

The complaint

Mr B complains about Scottish Widows Limited (Scottish Widows). He's unhappy with the service he received when he decided to transfer the proceeds of his Stakeholder Pension Plan to the Local Government Pension Scheme (LGPS) he was a member of. Mr B considers that Scottish Widows' actions delayed the transfer and he'd like to be compensated for this.

What happened

In early 2022, Mr B decided to transfer the proceeds of his Stakeholder Pension to his LGPS. He asked Scottish Widows to send him the relevant discharge and transfer form.

Scottish Widows sent Mr B the requested form by post on 17 January 2022 and again on 18 March 2022. However, as Mr B said he hadn't received any of the transfer correspondence sent, Scottish Widows emailed the form to him again on 27 April 2022.

Having completed the relevant form, Mr B forwarded it to his LGPS for completion. The LGPS sent the form and other documents to Scottish Widows on 31 May 2022.

On 9 June 2022, Scottish Widows received the incomplete transfer form from Mr B's LGPS. Specifically, the LGPS had failed to provide its pension scheme tax reference (PSTR) number as the form requested. Scottish Widows wrote to Mr B on 6 July 2022, making him aware of this and explaining that to proceed with the transfer it needed the missing information and completed form. Having not received what had been requested, Scottish Widows chased Mr B on 20 July 2022, this time saying that if it didn't receive a response within 14 days, it would assume Mr B no longer wished to transfer.

Scottish Widows received a transfer request from Mr B's LGPS on 8 August 2022. On the same day, it wrote to Mr B again advising that without his LGPS' PSTR number, it was unable to proceed with his transfer. Scottish Widows received no response.

On 22 September 2022, Mr B contacted Scottish Widows, asking for an update on his transfer. Having received no response, in October 2022, he complained about how long his transfer was taking. Mr B later referred the matter to our Service.

While Mr B was waiting for our Service to consider his complaint, Scottish Widows investigated his concerns. As part of this, it contacted Mr B's LGPS twice on 13 February 2023, requesting its PSTR number. Scottish Widows chased the LGPS again by email and phone the following day.

Mr B's LGPS eventually responded to Scottish Widows, providing its PSTR number on 15 February 2023. Following this, Scottish Widows processed Mr B's transfer and this was completed on 22 February 2023.

On 27 February 2023, Scottish Widows provided its final response to Mr B's complaint. It upheld it, acknowledging the inconvenience Mr B had experienced while chasing the progress

of his transfer request. For this, Scottish Widows arranged for a payment of £150 to be made to Mr B.

Unhappy with Scottish Widows' response, Mr B asked our Service to investigate his complaint. One of our investigators considered the matter, but he didn't think Scottish Widows needed to do anything further.

Mr B disagreed with our investigator's view, so his complaint was passed to me for a 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'm not going to uphold it. I'll explain why. But before I do, I should emphasise that while I've taken note of the arguments made by all the parties involved, I've limited my response to the issues I consider to be central to this complaint. That's to say:

- What information Scottish Widows required to process Mr B's transfer and whether this was provided when it should've been.
- Whether Scottish Widows' acts or omissions caused the transfer of Mr B's pension to be delayed.

I should first be clear that while, as the receiving scheme, Mr B's LGPS' was clearly involved in the transfer process, my findings are solely based on Scottish Widows' acts or omissions as it's the party Mr B has complained about.

Although I'm unable to make a finding on the LGPS' actions, this doesn't mean I've ignored the impact of any delays it may have caused, or that I've held Scottish Widows responsible for these. As I understand it, Mr B intends – if he hasn't already – to raise a complaint with his LGPS about what happened during the transfer process.

Turning now to what Scottish Widows required from Mr B and his LGPS to process his transfer request. Each time Mr B confirmed he wished to transfer, the correspondence Scottish Widows sent him consistently stated that for any transfer to go ahead, Mr B would need to follow the instructions in its enclosed/attached Declaration of Claim Discharge form. Specifically, the form asked for Mr B to complete Section E of the form, which required his dated signature for confirmation he authorised the transfer of his pension to his LGPS. The form also directed Mr B to ask the Trustees/Administrators of his LGPS to complete Section C of the form which, amongst other things, required the LGPS' address, account details and PSTR number.

Having carefully reviewed the form, I'm satisfied that Scottish Widows' transfer requirements were made sufficiently clear to Mr B. I can see that Mr B completed Section E of the form, signing, and dating it 25 May 2022. Following this, Mr B says he passed the form onto his LGPS so it could complete Section C as required. He's said that his LGPS assured him that it would complete any outstanding information in the form. Unfortunately, based on what I've seen of the transfer correspondence Mr B's LGPS returned to Scottish Widows on 31 May 2022, it's clear that the information requested in the form hadn't been provided in full – specifically, the LGPS' PTSR number was missing.

As Mr B's LGPS' PTSR number wasn't provided, Scottish Widows wasn't able to progress Mr B's transfer as soon as it should've been able to. I haven't seen anything in the available

evidence which persuades me that that the fact this didn't happen is because of any act or omission by Scottish Widows. It's clear to me that any delays with Mr B's transfer stemmed from his LGPS' PTSR not being provided when it ought to have been.

Next, I've considered whether upon receiving incomplete information from Mr B's LGPS, Scottish Widows took appropriate action to try to progress the transfer.

Although Scottish Widows received incomplete information from Mr B's LGPS on 9 June 2022, I note that it took 20 working days to make Mr B aware of this and the fact that his transfer couldn't proceed until it had the LGPS' PTSR number. Scottish Widows hasn't confirmed its service standard for processing transfers. However, as Mr B's transfer was taking place manually (as opposed to electronically), I consider it reasonable to have expected it to have reviewed the LGPS' submissions, identified information was missing, and notified Mr B of this along with consequences of the PTSR number not being provided within, at most, 10 working days of having received the transfer form from the LGPS. Accordingly, I think Scottish Widows took longer than it should've, and this inevitably impacted how quickly Mr B could take action to get his transfer back on track.

That being said, I'm mindful that Mr B never responded to either of Scottish Widows' 6 and 20 July 2022 letters, requesting the PTSR number and saying the transfer couldn't be processed without it. While this doesn't negate the additional time Scottish Widows took to contact Mr B about the matter in the first place, it does indicate that even if Scottish Widows had acted when I believe it should've, there would've still been a delay if it being provided with the information it needed to process the transfer.

As it stands, despite making further efforts in August 2022 to chase Mr B for his LGPS' PTSR, Scottish Widows received no response. And it wasn't until over five months after Mr B had asked Scottish Widows in April 2022 to send him a transfer form, that Mr B got back in touch with Scottish Widows to enquire about his transfer.

As Mr B has said in his submissions to this Service that his understanding was that the transfer would take around six weeks to complete, it's not clear to me why he didn't chase matters up with Scottish Widows given the significant amount of time that had passed since he'd sent his transfer form to his LGPS for completion and referral back to Scottish Widows for processing. It's also unclear why Mr B didn't respond to Scottish Widows' correspondence about his transfer, especially as it all appears to have been sent to the correct address.

Overall, as Mr B was requesting the transfer and Scottish Widows had at the outset been clear about what it required from Mr B and his LGPS for the transfer to go ahead, I consider that the onus was on Mr B to follow up on the progress of his transfer if he still wished to go ahead.

Mr B has questioned why Scottish Widows waited until February 2023 to contact his LGPS and request the outstanding PTSR number, especially as says he told it to do this almost eight months prior. I haven't seen any record of this; however, I wouldn't have expected Scottish Widows to automatically contact Mr B's LGPS directly when it hadn't received its PTSR number. Scottish Widows' discharge form made it clear that its process and expectation was that Mr B would consult with his LGPS to ensure it received the information it needed to process the transfer. As I've said before, the evidence shows that the significant and overriding reason why Mr B's transfer wasn't progressed when it should've been was because the PTSR number wasn't provided – this wasn't Scottish Widows' fault.

I'm pleased to see that further to Mr B complaining, Scottish Widows was proactive about contacting Mr B's LGPS to get its PTSR number. However, it's worth noting that even then,

Scottish Widows still had to chase the LGPS on four occasions before it received what it had asked for. Following this it was able to process and complete Mr B's transfer.

Overall, I have sympathy for Mr B. I can see from his submissions that the smooth and timely transfer of his pension was important to him. And he had a reasonable expectation that Scottish Widows would act in his best interests, doing all it could to ensure the transfer was processed without delay.

Although I've concluded that Scottish Widows should've told Mr B sooner that his LGPS hadn't provided its PTSR number as requested, I'm conscious that this would've never been necessary if Scottish Widows had been provided with the information it requested at the outset. Notwithstanding this, I think it's appropriate that Scottish Widows paid Mr B £150 compensation, recognising the inconvenience he experienced because of its service failings. I understand Mr B feels that £2,000 would be more appropriate given the frustration and anxiety he says he experienced during the transfer process, but while I don't underestimate his strength of feeling on the matter or the sincerity with which he brings his complaint, I'm afraid I haven't found anything which leads me to conclude that such a significant award would be fair and reasonable in the circumstances.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 March 2024.

Chillel Bailey
Ombudsman