

## The complaint

Mr B complains that the past performance statistics he has been provided relating to his pension have changed on the statements he has been provided by Scottish Widows Limited, trading as Halifax Financial Services (Scottish Widows).

## What happened

Mr B holds a pension with Scottish Widows. At some point in 2022, Mr B noticed that the past performance figures shown in his plan statement differed from the past performance figures shown in previous years statements.

Mr B did not understand how the performance from a closed period of time could differ in future years, so he requested information from Scottish Widows relating to this. Mr B states that he telephoned Scottish Widows on 1<sup>st</sup> September 2022, followed up by email on 22 September 2022, and made a further call to them on 28 September 2022. On 30 September 2022, Mr B received an email (from Scottish Widows) to which he replied to on the same day, asking for an explanation of how the past performance figures differed, and received a response by letter on 6 October stating *"I spoke to the team who deals with performance of funds and they confirmed that the fund performance for different time periods would change over time. If you look closely in the documents, performance are shown for different time periods."*

Mr B was not happy with this explanation and referred his complaint to this service in November 2022. As he had not previously complained to Scottish Widows, the complaint was forwarded to them.

Mr B was then provided with a number of holding letters, and then received a cheque for £150 on 9 February 2023 with no covering letter or explanation. On 12 July 2023, Scottish Widows sent a final resolution letter explaining the reasons for the apparent discrepancies in the fund performance provided. In recognition of the inconvenience caused, the letter stated that a direct payment of £250 had been arranged, Mr B has indicated that he has received this.

Mr B was not happy with the explanation provided by Scottish Widows and the complaint was referred to this service. The investigator requested further detail from Scottish Widows which was not provided, and on 18 August 2023, issued a view. In her view, the investigator agreed with Mr B that the explanations provided by Scottish Widows were not clear. She requested that Scottish Widows provided a clearer explanation of the discrepancy to Mr B, and asked them to confirm the correct data for the prior time periods. She considered the amount already paid to Mr B (£400) was an appropriate level of compensation for the distress and inconvenience caused, and in line with what our service would deem reasonable – she therefore didn't request Scottish Widows to make any further payments. Mr B agreed with this approach.

On 31 August 2023, Scottish Widows sent a further letter to Mr B, on the same day as they made a telephone call to him. The letter provided further detail of how the past performance figures are calculated, and confirmed that although they acknowledge that the information is

misleading, that they have considered a larger sample size and confirmed the logic to be correct. The letter confirmed that a further £350 had been paid by direct payment to Mr B. Mr B was not satisfied with this explanation, particularly as the performance data in question relates to closed periods. He does not believe that the information provided supports the explanation given and as a result, the complaint has been referred 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.

Having done so I am not satisfied that Scottish Widows had gone far enough in explaining the discrepancies in data provided to Mr B, and have not provided evidence to support their explanation, and uphold Mr B's complaint for reasons I'll go on to explain.

Scottish Widows have provided a number of explanations relating to how the data was calculated.

The explanations provided in both July and August 2023 rationalise the data differences by referencing their relationship with the date on which the data was calculated. Whilst in theory this makes sense, it does not explain why in some instances the data provided for specific years differed when it was provided, nor does it explain why the data was provided as at different dates.

In July 2023, Scottish Widows apologised that their first response to Mr B's complaint had not been responded to properly, and included further detail. It stated that for Mr B's specific plan, the performance data is taken on 13 August (normally due to the inception date of the investment). This data is then uploaded from Financial Express to their own system, and the statement generated on 14 August if that is a working day. This letter also set out what would happen if 13 August was not a working date. It stated that there was no issue with the Financial Express performance data, and Mr B's observation is a "*function of the process/timing.*"

In August 2023, Scottish Widows went further and explained that although the above explanation is correct, the important date is 15 August, the day before the statement is issued, and whether this falls on a working day. They reiterated their stance that they acknowledge that the way the calculations are run is misleading however there is no issue with the Financial Express performance data, and that there has been no impact on Mr B's investment.

As part of my investigation, I asked Scottish Widows to provide fund data to support their explanation, and further detail to support the statements that were provided to Mr B. I also requested the statements to be explained in simple terms with "real examples" to illustrate the explanation. Scottish Widows have provided two responses.

In their first response, they reiterated that the valuation and performances are produced annually on a customer's anniversary date (from when the policy was taken out) and if this falls on a weekend day, the valuation will be produced on the next valuation date. In a subsequent response, Scottish Widows have confirmed that they cannot provide further clarity than that already submitted. They stated that the main reason the dates change is due to prices only being published on working days and due to the date used for the calculation being the anniversary date, the dates used would differ. They agreed that the statements are "*not clear*" however they have confirmed that the prices used are correct. The response also stated that they had raised the issue that the statements aren't clear in demonstrating the

prices used and attached an excel statement showing the fund prices on several dates for each year.

Mr B makes the point that it doesn't make sense that Scottish Widows have used different figures for previous years – in effect recalculating periods of time that had already closed, creating an element of confusion when presenting data that seems to indicate that past performance had changed. I understand Mr B's point. Scottish Widows have explained that this is due to where the anniversary date falls in relation to working days in the current year, and then providing past year's history based on that. Whilst it does appear confusing, this is Scottish Widow's decision to make in relation to how they present performance data.

It is clear that Scottish Widows are unable to provide a more detailed description of the performance figures issued to Mr B within his annual statements. They have agreed that their "*statements are not clear in demonstrating the price*". Notwithstanding this, I do not have any evidence that suggests that the data itself used is incorrect.

I would like to reiterate the purpose of this service, which is as an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focused on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective – after taking all the factors and circumstances of a complaint into consideration and as such, from what I've seen, I've not been persuaded that Scottish Widows have treated Mr B unfairly, nor have their actions caused him financial detriment.

Whilst I agree that Scottish Widows could have done more to appropriately respond to Mr B's concerns, it is apparent that there will be nothing to be gained by asking them to provide further explanations. They have provided a number of explanations, and confirmed that the fund prices used are accurate. There has been no suggestion from either Mr B or Scottish Widows that Mr B's investment itself has been affected by the way the statements have been presented and although I acknowledge the frustration caused to Mr B as part of gaining a full explanation, he has not been impacted financially.

### **Putting things right**

Scottish Widows have already paid Mr B a total of £750 in relation to the issues he has encountered and the delays in providing him with the information he requested. As this is higher than the amount that this service would expect a business to pay for issues such as this, I will not be asking them to pay him anything further.

### **My final decision**

For the reasons given above I uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 March 2024.

Joanne Molloy  
**Ombudsman**