

The complaint

Ms D complains that Scottish Widows Limited (SW) provided her with a poor service for her pension plans held with them. Amongst other things, she said that SW had failed to take and invest the correct pension contributions from her employer.

What happened

Ms D had two personal pension plans with SW. I understand that these had been set up so that previous employers could pay pension contributions on her behalf.

On 20 July 2022, Ms D's new employer emailed SW to tell it she wanted her employer contributions to be paid into her existing pension with it. And on 25 July 2022, SW wrote to Ms D's new employer to tell them it needed a Letter of Authority to action their request.

Around this time, SW was upgrading its online systems. So its customers didn't have access to the online service.

On 22 September 2022, Ms D made an online enquiry for details of the contributions recently made to her pension by her employer. She also asked for email updates each time a contribution was made into her pension while the online access wasn't available.

Ms D complained to SW on 6 October 2022. She wanted to find out the latest amounts paid into her pension by her employer. She said SW's app and website were offline so she couldn't check this herself as usual. She wanted SW to send her an email showing all contributions and value changes for both of her pensions from the time she'd started them. And then to send her monthly emails with this information until the app and website were back online. Ms D also said she'd had trouble getting through to SW – both online and by phone - to find this information out.

SW issued its final response to the complaint on 11 October 2022. It acknowledged the lack of access to the online systems was inconvenient. But said that Ms D could call or email it instead. It said it wasn't able to send Ms D monthly statements while the online service was down.

SW said it'd received Ms D's request for the contribution information on 23 September 2022 through an online form. But that because it'd received lots of requests at that time, it'd exceeded its usual service level. It also acknowledged that Ms D hadn't been able to get through to it by phone as quickly as she would've expected due to a greater than normal level of activity. It apologised for the poor service. And paid Ms D £100 compensation to apologise.

On 13 October 2022, Ms D's employer sent SW the completed direct debit form it'd requested. And asked it to set up monthly contributions for Ms D on the first of each month starting on 1 November 2022 for £566.67 each month.

Ms D was unhappy with the compensation SW had offered her. She said she'd effectively not had access to make any changes to her pension since June 2022, which she felt was

unacceptable. She also confirmed that she had two separate pension policies with SW. And said she was looking for a statement for both pensions so that she could see all contributions from the start. She said this was so she could see that her most recent contributions had successfully reached SW.

On 24 October 2022, SW sent Ms D a direct debit mandate. It said it needed that and an enclosed form to be completed and returned.

SW issued a further final response on 4 November 2022 to cover Ms D's ongoing concern that she couldn't make changes to her pensions. And to address her request for a statement for both of her pensions.

SW said that although Ms D didn't have online access at this time, she could still call or email it. So it didn't agree that she couldn't make changes to her pensions. But it upheld Ms D's complaint about her statement request. It agreed it hadn't fully actioned her request. And sent her £50 compensation to apologise.

On 12 November 2022, Ms D sent a chaser email to SW as she still hadn't got the information she'd asked for. And on 14 November 2022 she emailed it again to say she'd received some correspondence. These were a contribution history for one of her pensions and a notice that an £837.50 contribution had been invested on 14 November 2022. But she was still waiting for some of the requested information.

Ms D was concerned that her new employer had already sent SW the direct debit paperwork it said it still needed. So she asked SW to ensure that all contributions from her employer since June 2022 were correctly reflected in the information she was still waiting for.

Ms D wrote to SW again at the end of November 2022 to chase the outstanding information. And to ask it why she still couldn't use the app. She said she'd been given no timescale for the return of that service.

On 17 December 2022, SW wrote to Ms D to confirm that her monthly contribution would change from £53.85 to £566.67. And on 19 December 2022, it wrote to tell her that the first payment of £566.67 would be taken on 4 January 2023, with the next £566.67 being taken on 1 February 2023.

SW also sent Ms D a statement on 5 January 2023. This said that £654.16 had been invested on 26 August 2022. And a further letter which stated that Ms D's plan had been restarted. And that £566.67 was due to be paid on 11 November 2022.

Ms D called SW on 3 February 2023 to raise a further complaint. She said that SW had taken a £3,400.02 contribution on 1 February 2023. This was six months of contributions. But only three months should've been collected to cover November 2022, December 2022 and February 2023. Ms D wanted the excess contributions to be returned to her employer. SW said it asked for the excess to be refunded.

Ms D wrote to SW on 7 February 2023 to ask it why the £654.16 contribution, which was shown as being paid on 20 August 2022, hadn't yet been allocated to her pension. She asked it to allocate the contribution without delay and to send her an updated copy of all contributions made into her pension.

SW sent Ms D a pension statement on 13 February 2023 but this didn't show recent contributions. It sent a further statement on 21 February 2023 which showed a change of monthly contribution from £566.67 to £583.33.

On 27 February 2023, SW sent Ms D a letter about the £654.16 paid on 25 August 2023. It said that this payment had now been applied to Ms D's plan effectively on 26 August 2023. And apologised for the delay. It also sent further statements on the same day which confirmed the following:

- a contribution of £566.67 had been invested on 1 February 2023
- a contribution of £53.58 had been invested on 1 February 2023
- a contribution of £512.82 had been invested on 1 February 2023
- SW also provided a contribution history up to 27 February 2023.

On 3 March 2023, SW wrote to Ms D to confirm that it'd returned the excess payment of £1,700.01 to her employer's account.

SW issued a final response to Ms D's February 2023 complaint on 3 March 2023. It upheld the complaint. It said it'd taken payment in error from her employer's contributions. And that it would refund this back to her employer. SW sent Ms D £125 compensation for the poor service she'd received and for the error it'd made.

On 17 April 2023, Ms D called SW to raise a further complaint. The March 2023 contribution of £566.67 hadn't been taken. And the April 2023 contribution of £583.33, although showing on her pension plan, didn't appear in the bank statement. Ms D also noted that a random amount of £16.93 had been taken in April 2023. And the £566.67 contribution in February 2023 wasn't showing despite the fact that the £1,700.01 contribution was partly in respect of that. She also complained about the continued delays to responses to her written requests.

SW sent Ms D's annual statement on 27 April 2023.

Ms D said she chased SW for a response to her complaint on 9, 11 and 22 May 2023.

SW issued its final response to the complaint on 23 May 2023. It said the level of service Ms D had received when asking for information had fallen far short of that which she could've reasonably expected. It upheld the complaint and her £125 compensation for the following:

- the online portal not matching what her bank statements stated
- that Ms D hadn't received a response to her messages on the online portal
- that an incorrect contribution of £16.93 had been taken in April 2023 without explanation
- that the payment correction in March 2023 hadn't allowed for the March 2023 contribution to be retained
- that Ms D had needed to contact SW on several occasions to get answers to the issues, without getting them.

SW said it'd collected incorrect amounts from Ms D's employer as follows:

- in February 2023 for £3,400
- in April for £16.93
- It said that between January 2023 and April 2023 it'd collected a total of £3,983. But

that it had applied £2,283 to the plan. So £1,700 should've been refunded.

It said that its Alterations team would look into correcting the errors. But it didn't explain how.

On 1 June 2023, SW wrote to Ms D to confirm that her direct debit had been cancelled. And on 2 June 2023, it wrote to her to tell her that the £583.33 contribution it had tried to collect was rejected.

Ms D brought her complaint to this service on 5 June 2023. She was unhappy with SW's response to her complaints.

Ms D said the following about her lack of online access:

- SW had sent her repeat copies of her pension contributions by post. It would be for the wrong pension plan. But if it was for the correct one, it would be incomplete.
- She said she still wasn't able to check her monthly contributions on the app almost a year after she'd first raised this as an issue. She felt this was unacceptable.

Ms D said the following about the incorrect and missing direct debits:

- SW had failed to correct her pension after taking the £3,400.02 contribution and then refunding £1,700.01. It had only applied two monthly payments out of the three payments the £1,700.01 represented to her plan. So she felt it was holding £566.67 of her funds, leaving her pension plan underfunded and deprived of potential growth. She felt this also showed that SW didn't keep a proper audit trail of entries made against her policy.
- SW had taken a £16.93 contribution on 3 April 2023, despite her employer not having asked it to take this amount. SW had also failed to provide Ms D with any sort of explanation for this amount. And hadn't allocated it to her pension plan.
- Ms D said her portal with SW currently showed £583.33 paid in April 2023. But she said no such contribution had been taken from her employer's account, despite the direct debit mandate being active and shared in good time beforehand. She said her May 2023 contribution of £583.33 had been debited from her company's bank account as expected. And that in the interim she'd received a letter from SW telling her that the direct debit details were changing and that a new form would need to be filled out. She said that this and SW's failure to address the issues she'd raised led to her employer cancelling the direct debit with it.

Ms D also said that she'd asked SW on 10 February 2023 whether she was being charged two pension fees for her two pension plans. But that it had failed to provide a response on this.

Ms D said she'd been frustrated, exhausted and embarrassed by the shambolic service she'd received from SW. She felt it hadn't done all it should to address her complaints.

Ms D wanted SW to take the following steps to put things right:

1. Refund her employer the £16.93 SW had taken on 3 April 2023.
2. Respond to her question about pension fees. And consider a refund of the fees for the last year given the issues she'd experienced.

3. Ensure that the additional £566.67 her employer had paid in February 2023 in respect of outstanding contributions was correctly invested in her pension plan.
4. Remove the £583.33 being shown as a payment to her policy in April 2023, as this hadn't been debited from her employer's bank account.
5. Pay her additional compensation to recognize the distress, inconvenience and embarrassment the errors had caused her. And to cover the loss in investment potential due to the direct debits not being taken when they should've been.

I understand that Ms D now uses a new provider for her employer pension contributions. She said that her employer had paid the outstanding contributions for March 2023 and April 2023 to her new provider alongside June 2023 and July 2023 contributions on 10 July 2023.

SW gave this service its consent to investigate the merits of the complaint. It also made a further offer to resolve the complaint.

- It would re-apply the payments on the policy to ensure that they matched the amounts and dates that they were collected.
- It would collect the missing contributions of £1,133.34 (£566.67 x 2) from Ms D's employer to fill in the gaps.

SW said it would offer the best price deal to ensure the re-application of these payments didn't financially disadvantage Ms D.

In respect of Ms D's request for SW to consider refunding fees if it was making charges for both pension plans, SW said each of the two plans had Annual Management Charges (AMCs) connected to them. It acknowledged that it'd caused inconvenience to Ms D, but said it'd still carried out general servicing on both of her plans. As such, it said it wouldn't refund the charges. It felt that the £400 total compensation it'd already paid Ms D for the distress and inconvenience it'd caused her was enough.

Our investigator issued his view on the complaint on 14 July 2023. He felt that SW's offer was fair. And that SW's offer to work out the financial loss it'd caused Ms D would put her in the financial position she would've been in if no mistakes had been made. He also felt that the compensation SW had already paid Ms D for the distress and inconvenience it'd caused her was reasonable under the circumstances.

Ms D didn't agree with our investigator. She made the following points:

Regarding her request for fees to be refunded:

- She'd asked SW in early February 2023 about the fees it was charging for managing her pensions. This query remained open. She felt that SW had neither acknowledged, nor responded to, her query. And that it was unfair for her to expect to understand the fees if SW refused to respond. She said she didn't know how much SW was charging her, nor whether it was changing her for each of her two pensions.
- She'd expected a much better service. She felt that SW hadn't tried to correct her issues.

Regarding the incorrect contributions:

- She felt that SW had retained £1,700.01 of her employer's money for a month. And

that it was only because she'd chased SW that this money was ever returned. She felt the same way about the random £16.93 payment. Ms D said that if she hadn't told SW exactly what'd gone wrong it would never have got to the bottom of things. She said she'd still had no explanation from SW about why the £16.93 payment had been taken.

- She felt she'd been financially disadvantaged by the contribution errors. And that she couldn't transfer her pension contributions to another provider until SW had addressed all of her complaint points and corrected the payments.

Regarding the lack of online access:

- Ms D said that one year on, the app was still not working as it did previously. And that she'd still not been told when the app would be back to normal. She felt this showed that SW didn't care about its customers.
- She felt that SW could've provided responses to her requests electronically. But it had instead chosen to send her a huge amount of post. She said this led to replies being untimely, incorrect and unhelpful.

Regarding the £400 compensation payments made to date for distress and inconvenience:

- Ms D didn't think the compensation she'd received to date was fair. She said only she could truly know how she'd been treated in the last year. And that trying to get the issues she'd faced corrected had mentally drained her.
- She felt she'd been given piecemeal compensation over a year, rather than a resolution of her issues.

Ms D said she wanted SW to take the following steps to put things right:

- Refund the £16.93 payment it'd taken in April 2023 to her employer.
- Correct her online portal so it displayed payments already taken from her employer and deposited into her pension fund. Ms D provided a list of the corrections she wanted.
- Correct her account to the position it would've been in if the contributions had been paid and invested when they should've been, as follows:
 - o She felt that the £837.50 that was invested in November 2022 should've been invested in October 2022. And that she had therefore lost out on the investment potential between October 2022 to November 2022.
 - o She felt that the November and December 2022 contributions of £566.67, which had ultimately been paid as part of the net February 2023 payment, should've been invested earlier. So she'd lost out on investment potential from November 2022 to January 2023, and from December 2022 to January 2023 respectively.
 - o She said that the February 2023 contribution of £566.67 wasn't detailed on her portal, despite the fact that the net February 2023 payment had included it. So she'd lost out on the investment potential from February 2023 to date.
 - o She said that £566.67 should've been taken and invested in March 2023 but

wasn't. And that £583.33 should've been taken and invested in April 2023 but wasn't. These contributions had since been invested with a new pension provider. But Ms D felt that SW should provide her with investment potential lost on these amounts from March/April 2023 to 9 July 2023. This was because her March and April 2023 contributions were made to her new pension plan on 10 July 2023.

- Confirm the level of administration fees that she'd been charged for the past year for each of her two pension plans. And refund her at least part of the fee for the plan being used for her employer's contributions due to SW's mismanagement. She also wanted information about the refund of her fees after the date she'd transferred her pensions to a new provider.
- Award her additional compensation to recognise the stress and anxiety SW had caused her over the last 12 months. And for the embarrassment it had caused her with her employer. It should also pay her further compensation in respect of the amount of time it had taken her to sort out the issues she was facing. And because she felt she'd been prevented from transferring to another provider whilst she was waiting for her issues to be addressed.

Our investigator shared Ms D's comments in full with SW and asked it for its comments. It made the following points:

Regarding the fees:

SW said that although it hadn't responded to Ms D's query about fees, it had now been addressed through her complaint to this service. It also said that information on charges was provided in the annual statements it sent. And explained exactly where Ms D could find that information in her most recent annual statement.

Regarding the incorrect contributions:

SW acknowledged Ms D's point that it'd returned the £1,700.01 overpayment to her employer because she'd chased it. But said that errors made within a company could sometimes slip under the radar. And that this was greatly amplified given the situation it was in after the systems update. It also said that this complaint fell under the poor level of service it'd provided, which it'd addressed.

SW also acknowledged that Ms D felt that the issues were only being resolved because she'd pointed them out. It said that complaints could grow/evolve over time, as they had here. And that it'd now issued its findings with a final resolution to fix the payment issue, provided its reasons for why things went wrong, and provided its justification on why it felt its compensation was fair. It said that its offer of redress would ensure Ms D wouldn't be financially disadvantaged by the errors.

Regarding the lack of online access:

Although Ms D said she was still having issues with the app, SW said that many of its customers with similar plans had been able to access the app with no issues. And that it might help Ms D to contact its servicing team to ensure she was trying to log in to the app correctly. It also said she could view her plan using the SW website, which offered more options to make policy changes

SW said that it had apologised for the poor service and offered compensation, in part due to not providing responses to Ms D's requests in a more efficient manner.

Ms D was still unhappy with our investigator's view and with SW's offer. And she also noted that there were new issues with her pensions with SW. Our investigator explained that any new issues would need to be raised with SW directly as they were outside the scope of Ms D's existing complaint.

As agreement couldn't be reached, the complaint came to me for a review.

I issued my provisional decision on 28 September 2023. It said:

I've considered all the evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I intend to uphold it. I agree with Ms D that SW should provide redress for the lost investment return on the missed March and April 2023 contributions. And that it should increase the compensation it has paid for distress and inconvenience. However, I don't agree that SW should be required to meet all of Ms D's other requests to put things right. I'll explain the reasons for my decision.

There's no dispute that SW made some errors and provided a poor service to Ms D. What is in dispute is whether SW's offer of redress is fair and reasonable.

In order to consider the fairness of SW's offer, I first considered the difference between what SW has offered Ms D in terms of redress. And what she has asked for.

Differences between SW's offer and Ms D's requests

I've noted the following disagreements between SW and Ms D. I've numbered them for ease of reference:

- 1. SW said it would collect the missing contributions of £1,133.34 (2 X £566.67) from Ms D's employer so it could fill in the contribution gaps.*

Ms D has said that SW can't take payment for March and April 2023 as her employer has already made contributions for these months to her new provider.

SW thinks that this means that Ms D has ruled out the option for it to put things right in respect of these two payments. It said that if it had received these two missing payments, it would've offered Ms D the best price deal, which would've meant she wouldn't have been out of pocket. But it said that as the contributions had been made to a new provider, it couldn't be sure whether Ms D had lost out or not.

- 2. Ms D wants SW to correct her online portal so it displays the payments that have been taken from her employer and deposited into her pension fund. She provided a list of the corrections she wanted.*

SW said it needed a screenshot of the platform Ms D had taken the information from. This was because the figures on its system didn't agree with what Ms D had provided. And it needed accurate evidence so that it could look to correct it.

- 3. Ms D wants SW to refund her employer the £16.93 it took on 3 April 2023. But SW said that if it did so, this would mean that the total amount applied to her pension for the period from August 2022 to date would change from £4,358.33 to £4,341.40.*
- 4. SW said it would re-apply the payments on the policy to ensure that they matched the amounts and dates that they'd been collected. But – and I'm paraphrasing here –*

Ms D felt that all of the payments should be re-applied on the dates they should've been collected and invested.

- 5. Ms D also feels that SW should refund the fees it's charged on the pension plan her employer contributions were being paid into. SW doesn't agree as it feels it carried out general servicing – for which the fees were charged - on both of her plans over the period in question.*
- 6. Ms D feels that SW should pay her further compensation for the distress, inconvenience and embarrassment the errors had caused her. And the time it'd taken her to resolve all the issues. SW considers it has paid sufficient compensation in this regard already.*

My thoughts

Regarding points 1, 3 and 4:

SW has provided confirmation of the amounts and dates that it has applied contributions to Ms D's plan. This shows that between August 2022 and May 2023, a total of £4,358.33 was applied.

SW has also detailed how payments should've been collected. This shows that a total of £5,491.67 should've been collected and applied to Ms D's plan over the period in question. So the difference is £1,133.34, or two monthly payments of £566.67.

SW has also provided confirmation of the payments that it actually collected. This shows that a total of £4,358.60 has been collected. The reason this is slightly different from the total applied to Ms D's account is that SW took a payment of £16.93 in April 2023. It should in fact have taken a payment of £583.33 that month, rather than the previous monthly amount of £566.67. But £16.93 is 27 pence more than the difference between the two monthly payments. It appears that SW did in fact allocate £16.66 to Ms D's account.

This evidence shows that Ms D's pension plan should've had two additional payments of £566.67 allocated to it. Had these been allocated correctly, the correct total amount of £5,491.67 would've been applied.

From what I've seen, SW's tables showing how payments should've been collected, and how payments were actually collected and applied are correct. Therefore I'm satisfied that SW can use these tables to ensure that Ms D is put back to the position she would've been in but for its errors. I agree with Ms D that SW should use these tables to ensure that she is put back into the position she would now be in if all contributions had been collected and invested when they should've been.

However, as Ms D has explained that her employer has actually made the missing payments for March 2023 (which I understand to be £566.67) and April 2023 (which I understand to be £583.33) to her new provider, SW's proposed redress is no longer possible.

I can see why SW considers that Ms D's pension plan is only short by two payments of £566.67, or £1,133.34. This is because of the £16.93 payment it collected on 3 April 2023, £16.66 of which has already been allocated to Ms D's pension plan.

But I don't agree with SW that in deciding to pay the missing contributions to a new provider, Ms D has prevented it from putting things right in respect of these two payments.

SW said that if it had received these two missing payments, it would've offered Ms D the

best price deal so that she wasn't out of pocket. And I'm of the view that it should still do this now.

I consider that as we know the amount (£566.67 and £583.33, or £1,150) of the contributions Ms D's employer made to her new provider to replace the missing contributions with SW, and the date they were made – 10 July 2023 – there's enough information for SW to be able to calculate the investment return Ms D lost over the period when the payments should've been made and the date the replacement contribution actually hit her new pension plan.

So I intend to ask SW to calculate what those two contributions would've been worth on 10 July 2023 if they'd been correctly collected and applied on time – the notional value. If the notional value is more than the £1,150 actually applied to Ms D's account with her new provider on 10 July 2023, SW should pay into Ms D's pension the difference between the notional value and the contributions paid in on 10 July 2023. It should increase that amount in line with the change in value of the £1,150 contribution actually paid in on 10 July 2023 between the date it was invested and the date of any final decision. It will need to ask Ms D's new provider to confirm what this increase is.

As I understand that Ms D's employer paid a total of £1,150 into her account with her new provider on 10 July 2023, I agree with her that SW should refund her employer the £16.93 it took on 3 April 2023. I say this because I'm of the view that Ms D's employer has made a total payment of £1,150 in respect of the missing March and April 2023 contributions, rather than the £1,133.34 SW considers it should've paid. As I've seen no evidence that Ms D's employer made a mistake here, I consider that it's up to SW to correct this.

Regarding point 2

Ms D has a list of the corrections she wanted SW to make to her online portal. But SW said it needed a screenshot to confirm what'd gone wrong.

I've seen nothing which suggests that SW's list of contributions actually paid is inaccurate. So I can understand why SW needs further information from Ms D before it can work out what has gone wrong. However, if Ms D is able to provide evidence to disprove this, she should provide it.

Regarding point 5

Ms D feels SW should refund her fees. SW doesn't agree as it said it carried out general servicing on her pension plans.

I acknowledge that Ms D has experienced several service issues. So I can understand why she'd like her fees to be refunded. But I agree with SW that it has continued to provide the general servicing which the fees covered. And that therefore it acted fairly when it charged those fees.

SW also said that it has offered Ms D compensation for the poor service through distress and inconvenience payments. I've gone on to consider those next.

Regarding point 6, about distress and inconvenience

Ms D said she doesn't feel that the £400 total compensation SW has paid her to date was adequate: "to justify the stress, anxiety headache mental despair and time I have had to spend running around trying to deal with something only [SW] had control over". She felt that each of her complaints had been dealt with in isolation. And that SW hadn't recognised the embarrassment it'd caused her with her employer. She also felt that she'd spent almost a

year trying to get SW to respond to her questions and to correct its mistakes.

SW has paid Ms D the following compensation:

- *£100 for the call wait times and the time it'd taken to respond to Ms D's request for information.*
- *£50 for failing to send out the full pension information Ms D had requested.*
- *£125 for taking an incorrect payment. And for the poor service Ms D had received.*
- *£125 for taking further incorrect payments. And for the poor service Ms D had received.*

From everything I've seen, I agree with Ms D that SW hasn't considered the full impact the series of errors and poor servicing has had on her. I can understand why this is the case – it has looked at each of her complaints as she's made them, without necessarily considering the wider picture. However, I'm in a position to look at all of the complaints holistically.

I consider that the errors have had a significant impact on Ms D for a prolonged period. As such, I'm of the view that the £400 compensation SW has paid her so far isn't enough to reflect the distress, inconvenience and embarrassment she's suffered.

I intend to require SW to pay Ms D a further £350 in compensation to better reflect the impact its errors have had on her. I say this because I consider that SW's errors and poor service have clearly caused considerable distress and worry which has taken her a lot of effort to sort out over a long period.

Response to my provisional decision

SW didn't consider that it should refund the £16.93 I'd recommended to Ms D's employer. It said this was taken to try to correct the direct debit payment increase from £566.67 to £583.33. And that if the direct debit should be restarted at a future date, refunding it could affect the accuracy of the next payment being collected.

SW asked me to clarify exactly what I meant by my instruction to: *"Re-apply the contributions actually paid into the pension plan (excluding the £16.93 refund) on the dates that they should've been collected and invested, using SW's best price deal to ensure the re application of these payments don't financially disadvantage Ms D."*

SW accepted the remaining part of my proposals to put things right, but said it would check that the proposals were possible first.

Ms D agreed with my proposed redress on the issues it covered. But she made the following additional points:

- She still didn't agree that SW should be charging her two fees for her two pensions
- She was concerned about how SW would facilitate my final decision. She felt that she'd need a single senior point of contact at SW to address any issues and respond to any queries that may occur during the resolution.
- She confirmed that SW had now reinstated her online access.

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.

Before I start, I'd like to extend my sympathy to Ms D for her recent loss. I'm grateful that she's been able to provide additional comments under the circumstances.

I acknowledge SW's point about refunding the £16.93 overpayment from the employer. But I don't agree. I say this because - as I explained in my provisional decision - Ms D's employer has paid too much into her account with SW. And as I've seen no evidence that Ms D's employer made a mistake here, SW must correct this.

Regarding SW's request for clarification on the redress, I can confirm that I require it to re-apply the contributions actually paid – that is, in line with the "*What's been collected*" amounts, using the best price deal.

I acknowledge that Ms D still doesn't agree that SW should be charging her two separate fees for her two pensions. But I covered this point in my first provisional decision. And I've nothing further to add.

Ms D said that if I wasn't responsible for reviewing the actions I'd recommended, she'd want SW to assign a senior point of contact to address any issues.

I'd like to confirm that my involvement in this complaint ceases as soon as I issue my final decision. Therefore I won't be responsible for reviewing the actions I've told SW it must take. And while I understand why Ms D has made this request, I can't reasonably ask SW to do this. I don't have the power to tell it how to operate. Or to ask it to treat Ms D differently from anyone else. But I can require SW to apply 8% simple interest each year to any compensation if it's paid more than 28 days after Ms D tells SW she's accepted my final decision. Given Ms D's concern, I've slightly amended my redress to include this interest.

My recommended redress therefore differs slightly from that in my provisional decision for the following reasons:

- The addition of 8% each year simple interest to the compensation payment if it isn't made within 28 days of Ms D's acceptance of my final decision.
- A further explanation of the redress.

However, I don't consider that either of these points require me to issue an additional provisional decision.

Putting things right

I require Scottish Widows Limited to take the following steps to put things right:

- Refund Ms D's employer the £16.93 contribution taken in error.
- Re-apply the contributions actually paid – that is, in line with the "*What's been collected*" amounts – into the pension plan (excluding the £16.93 refund) on the dates that they should've been collected and invested, using SW's best price deal to ensure the re-application of these payments don't financially disadvantage Ms D.
- Calculate what the March and April 2023 contributions would've been worth on 10

July 2023 if they'd been correctly collected and invested on time – the notional value. If the notional value is more than the £1,150 actually applied to Ms D's account with her new provider on 10 July 2023, SW should pay into Ms D's pension the difference between the notional value and the contributions paid in on 10 July 2023. It should increase that amount in line with the change in value of the £1,150 contribution actually paid in on 10 July 2023 between the date it was invested and the date of my final decision. It will need to ask Ms D's new provider to confirm what this increase is.

- The compensation amount should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.
- If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Ms D as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.
- If Ms D has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to her likely income tax rate in retirement – presumed to be 20%. So making a notional reduction of 15% overall from the loss adequately reflects this.
- Pay Ms D a further £350 compensation for the distress, inconvenience and embarrassment it has caused her.
- If payment of compensation is not made within 28 days of SW receiving Ms D's acceptance of my final decision, interest must be added to the compensation at the rate of 8% per year simple from the date of my final decision to the date of payment.
- Income tax may be payable on any interest paid. If SW deducts income tax from the interest, it should tell Ms D how much has been taken off. SW should give Ms D a tax deduction certificate in respect of interest if she asks for one, so she can reclaim the tax on interest from HMRC if appropriate.

My final decision

For the reasons set out above, I uphold Ms D's complaint. Scottish Widows Limited must take the actions detailed in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 4 December 2023.

Jo Occleshaw
Ombudsman