked Mrs H to provide a certified copy of the will at the end of October. But from that time F was unable to proceed with its decision on the appropriate beneficiaries until it agreed to accept the copy will, and receipt, provided by the Probate Office in early February 2022. So it is that three-month period that I think Mrs H's application was delayed by Skipton's failure to advise her to obtain a certified copy of the will before applying for the GoP.

I'm not persuaded that any of the processing times, following F's acceptance of the copy will Mrs H provided, would have been altered. As I've explained above, once F had identified that Mrs H was the appropriate beneficiary it then needed to complete its checks on her. And that is why it asked her for copies of her bank statements. I don't think those checks could have been completed any earlier – until Mrs H had been identified as the beneficiary there was no need for F to complete checks on her.

F ultimately made the payment of the pension benefits to Mrs H on 11 April 2022. So on the basis I have described above, I think that payment was delayed by a period of 104 days (from the will being requested on 29 October 2021 to F accepting the copy and Probate Office receipt on 10 February 2022). So, had nothing gone wrong I think those pension benefits would have been paid to Mrs H on 28 December 2021 instead.

I currently think that the delay in payment was due to Skipton failing to make Mrs H aware that she would need to provide a certified copy of the will – something that it agrees it should have informed her. So I currently think that Skipton needs to establish whether the delayed payment has caused Mrs H to lose out, and pay her some interest for the extended period she was without the payment.

I've looked at how Skipton dealt with Mrs H's request for a financial review. It seems to me that, from the internal emails that Skipton has provided, the service it had previously provided to Mr H was no longer entirely suitable for Mrs H's circumstances. But it does seem that Skipton was keen to assist Mrs H in any way it could. I can see that an advisor from Skipton tried to contact Mrs H in March 2022 to discuss any help she needed. But it doesn't seem that contact was followed up when Mrs H hadn't responded.

On balance I don't think any failures in the way Skipton offered the financial advice to Mrs H has caused her to lose out. She has chosen to engage an alternative financial advisor. And Skipton has apologised to Mrs H for its failure to contact her. So I'm not currently minded to ask Skipton to do anything further in relation to this part of the complaint.

Dealing with a recently bereaved customer reasonably requires higher levels of customer service than might normally be expected. So I think it fair that Skipton should recognised the distress and inconvenience it caused to Mrs H at a very difficult time – extending the period during which she needed to deal with her late husband's financial affairs. Skipton has already offered to pay Mrs H £100 for that inconvenience, but I don't think that is sufficient. I agree with our investigator that a payment of £250 would be more appropriate in these circumstances.

I invited both parties to provide us with any further comments or evidence in response to my provisional decision. Mrs H has said that she agrees with my findings. Skipton has provided some additional explanation of the events it described on the timeline it originally provided. Although I am only summarising here what Skipton has said, I want to reassure the firm that I have read, and carefully considered, the full comments that were provided.

Skipton has pointed out that the claim process was directed by a third party – F – and that it was in two parts. It says that it had little influence over the time that the process took, and the documents that were required. But Skipton accepts that it should have been aware that a copy of the will is generally required, and that should have been advised to Mrs H in the meeting that took place in July 2021.

Skipton says that it is difficult to be sure when Mrs H's pension claim might have completed. But it says that if the claim forms had been able to be submitted at the same time as the GoP it thinks it might have been completed by January 2022.

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 I explained in my provisional decision, in deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mrs H and by Skipton. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

And I repeat my reflections on the role of this service. This service isn't intended 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.

It isn't clear from its response whether Skipton accepts my provisional findings. But it has said that it should have told Mrs H that she might need to provide a copy of the will. And, if nothing had gone wrong, it thinks Mrs H's claim might have completed by January 2022.

In my provisional decision I thought that, if nothing had gone wrong, Mrs H's claim would have completed 104 days earlier than it did – by 28 December 2021. I'm not persuaded that date is materially different to that proposed by Skipton. And the additional comments provided by Skipton do not cause me to alter my conclusions. I accept that Skipton couldn't influence many parts of the claim process. And I take account of that in my analysis. But there was an extended period of time when Mrs H's claim was delayed due to her needing to seek a further copy of the will she had provided to the Probate Office. That could have been avoided had Skipton made her aware it would be required at the outset.

So I think that the complaint should be upheld, and Skipton should calculate whether Mrs H has lost out using the methodology I set out in my provisional decision, and repeat below for clarity. And I think it fair that Skipton should recognise the distress and inconvenience it caused to Mrs H at a very difficult time – extending the period during which she needed to deal with her late husband's financial affairs - by paying her further compensation of £250.

Putting things right

Skipton should liaise with F to understand whether the value of Mrs H's pension benefits would have been higher had the payment been made (and so the pension fund encashed) 104 days earlier. If it would have been higher, Mrs H has suffered a loss and Skipton should pay her the difference. Skipton should add simple interest at a rate of 8% per annum to this amount from the date it should have been paid to the date of settlement.

Mrs H was without the payment of the pension benefits for a period of 104 days due to the poor information Skipton provided. Skipton should pay Mrs H simple interest for a period of 104 days at a rate of 8% per annum on the net value (that is after income tax has been deducted) of the pension payment she actually received.

HM Revenue & Customs requires Skipton to take off tax from any compensatory interest. Skipton must give Mrs H a certificate showing how much tax it's taken off if she asks for one.

Skipton should additionally pay Mrs H the sum of £250 for the distress and inconvenience she has been caused.

My final decision

My final decision is that I uphold Mrs H's complaint and direct Skipton Building Society to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 9 June 2023.

Paul Reilly
Ombudsman