

## The complaint

Mr P says he has a Group Additional Voluntary Contribution (AVC) plan with Scottish Widows Limited (Scottish Widows) of which he was unaware. When he queried it, Scottish Widows failed to provide information about it.

## What happened

When accessing Scottish Widows' online platform, Mr P saw that it showed he had two AVC plans. One was labelled Group AVC and the other Civil Service AVC. Different plan numbers for each were given. Mr P was unaware of any Group AVC. He contacted Scottish Widows on 3 August 2022 to query it. He emailed again on 8 August 2022.

Scottish Widows sent policy information to Mr P on 23 August 2022. It showed the plan number as \*\*\*\*\*73, a start date of 1 April 2003 and a value of £8,338.75. But Scottish Widows didn't deal with any of Mr P's queries. Mr P chased matters up but Scottish Widows didn't provide any further information. On 7 November 2022 Scottish Widows acknowledged Mr P's complaint. Scottish Widows was unable to provide its final response within eight weeks and wrote to Mr P on 23 December 2022 saying he could contact this service.

On 31 January 2023 Scottish Widows wrote to Mr P with some further information. Scottish Widows issued its final response letter on 16 February 2023, saying it would send a cheque for £100 for the inconvenience Mr P had been caused. Scottish Widows acknowledged that he'd tried to get in contact multiple times for an update on his second policy P\*\*\*\*\*14. Scottish Widows said a letter had been sent on 20 January 2023, advising that policy number P\*\*\*\*\*14 Civil Service AVC Scheme commenced on 30 October 2000 and was still active. Scottish Widows apologised for the time it had taken to provide Mr P with information and for the level of service he'd received. I think Mr P received the cheque but didn't cash it.

Mr P asked this service to look into the matter. He said he has an active Group AVC policy that he knows nothing about – when it started, how it was funded, the current value or if it relates to his Civil Service AVC policy. He says Scottish Widows has never referred to the Group AVC policy in any letters or emails despite Mr P clearly stating it's that policy he's complaining about. Both policies are active so the Civil Service AVC didn't fund the Group AVC. Scottish Widows' final response letter didn't resolve things as it makes no mention of the Group AVC policy.

Mr P then received a letter from Scottish Widows dated 18 July 2023. He forwarded it to us and said it didn't answer his complaint. Scottish Widows explained that the original policy was numbered Z\*\*\*\*\*00-YP\*\*\*\*41A but had been transferred to a new AVC scheme numbered P\*\*\*\*\*14 and within that Mr P's policy numbered \*\*\*\*\*73/1 was held. So the two policies were linked and the earlier policy Z\*\*\*\*\*00-YP\*\*\*\*41A would've been viewable because it was now policy \*\*\*\*\*73/1 and which had a value of £8,338.95 as at 18 July 2023.

We asked Scottish Widows for some further information but we didn't get a prompt response. When Scottish Widows did respond they said, although information had been issued to Mr P, that and the complaint response letter hadn't clarified that Mr P holds one (active AVC) policy with Scottish Widows, policy number \*\*\*\*\*73. And the final response

letter had referred to P\*\*\*\*\*14 as a policy instead of a scheme which had probably caused confusion for Mr P. But a letter had been issued on 18 July 2023 explaining matters.

The investigator issued his view on 14 August 2023. He said, when accessing Scottish Widows' online platform, Mr P could see he had two policies with different names and numbers. So he'd queried that with Scottish Widows and had asked some specific questions. Although he received some information, he didn't get a reply to his queries despite much chasing. And Scottish Widows' final response letter in February 2023 hadn't answered the questions he'd raised back in August 2022. It wasn't until July 2023 that Scottish Widows had responded.

Although Mr P didn't think that letter dealt with his questions, the investigator thought it did. He said Scottish Widows had explained, amongst other things, the connection between the two AVC policies, why Mr P was moved from one to another and who was responsible for that. The investigator said the information Mr P was able to view online was misleading and the explanation provided by Scottish Widows in the final response letter didn't help as it referred to P\*\*\*\*\*14 as a policy rather than a scheme.

The investigator said Mr P held one policy numbered \*\*\*\*\*73/1. The AVC scheme number was P\*\*\*\*\*14, formerly Z\*\*\*\*\*00-YP\*\*\*\*\*41A. The investigator said the only issue was how long it had taken Scottish Widows to provide that explanation – 18 July 2023 when Mr P's original query had been made on 3 August 2022. £100 wasn't a fair reflection of the time taken to properly answer Mr P's queries and the distress and confusion he'd been caused. The investigator said £200 would be fair.

Scottish Widows accepted the investigator's view. Mr P didn't. He referred again to what he'd seen online. He said policy \*\*\*\*\*73/1 couldn't have been funded from Z\*\*\*\*\*00-YP\*\*\*\*\*41A as both were active at the same time. He referred to Scottish Widows' letter of 31 January 2023. He said he didn't have Scottish Widows' letter of 18 July 2023 and he hadn't received the letter dated 20 January 2023 which Scottish Widows had said in its final response letter had been sent. We forwarded a copy of the letter dated 18 July 2023 which Mr P had in fact forwarded to us. We don't seem to have sent a copy of the letter dated 20 January 2023 and I'm not sure if we've seen it. The investigator maintained the letter of 18 July 2023 did clarify things and showed that what Mr P had seen online had been incorrect and that he only had one policy.

Mr P remained dissatisfied. He said, even if the scheme trustees should've notified him of changes, so should Scottish Widows, as the policy provider. He continued to query if he had two active policies, what the Group AVC policy was and the difference between that and the Civil Service AVC and how the Group AVC policy was originally funded. He also said Scottish Widows had told him that, since August 2022, it was no longer possible to view AVC policies on line and that the call handler had been told by a colleague that Mr P's two policies had been merged in 2003.

The investigator replied, dealing with the queries Mr P had raised on 3 August 2022 and those set out in his latest email to the investigator. There were some further exchanges and the investigator asked Scottish Widows for some more information. Once that was to hand he wrote to Mr P again on 27 October 2023. The investigator maintained that Mr P only had one AVC policy although he'd been given misleading information which suggested he had two policies. The investigator still thought £200 compensation was fair.

In response Mr P said he shouldn't be expected to dismiss information provided to him by numerous members of Scottish Widows' staff in letters, emails and online as errors. The investigator responded to say that Scottish Widows had said some of the information Mr P had received on 31 January 2023 was incorrect and that had misled Mr P. The investigator

said he was relying on information from the relevant line area which looks after Mr P's policy. It was likely the call agents Mr P had spoken to could see what Mr P could see on line when he'd logged onto Scottish Widows' online platform in August 2022. The investigator provided a screenshot which confirmed Mr P's only active policy (\*\*\*\*73). was in force.

Mr P remained unhappy. Amongst other things, he said he'd spoken to the relevant policy support team himself on more than one occasion. He suggested Scottish Widows had deliberately avoided providing correct contact telephone numbers, email addresses and policy information. The fact that it took Scottish Widows more than a year to provide what is now said to be the correct information, without any supporting evidence, raised doubts in his mind. He didn't consider £200 was fair compensation.

The investigator replied but he wasn't persuaded to change his view and said that the complaint would be referred to an ombudsman for 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.

I've read and considered everything but I'm only going to focus on what I consider to be key.

As I see it, the central issue is whether Mr P has two active AVC policies or one. Mr P's concerns arose in August 2022 when, from what he saw online, it seemed he had two AVC policies. I've seen the screenshot Mr P has provided. It's headed '*Your Policies Client Services Online*' and says a list of his policies is shown below, with a box ticked if he can view details online or crossed if he can't. Under the heading '*Policy Number*' two different policy numbers are given (\*\*\*\*73/1 and Z\*\*\*\*00/YP\*\*\*\*41A). Under '*Policy Type*' a Group AVC is shown and a Civil Service AVC. Under '*View Online?*' there's a tick in the box for the Group AVC and a cross for the Civil Service AVC.

I entirely accept, if Scottish Widows' online system showed two differently named policies with different policy numbers then Mr P would naturally assume that was correct and there were in fact two policies. And I understand that when he called Scottish Widows to query things, Scottish Widows confirmed that but couldn't provide further details so Mr P sought clarification in writing.

But I don't think that's conclusive. While I don't underplay the importance for companies such as Scottish Widows to ensure that all information provided to a customer – whether in correspondence, by email, over the telephone or on line – is correct, mistakes can and do arise. As the investigator explained, if there was an error on Scottish Widows' online system then whoever Mr P spoke to presumably would've seen the same information as Mr P had which would've led them to confirm that he did have two AVC policies. That would've reinforced Mr P's belief that there were two policies. But, if the underlying information held on Scottish Widows' system was incorrect, that would likely lead to the misinformation being repeated, unless and until any errors were corrected.

Further it seems that information provided by Scottish Widows hasn't always been accurate or consistent which won't have helped. And Scottish Widows' delays in dealing with Mr P's enquiries (a pattern that was repeated during our investigation) and the failure to address his queries directly will have added to Mr P's frustration. As well as impacting on his confidence in Scottish Widows and his willingness to accept what Scottish Widows now says is correct. But I don't see any evidence that Scottish Widows has deliberately sought to withhold information. And it seems that Mr P has more recently been told that AVC policies now (and since August 2022) can't be viewed on line. Although he may not accept that's a

coincidence, we can't tell a business how to operate and what information is made available to its customers on line.

We've looked into what's happened and, like the investigator, I'm satisfied that Mr P only has one active AVC policy. In a case such as this, which turns on whether a business' records are correct, we are to some extent dependent on what the business itself tells us about how its records came to show what they did. And where, as here, there's a dispute and the evidence is unclear, incomplete or contradictory, we reach our decisions on the balance of probabilities, that is what we think is likely to have happened, taking into account what information and evidence is available and the wider circumstances.

I note that Mr P himself didn't seem to think he had two AVC policies. When he initially queried on 3 August 2022 what he'd seen on line, he seemed surprised that two policies were shown. He wanted to know if they were connected and if he'd been moved from one to the other without agreeing or being informed. And, in his email of 8 August 2022, he said he was confused to find he had two policies and he queried what the '*Group AVC*' was. I further note that he's said he made a single lump sum AVC payment in 1997 and no further contributions since, which would be consistent with having only one AVC policy.

I've seen that the investigator has tried to explain why he accepts what Scottish Widows says. I'm not sure I can add much to what the investigator has already said.

I think Scottish Widows' letter of 18 July 2023, if a bit late in the day, is helpful. It explains that the scheme number for the original AVC arrangement was Z\*\*\*\*\*00/YP\*\*\*\*41A. I think that's made up of the scheme number and Mr P's member ID. In 2003 the scheme trustees transferred to a different AVC scheme. The number of the new AVC scheme was P\*\*\*\*\*14. Mr P holds policy number \*\*\*\*\*73 with that new scheme and the value was £8,338.99.

I think that letter did tell Mr P what he needed to know. Technically I don't think the scheme has any trustees – it's a public sector scheme with a scheme administrator who administers the scheme on behalf of the scheme manager. So references to the trustees should really be to the scheme administrator/manager. But that doesn't change anything. I just wanted to be clear as to the terminology.

There's an AVC arrangement with Scottish Widows to allow members to boost their retirement provision. Decisions about how the main scheme and the AVC arrangement operate are made by the scheme administrator/manager. Scottish Widows is just the provider of the AVC scheme – that is the insurance company selected to provide and operate the AVC scheme. Or rather the AVC schemes – the original AVC scheme and the new one set up in 2003.

I don't know why the scheme administrator/manager decided to change the AVC arrangements in 2003. I think there was also a change of name then – instead of being called Civil Service AVC scheme, the new AVC arrangement is referred to as Group AVC. If Mr P wants to know more about the changes that were made he'll need to contact the scheme administrator. As Scottish Widows has pointed out, it was up to the scheme administrators to tell members about any changes to the AVC arrangements and notify those members who held AVCs as to what would happen to their contributions. So I'd have thought Mr P would've received some information from the scheme administrator in or around 2003.

I think Mr P accepts that but he also considers that Scottish Widows should've written to members of the existing AVC scheme and explained the new arrangements, including that their AVC funds would be transferred to the new AVC scheme. I think that's a fair point. As a policyholder Mr P would expect to be notified of any changes to his policy even if he had no

option but to accept them. But the changes were some 20 years ago and not all the records may have survived. And, even if there was some failing many years ago, I don't think that would change the outcome of the complaint and my view as to how many active AVC policies Mr P has with Scottish Widows.

I think the information which Scottish Widows has provided, albeit somewhat belatedly, makes sense and explained what's gone on with Mr P's AVC policy – essentially that the original AVC arrangement was replaced in 2003 with a new one and Mr P's policy transferred across. Scottish Widows has also provided a screenshot showing Mr P's policy number \*\*\*\*\*73 labelled as an AVC plan with an inception date of 1 April 2003 with an 'Inforce' status.

The upshot is that I'm satisfied that what Mr P saw online in August 2022 was wrong, as was any other information he received which might've suggested he had two active AVC policies. I think Scottish Widows has now amended Mr P's online details so that only one AVC policy is shown. That's assuming Mr P can see his policy online – as I've noted above, he says he's been told AVC policies now can't be viewed. I don't know if that was temporary or permanent but, in any event and as I've said, I can't tell Scottish Widows what information it makes available to policyholders online.

As to how Scottish Widows dealt with things after Mr P had raised a query, I think the information provided before 18 July 2023 could've been clearer. I think Scottish Widows accepts that and that there was a failure to address Mr P's queries. Scottish Widows also acknowledges that its final response letter dated 16 February 2023 could've been clearer and that the reference to P\*\*\*\*\*14 as a policy number when it's in fact the scheme number would've been unhelpful and confusing.

Further I think it was potentially confusing that the letter referred, several times, to Mr P's 'second policy' when the whole issue was whether he did in fact have two policies and when the letter didn't deal with that – just the service Mr P had received. The letter also said Scottish Widows had written to Mr P on 20 January 2023 and set out what that letter had said. I think Scottish Widows may have been referring to its letter of 31 January 2023. I don't think we've seen a letter dated 20 January 2023 and the text of the letter of 31 January 2023 was as set out in the final response letter. All in all, I think Scottish Widows' final response letter was deficient in several respects.

I think there were also some issues with Scottish Widows' letter of 31 January 2023. It quoted the correct plan and scheme numbers (\*\*\*\*\*73 and P\*\*\*\*\*14 respectively) but it referred to the Civil Service AVC scheme (which was the name of the former AVC arrangement) and said it had commenced on 30 October 2000 rather than 1 April 2003. I think these were further errors. But the letter was superseded by Scottish Widows' letter of 18 July 2023 which, in my view, did set out the position correctly.

I've already referred to Scottish Widows' delays and failure to deal with Mr P's queries. To a certain extent Scottish Widows recognised that its service had been poor and sent a cheque for £100 to Mr P. Like the investigator I don't think that was sufficient compensation, taking into account the length of the delays and the number of times Mr P had to chase for replies. I can understand that will have caused Mr P distress and inconvenience. It's very frustrating and time consuming for a customer to have to keep chasing for responses which, when eventually received, don't really deal with the queries raised. I also recognise that Mr P's health conditions make it difficult for him to read and reply to emails and doing so is a lengthy and tiring process for him. But, taking all that into consideration, I still think the £200 suggested by the investigator, and which Scottish Widows has agreed to pay, is fair and reasonable. I assume the cheque for £100 which Scottish Widows sent and which Mr P didn't cash is now out of date so the full £200 is payable.

**My final decision**

I uphold the complaint in part. Scottish Widows Limited must pay £200 as compensation for the distress and inconvenience Mr P has suffered in consequence of Scottish Widows Limited's poor customer service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 29 December 2023.

Lesley Stead  
**Ombudsman**