

## **The complaint**

Miss M complains that Scottish Widows Limited has delayed her combining her two Personal Pension Plans (PPPs) into one policy. Miss M says this may have caused her a financial loss and the delays caused her distress and inconvenience.

## **What happened**

Miss M held two PPPs with Scottish Widows. The first policy, ending 0875, was set up on 1 September 2018. The second policy, ending 4548, was set up on 1 October 2020.

In June 2022, Miss M called Scottish Widows because she noted she had two policies when she should only have one. Miss M was concerned she could be financially disadvantaged as by paying two sets of management fees. Miss M tried to submit the form needed to combine her two policies several times between June and September 2022 without success. She called Scottish Widows again in September 2022 to complain about the poor service she received, but did not receive a final response from Scottish Widows. So, Miss M referred her complaint to our Service in November 2022.

One of our Investigators contacted Scottish Widows for more information. In the meantime, Miss M let us know that, in January 2023, Scottish Widows sent her a form to transfer one pension into another, but that the form was wrong and missing information. When Scottish Widows responded to our Investigator in February 2023, it said Miss M called them on 2 September 2022 to complain because she could not submit her application to transfer one of her policies into the other online. Scottish Widows should have sent her the right form on 3 September 2022. Instead, it took over four months to send the right form to Miss M, and Scottish Widows accepted it sent her poorly written letters. Scottish Widows wanted to make sure Miss M's complaint was resolved before offering her compensation, but it was prepared to put things right.

Having considered the evidence available, our Investigator said there was no evidence to suggest Ms M applied for two pensions rather than one – it was likely a mistake by Scottish Widows that the second policy ending 4548 was set up. Contributions paid into the second policy ending 4548 should have been paid into the policy ending 0875. To put things right, our Investigator said Scottish Widows should transfer the pension contributions paid into the policy ending 4548 into the policy ending 0875. It should also pay Miss M £200 for the distress and inconvenience caused by trying to fix this matter.

Scottish Widows accepted our Investigator's opinion in March 2023 but explained it would take a long time to de-invest and re-invest her funds back into the original PPP. It thought the best thing to do was to carry out a full fund transfer. After some back and forth between our Investigator, Miss M and Scottish Widows, our Investigator told Miss M the investment funds for both PPPs are the same, and if both were merged, the fee would remain the same as the charge was a percentage of the policy value. So, Miss M was charged the same regardless of whether she had one or two policies. Miss M accepted our Investigator's opinion in May 2023 and our Investigator asked Scottish Widows to settle the complaint as agreed. However, Scottish Widows did not combine the pensions or pay Miss M the £200 compensation as our Investigator had recommended it do so by October 2023, so this was

referred 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 agree with our Investigator, for the same reasons.

It is unclear why Miss M's PPP ending 4548 was set up and Scottish Widows has provided no explanation. So, I agree with our Investigator it was likely set up in error and contributions paid to the PPP ending 4548 should have been paid into the PPP ending 0875. Scottish Widows has accepted our Investigator's recommendation but failed to carry it out. So, I'll set out what Scottish Widows should do below.

### **Putting things right**

I note Scottish Widows says Miss M is not disadvantaged by holding two policies instead of one because the charges applied to both policies are based on the total funds held, so would be the same regardless of whether the total funds are held in one or two policies. I know Miss M is concerned that this might have caused her a loss, but hasn't provided any evidence of this beyond her concern. So, in the absence of any evidence that having two policies has caused Miss M a financial loss, Scottish Widows should transfer the funds held in Miss M's policy ending 0875 into her PPP ending 0875, as it has already agreed to do.

I'm satisfied £200 fairly recognises the time and trouble caused to Miss M in trying to sort this out. I am mindful this matter has gone on long after Miss M referred her complaint to our Service, but I am unable to consider the distress and inconvenience caused after she referred her complaint to our Service. Any ongoing trouble and upset caused after 2 November 2022 would have to be considered as part of a new complaint.

### **My final decision**

For the reasons set out above, Scottish Widows Limited should put things right by doing what I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 12 December 2023.

Victoria Blackwood  
**Ombudsman**