

## The complaint

Mr N has complained about poor service he received from The Royal London Mutual Insurance Society Limited when applying to draw his pension benefits. Mr N claims that he has suffered a financial loss as a result of the alleged poor service.

## What happened

The background to this complaint and my initial conclusions were set out in my provisional decision, which I issued earlier this month.

My provisional decision said:

### ***What happened***

*Mr N holds a Section 32 pension plan with Royal London. The normal retirement date of this pension plan was Mr N's 60th birthday, which was in August 2020. Mr N was then living in Thailand, he had both an address in Thailand and the UK.*

*In December 2020 Mr N contacted Royal London to tell them that he wanted to claim his pension benefits. Royal London then sent Mr N a retirement pack which told him that he could receive either a full monthly annuity with no pension lump sum, or a reduced monthly annuity with a pension lump sum. Royal London gave Mr N projected figures for each option.*

*From Mr N's 65th birthday his monthly annuity income would increase. The amount of income then payable to Mr N would be the same regardless of which of the above options Mr N chose.*

*On 10 December 2020 Royal London wrote to Mr N's UK address to thank him for telling them the type of annuity that he had decided to take. The letter said that Mr N had decided to take the reduced monthly annuity and pension lump sum option, rather than a full annuity.*

*Mr N has said that due to medical issues, combined with Covid and lockdown in Thailand, he wasn't able to complete the application to start receiving his pension in 2020. As a result, Mr N didn't contact Royal London again until April 2022, when he returned his application forms to start receiving his pension. Royal London received these forms in May 2022.*

*On 7 June 2022 Mr N also sent Royal London certified documents to verify his bank account, his identity and his address in Thailand. In Mr N's letter he explained that he was*

*living in Thailand and asked Royal London to send all correspondence to his address there, and not to his UK address.*

*Mr N gave Royal London his full Thailand address. Mr N also gave Royal London his email address and his telephone number in Thailand. Royal London say that they received this letter, together with the certified documents, on 28 June 2022.*

*Royal London have said that they had changed their records to show Mr N's Thailand address, instead of his UK address, on 12 May 2022. However, Royal London have also said that they incorrectly entered Mr N's Thailand address onto their systems at that time.*

*Royal London sent Mr N a retirement pack in early June 2022, but this was posted to the incorrect address that Royal London had entered onto their systems. Mr N has said that he didn't receive this retirement pack.*

*The retirement pack sent in early June 2022 contained updated pension figures for Mr N, which had been prepared on the basis that his pension would start on 27 July 2022. These pension figures were valid until 27 August 2022, when they then expired.*

*Mr N telephoned Royal London on 15 September 2022 to chase up his pension payment. During the call he was told that he would receive payment of his pension in the next 10 to 15 days.*

*On 20 September 2022 Royal London sent Mr N another retirement pack. This pack also explained that Mr N would need to contact Royal London to go through the risk warnings associated with his chosen pension option, and when this had been completed Royal London would be able to send an application form for Mr N to complete.*

*However, Royal London's systems still held the incorrect Thailand address for Mr N, so this retirement pack was also sent to this incorrect address. Mr N has said that he didn't receive this retirement pack.*

*Mr N telephoned Royal London again in October 2022 to chase his pension payments. During the call Royal London gave Mr N updated values for his pension, based on a retirement date of 27 October 2022. These updated values were lower than the pension figures which Royal London had previously given to Mr N.*

*Mr N wasn't happy about this, so he complained to Royal London in November 2022.*

*Royal London sent their response to Mr N's complaint in February 2023. In Royal London's response they said:*

*"Whilst we can't be held responsible for the delivery of your post, I believe that given the difficulties caused by the Thai postal service and the delays this has caused, we should have looked to send your correspondence by email wherever possible. I am also aware you were incorrectly told in a call on 15 September 2022 that the claim would be paid in 10-15 working days. I have therefore upheld this aspect of your complaint."*

*To compensate Mr N for any "upset and inconvenience" suffered, Royal London paid Mr N £100.*

*Mr N wasn't happy with Royal London's response, so he referred his complaint to the Financial Ombudsman Service.*

One of our Investigators reviewed Mr N's complaint. Their view was that Mr N should also be compensated for Royal London incorrectly addressing their correspondence to him, and the delay in replying to him between July and September 2022. The Investigator recommended total compensation of £550 for these errors, inclusive of the payment of £100 that Royal London had already sent to Mr N.

Mr N didn't agree with the Investigator's view. He thinks that Royal London should pay him the pension that he would've received in December 2020. Mr N therefore asked for his complaint to be brought to an Ombudsman.

### **What I've provisionally 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.

Mr N first contacted Royal London about drawing his pension in December 2020. However, Mr N has explained that he wasn't able to complete his application then as he had health problems, which required an operation, and was unable to return to the UK because of travel restrictions due to Covid.

Mr N has said that he doesn't hold Royal London responsible for him not being able to complete his application to start receiving his pension in December 2020.

Mr N has however also said that he thinks Royal London should show "sympathy and understanding", given the reasons why he was unable to complete the application process at that time and honour the original pension figures given to him in December 2020.

I understand the reasons set out by Mr N which prevented him from completing his application to draw his pension in December 2020. But, as Mr N accepts, Royal London was not responsible for Mr N being unable to complete his application to draw his pension in 2020.

As Royal London was not at fault, I don't think that it would be fair or reasonable for me to direct them to either back date the start date of Mr N's pension to December 2020, or to now pay Mr N the pension benefit quoted to him in 2020, as Mr N has asked.

Mr N did however contact Royal London again in April 2022, when he returned his application forms to draw his pension, which Royal London received in May 2022.

Mr N then sent certified documents to verify his bank account, identity and address in early June 2022, which Royal London say they received on 28 June 2022.

Royal London have said that mistakes were made when they entered Mr N's Thailand address onto their systems on 12 May 2022. An incorrect address was entered. This meant that the retirement packs sent to Mr N in early June and in September 2022 were not correctly addressed. As a result, Mr N didn't receive these retirement packs.

I think that had Royal London correctly addressed these retirement packs to Mr N, he would likely have received them.

Mr N had contacted Royal London in April 2022 to re-start the process of applying for his pension, which I think meant that he did then want to complete the application process. He'd also sent them certified documents in June 2022. The issues that had stopped Mr N from completing his application in 2020 were no longer applicable in 2022.

*I therefore think that, on balance, it's likely that had Mr N received the retirement pack that Royal London had posted to him in early June 2022, he would have provided Royal London with all the paperwork needed for him to then start drawing his pension.*

*The June 2022 retirement pack had a retirement date of 27 July 2022 and an expiry date of 27 August 2022. I also think it likely that Mr N would've been able to complete the process to successfully claim his pension in time for the pension start date of 27 July 2022, had Royal London correctly addressed their correspondence to Mr N.*

*Mr N had also provided Royal London with his email address and telephone number when he wrote to them on 7 June 2022. Royal London have said that they received this letter and its contents on 28 June 2022. In their response to Mr N's complaint, Royal London said that they "should have looked to send your correspondence by email wherever possible".*

*I therefore think it reasonable for Royal London to also have communicated with Mr N by email, after they had been told of his email address, when dealing with Mr N's application to draw his pension. I think that this would also have helped Mr N complete his application before the expiry date of the June retirement pack.*

*Therefore, whilst I don't think that Royal London were responsible for Mr N not being able to start drawing his pension in December 2020 (which Mr N has said he accepts), I do think that due to the above errors, Royal London were responsible for Mr N not being able to start receiving his pension from 27 July 2022.*

*I therefore think that errors made by Royal London prevented Mr N from completing his application to draw his monthly annuity income and pension lump sum from 27 July 2022. I think that Royal London now need to compensate Mr N for these errors.*

### ***Putting things right***

*As I've said above, I think that had Royal London correctly addressed the correspondence they sent to Mr N, and sent correspondence by email, Mr N would have been able to start receiving his pension from 27 July 2022.*

*I therefore think that it's fair and reasonable that Royal London now put Mr N back in the position that he would've been had he started to receive his pension on 27 July 2022.*

*Royal London should now calculate how much net pension income Mr N would have received to date of settlement, if he had started to receive his pension benefits on 27 July 2022.*

*The figure calculated is Mr N's past loss, which should be paid to him.*

*Royal London should also pay interest to Mr N on this past loss, calculated from 27 July 2022 to the date of settlement at 8% simple.*

*Royal London have said that if Mr N was starting to draw his pension now, he would receive less monthly annuity income and pension lump sum than if he had started to draw his pension on 27 July 2022. Should this be the case, then Royal London should also compensate Mr N for this loss.*

*Royal London should now complete the application process for Mr N to start receiving his pension and pay Mr N the same amount of monthly annuity income and pension lump sum that he would've received had he been able to start receiving his pension on 27 July 2022.*

*Royal London should then also pay interest to Mr N on the pension lump sum payment, calculated from 27 July 2022 to date of settlement at 8% simple.*

*Where interest is being added at 8% simple per annum, this is likely to be subject to tax. If Royal London deducts tax, it should tell Mr N how much it has taken off. It should also give Mr N a certificate showing this, if requested by Mr N, so he may reclaim the tax, if appropriate.*

*Finally, Royal London have already paid Mr N £100 in compensation for the upset and inconvenience caused by their errors.*

*I believe that a figure of £250 is a more appropriate sum to compensate Mr N for the distress and inconvenience that I believe he's suffered. Royal London should therefore pay Mr N a further £150 in compensation for the distress and inconvenience that he's suffered due to their errors.*

### ***My provisional decision***

*My provisional decision is that I uphold Mr N's complaint against The Royal London Mutual Insurance Society Limited and that The Royal London Mutual Insurance Society Limited now compensate Mr N as detailed above.*

### **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.

Both Mr N and Royal London have responded to my provisional decision. Mr N has said that he's noted my provisional decision and has nothing further to add. Royal London have said that they accept the outcome of my provisional decision.

As both parties have accepted my provisional decision, and no new information or evidence has been presented to me, my decision remains the same.

### **Putting things right**

Royal London now need to compensate Mr N as detailed in my provisional decision above.

### **My final decision**

My final decision is that I uphold Mr N's complaint against The Royal London Mutual Insurance Society Limited and The Royal London Mutual Insurance Society Limited should compensate Mr N as detailed in my provisional decision above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 13 September 2023.

Ian Barton  
**Ombudsman**