

## **The complaint**

Mr O complains that Scottish Widows Limited (SW) didn't provide him with reasonable access to his pension policy information. And that this has led to a financial loss.

Mr O has a further complaint with SW about events that took place after it issued its second final response letter on 25 April 2023. But my decision will only consider the complaint that this final response, and the first final response dated 27 January 2023, covered. Mr O's other complaint will be dealt with separately.

## **What happened**

Mr O holds two Income Drawdown policies with SW. He lives overseas.

In August 2022, SW wrote to affected policyholders to tell them it would be temporarily suspending online access to policy information from 13 August 2022. It sent a four-page note explaining what was happening and why.

Mr O was unhappy with this, as he wanted to monitor his investments online. He felt the suspension of the online service made him unable to access the information he needed to assess whether his investments remained suitable for him. So he said he complained to SW in October 2022. SW has no record of Mr O making a complaint at this time.

SW said Mr O complained to it on 10 November 2022. He said he'd been unable to access his policy online for the last two months. He felt this meant he couldn't make informed fund switches and that this had caused him a financial loss. He felt there should've been a back-up plan so that customers could still access their policies online. And that if online access wasn't going to be available, SW should send him a regular statement. Mr O also complained that he'd had to wait 40 to 50 minutes to get through every time he called SW. And that he'd been transferred five or six times during this call.

During the call, Mr O also asked SW to disinvest £15,000 from his policies. He specified that he'd like the payment to be made to him on 5 January 2023. And stressed that it couldn't be made before the end of 2022 or it would have tax consequences for him, for which he would hold SW liable.

SW told Mr O that whilst it couldn't currently provide an online service, it could still provide information over the phone. As Mr O felt it would be too complex to receive information this way, he asked SW to send him policy valuations for each of his two policies. He wanted them to show the details of all the funds he held in each policy – 10 funds in each policy. SW said it couldn't email information to Mr O at that point due to an ongoing system upgrade. But it agreed to post the information. SW noted that as Mr O lived overseas, the information might take a few days to reach him.

SW told Mr O that the only way he could currently get the value of his policies, or make any changes to his funds, was by telephone or post.

SW said it issued policy information to Mr O by post on 15 November 2022.

Mr O called SW again on 30 November 2022, as he still hadn't received the policy information he'd asked for. He said he couldn't manage his policies until he received the information he'd requested. He also confirmed that he wanted the information for both of his two policies. And that he wanted the information to show each of his 10 funds for each policy.

Mr O repeated his complaint from 10 November 2022 and said that due to the lack of online access he couldn't manage his policies during a period of high volatility. He felt that SW was responsible for any poor investment performance from 13 August 2022, when his online access had been suspended. He said he couldn't effectively manage his policies by phone. SW said it would email the information Mr O had asked for.

It came to light that SW had only posted information about one of Mr O's policies on 15 November 2022. So it emailed information for the other policy on 1 December 2022.

Mr O called SW again on 6 December 2022. He said the information it'd emailed to him on 1 December 2022 wasn't detailed enough to allow him to properly review his investments. He said he needed monthly statements for both of his policies from August 2022 onwards. SW said it would email him with that information. Mr O also said that he'd still not received the information posted to him on 15 November 2022. SW said it would email this to him.

Mr O also asked SW about his planned £15,000 withdrawal. He felt it should be actioned around the 18/19 December 2022 so that it would reach his account on 5 January 2023.

Mr O called SW on 30 December 2022 and 6 January 2023 about his requested £15,000 withdrawal. SW told him there was a backlog with income drawdown payments. Mr O raised a complaint. He said he wasn't able to pay his bills this month. Mr O also called SW about the delayed payment on 9 January 2023.

Mr O called SW again on 10 January 2023 as he was still waiting for his £15,000 drawdown payment. He said he'd had to wait to get through. And that he'd been transferred between three different departments.

SW said that it was working on the payment. But wasn't sure when it would be made. Mr O asked for a complaint to be raised about this. He also told SW that he still needed the historical data from August 2022 onwards that he'd previously requested. He said he needed a monthly statement by fund since 13 August 2022 so that he could make decisions about his investments. SW said it would request this information.

SW posted Mr O policy information on 11 January 2023. And then it posted him statements for both of his policies for the period from January 2022 to January 2023 on 22 January 2023. It also actioned Mr O's withdrawal request, with the payment being confirmed to him on 12 January 2023.

SW issued its final response to Mr O's 10 November 2022 complaint on 27 January 2023. It upheld the complaint. It apologised for disinvesting Mr O's requested £15,000 withdrawal later than he'd requested. And said it'd been delayed because of the tax laws of Mr O's home country. SW also apologised for the lack of online access. It sent Mr O £50 compensation for the poor service he'd received.

Mr O rejected SW's final response on 18 April 2023. He felt that SW had been given enough time to authorise his withdrawal on time. And that everything had already been in place about the tax issue SW had said had caused the delay before his withdrawal request. He also said that if he'd not managed his financial affairs to cover the late payment, he could've had a downgrade to his credit rating. This had caused him anxiety and a potential financial

loss.

SW issued a further response to Mr O's complaint on 25 April 2023. It felt its original response was of poor quality. It now felt it should pay Mr O a further £100 in respect of the issues he'd faced. It also made an interest payment of £21.04 (net of tax) in respect of the delayed income drawdown payment. It based this payment on an interest rate of 8% from 5 January 2023 to 12 January 2023. SW also apologised for its previous complaint response, which it acknowledged hadn't fully addressed Mr O's points.

SW apologised for the continued lack of online access and the inconvenience this was causing. It said that this lack of access had led to its phone lines being busier than usual.

SW said that while there was no online access, it was still possible to request a fund switch over the phone or by email. So it didn't agree that it'd prevented Mr O from making such changes. And therefore it didn't feel it could fairly be held responsible for any financial loss Mr O felt he'd suffered through not being able to make fund switches online. It also said that it had no record of Mr O having asked it to switch funds.

Mr O didn't accept SW's final response. He wrote to it on 16 May 2023. He said one of the main reasons he'd chosen it as his pension provider was the online services it provided. He didn't think it was fair that in August 2022 those services had been stopped. He felt it was especially unfair that there'd been no online access during a period of extreme market volatility.

Mr O said that this lack of online services meant he'd been unable to analyse fund portfolio changes since August 2022. He felt that the phone service that was in place instead wasn't fit for purpose. And that the removal of the online services without adequate replacement had caused him a financial loss.

Mr O brought his complaint to this service. He didn't agree with SW that it was: "*still possible to request a fund switch over the phone or by email*". He said this statement was only true as of June 2023. He felt that the phone service that SW recommended be used by customers during the suspension of online services wasn't fit for purpose. He said that call waiting times were long and the service received was poor. Mr O said he often got transferred from department to department and was often given different phone numbers to use instead. He also said that it wasn't possible to verbally request policy values by fund. Mr O also said that SW had provided him with no accurate information about when the online service would resume.

To put things right, Mr O wanted SW to cover his financial losses since 13 August 2022.

In response to this service's request for Mr O's complaint file, SW acknowledged that Mr O had spent a considerable amount of time getting through to it by phone. And that he'd been transferred between multiple departments, and given several different contact numbers for the department he needed. It also said that its first final response letter had been of poor quality, and issued later than it should've been.

SW said it'd paid Mr O £150 compensation to date for these service issues. It offered him a further £200 compensation for the poor service he'd received. It also said that it was prepared to cover any costs Mr O might've incurred due to the late payment of the £15,000.

SW still didn't think it had done anything wrong when it withdrew online services. It said that its Conditions Of Use gave it the right to withdraw access to the service at any time and for any reason. Therefore it said that the removal of online access for Mr O was within the terms and conditions of his policy. It also said that Mr O knew that he could obtain fund values and

instruct changes to his policy - including fund switches - over the phone. So it couldn't reasonably take responsibility for the decrease in value of his policies. SW also said that it couldn't be held responsible to any delays of the postal service.

SW also provided this service with a link to the Conditions of Use applicable to Mr O's policy. These stated, under section 5. General:

*Scottish Widows may suspend or terminate your use of the services at any time for any reason.*

*Scottish Widows may vary these terms at any time to:*

- *reflect a change in applicable law, regulation or industry practice*
- *improve the efficiency of the services*

*We will post the amended terms on our website. Your continued use of the services will be deemed to be your consent to the revised terms. You are free to discontinue your use of the services with us at any time.*

Our investigator didn't think that SW had acted unfairly when it'd suspended Mr O's online services.

Our investigator considered the compensation SW had paid. And the additional compensation it had offered. He felt the £15,000 withdrawal had been delayed because of tax regulations outside of SW's control. And because of the timing of the request being straight after the Christmas period. He therefore didn't think that SW had been required to add 8% interest for the period of the delay.

Although our investigator didn't think that the delays in disinvesting the funds had been definitively avoidable, he felt Mr O had suffered a loss of expectation, as he hadn't found out until 6 January 2023 that the disinvestment would be delayed. He noted this had caused Mr O concern and inconvenience. But felt that SW's offer of £50 compensation and £21 interest for the disinvestment delay was fair.

Our investigator also felt that Mr O had suffered long call wait times. He noted that SW had offered Mr O £100 compensation to recognise both this and the lack of online access. But felt that as SW's terms and conditions didn't require it to provide online access, it wasn't required to compensate Mr O for suspending online access. Therefore he felt that the £100 compensation SW had offered in its April 2023 final response was solely in relation to the long call wait times.

Our investigator felt that SW could've identified that the suspension of online access would've led to high call volumes. And that it therefore could've taken more steps to prepare to deal with higher call volumes. As such, he felt that the £100 compensation should be increased to £125. He felt that this would more fairly reflect the level of consistent and repeated long call wait times which Mr O suffered over the period from September 2022 to January 2023.

Our investigator also felt that SW hadn't provided Mr O with the policy information he'd requested for both policies for the period of August 2022 onwards in a timely manner. He felt Mr O had made his requirements clear. And that he shouldn't have had to chase SW before it was provided in January 2023. He felt that SW should've acknowledged Mr O's first request for the information on 6 December 2022, and then sent the information to him on 18 December 2022. He felt that if this had been sent by email, Mr O would've received the

information that day. Instead, he felt SW had mistakenly posted the information to Mr O on 22 January 2023. And that SW had therefore caused avoidable delays from 18 December 2022 to at least three weeks after the 22 January 2023. He felt SW should pay Mr O £125 compensation for this avoidable delay and the distress and inconvenience he'd been caused chasing up his request.

Overall, our investigator recommended that SW increased its compensation by £150 - £25 in respect of call wait times and £125 in respect of the failure to provide policy information in a timely manner - rather than the £200 it'd offered.

Mr O didn't agree with our investigator. He didn't think SW had fairly removed his online access. And that when he'd called SW to ask it for policy fund prices, it'd said it'd have to refer his request to another department. He felt this showed that SW couldn't provide the information he needed by phone.

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

I issued my provisional decision on 21 November 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. But I agree with our investigator that SW was entitled to remove online access. And that its alternative provision of information was fit for purpose. Therefore I don't intend to uphold Mr O's complaint that SW's removal of his online access led to a financial loss. But I consider that SW should pay Mr O the total compensation it has suggested – that is the £171 it's already paid, plus the £200 additional compensation it has offered for the poor service Mr O received – rather than the redress our investigator suggested. I know Mr O will be disappointed by my decision. I'll explain the reasons for it.*

*I first considered Mr O's complaint about the lack of online access.*

*Did SW fairly suspend Mr O's online access?*

*It's entirely reasonable for Mr O to require detailed policy information so that he could monitor his investments. And because he lives overseas, I can understand why online access would be desirable.*

*However, having carefully considered both the Income Drawdown policy provisions and the Conditions of Use applicable to Mr O's policies, I'm satisfied that SW has the right to suspend or terminate online access at any time and for any reason.*

*I acknowledge that Mr O doesn't think this is reasonable. And doesn't agree that this was what he signed up for. I also understand how highly he values his online access and that he says it was a fundamental reason for him using SW as his pension provider. But I can't fairly agree.*

*I say this because Mr O's Conditions of Use clearly allow SW to "suspend or terminate" his use of the services "at any time for any reason". And his policy provisions don't mention online services at all.*

*I know Mr O doesn't consider this fair. But I've seen no evidence that SW has broken its terms of service. I also note that most, if not all, other pension providers have similar conditions in their policies. Therefore I'm not persuaded Mr O would've been able to find an alternative pension provider who would've guaranteed continued online access throughout*

*the life of his policy at the point that he took out a policy with SW.*

*Therefore I don't uphold this part of the complaint, as I've seen no evidence that SW did anything wrong when it suspended online access.*

*I next considered whether SW provided Mr O with other reasonable methods of obtaining the policy information he said he needed in order for him to be able to analyse whether or not he needed to switch his funds.*

#### *Alternatives to online access*

*SW said that apart from calling it or writing to it with an instruction, Mr O could've used its digital fund centre on its website to obtain the previous day's unit bid price for the funds he held, given he knew the names of the funds. It said he could then calculate the specific value of his policies by multiplying the bid price available with the number of units he held in the fund, given he knew the number of units he held in the fund.*

*Mr O told this service that when he asked SW for fund prices for his 20 funds, he was told that his request would have to be referred to the relevant department. So he doesn't consider that SW has provided him with an adequate alternative to online access. And he doesn't agree that fund price information was available to him by phone or by internet enquiry.*

*Mr O said he accepted that it was inconvenient to wait for a phone response. But that SW had actually been unable to provide the information he'd requested by phone. He felt this meant that he couldn't access the policy information he needed to make effective fund switch requests. He also said that looking at other parts of SW's internet for price information wasn't a valid solution, as it only provided single unit prices, rather than the individual fund unit holding.*

*As our investigator noted, given online access isn't guaranteed, we'd expect SW to provide Mr O with the ability to access his policy information using other means. It has said that he could call or write to it, or use information available on its website. And during the 10 November 2022 complaint call, SW did tell Mr O that it could provide the information he might need by phone, rather than mention the other potential methods.*

*Mr O said he had a total of 20 funds across his two pension policies, so I can appreciate why he didn't think it would be straightforward to access his policy information by phone. But that doesn't mean that I think SW's alternatives for accessing information were unreasonable.*

*I say this because I'm satisfied that SW can actually provide any fund information Mr O might need by phone. I acknowledge it may not be the approach Mr O would prefer to take, given his difficulty in getting through to SW, and the number of funds he holds, but I don't agree it isn't possible.*

*In my view, Mr O was able to obtain his policy information by phone. But, if he didn't want to access it that way, he could also access any fund price information he needed from SW's website. I understand that he doesn't agree that it contains enough information for him to carry out the analysis he said he wanted to, but I don't agree.*

*I say this because even though SW's fund website wouldn't have the number of units he held in each fund, I agree with SW that Mr O would either already know the funds he was invested in, and the number of units he held, or he could easily access that information by calling or writing to SW.*

*I acknowledge that Mr O's main complaint is that he's made a financial loss because he couldn't access the fund information he needed so that he could carry out a full analysis of his funds before deciding whether to switch funds. But, having listened to all the call recordings SW has provided, I've no evidence that he ever called SW to ask it to carry out any specific fund switch. Nor have I seen any documentary evidence that Mr O asked SW to carry out a switch.*

*I acknowledge that Mr O said he wanted to carry out analysis before deciding whether to switch any funds or not. But, as I've explained above, I'm satisfied that he had enough access to enough information that he could've carried out that analysis. I accept that it may have been more difficult to do than if the online service had been available, but I'm satisfied that it was possible. Therefore, I can't fairly hold SW responsible for any fund losses Mr O thinks he's incurred due to the lack of online access.*

*I next considered the late payment of Mr O's requested £15,000 withdrawal.*

*Payment of the £15,000 requested*

*The evidence shows that Mr O first told SW he wanted to withdraw £15,000 on 10 November 2022. Mr O was very specific in this call that the payment must not be made before the end of 2022. And that he wanted it to reach his account on 5 January 2023. SW told Mr O that it wasn't sure that it would be possible to arrange for his requested funds to hit his account on a nominated day.*

*I can see that Mr O called SW about this withdrawal request on 6 December 2022. SW told Mr O that it would begin processing the disinvestment in the new year. But he told SW that he felt its suggested timing wouldn't get the money to his account on time. He said it should action his request on the 18/19 December 2022 so that it would reach his account on time.*

*I also note that Mr O called SW again about his withdrawal on 30 December 2022. And then again on 6 January 2023 after his chosen payment date had passed. SW wasn't able to give Mr O a confirmed date of payment. And simply told him there was a backlog with income drawdown payments. So I can see why Mr O was unhappy at this point, especially as the late payment might cause him financial issues. Mr O also called SW to chase the payment again on 9 January 2023.*

*As our investigator noted, Mr O's chosen date was almost straight after the Christmas period. So it's not surprising that it would prove difficult for SW to disinvest the funds at the correct point that the money would be with Mr O on 5 January 2023.*

*Mr O had also added a further constraint to his request – the withdrawal mustn't be paid in 2022 – so SW was restricted in when it could take the necessary actions to make the payment. SW also said that there were other overseas tax regulations which delayed the payment, although Mr O disputes this.*

*From what I've seen, if SW had followed Mr O's instruction on the 6 December 2022 call to action his request on 18/19 December 2022, it would've been in danger of breaching his other requirement that the payment mustn't be made in 2022. Mr O had told SW that he would hold it responsible for any tax consequences in that event.*

*I can see that SW told Mr O that it may be difficult to meet his exact deadline. But I'm not persuaded that Mr O ever really felt that SW wouldn't be able to process the withdrawal on time. So I agree with our investigator that he suffered a loss of expectation. And that this led him to have to make further calls to SW to chase up the payment.*

*SW has paid Mr O £21 interest to compensate him for the loss of use of his funds for the period of the payment delay. It's also paid him £50 compensation for the delay itself. I consider that this fairly reflects the additional anxiety, distress and inconvenience the late payment clearly caused Mr O.*

*I also note that SW offered to cover any costs Mr O might've incurred due to the late payment. But as he's told this service he didn't incur any, I don't consider any further redress is necessary here.*

*I finally considered the service Mr O received from SW, including when he asked it for policy information. This informed my decision on the appropriate level of distress and inconvenience compensation that SW should pay.*

### *Service issues*

*I've covered Mr O's complaint about the suspension of online access earlier in my decision. This section will focus on SW's failure to provide him with the information he requested in a timely manner. And the difficulty Mr O had getting through to SW on the phone.*

### *Difficulty getting through to SW on the phone*

*Mr O complains that it was difficult and time-consuming to get through to SW by phone, And that he'd faced long call wait times, repeated internal transfers, and been given incorrect phone numbers.*

### *Delayed provision of information*

*During a call with SW on 10 November 2022, Mr O asked it to send him policy valuations showing fund details for each of his two policies.*

*I understand that SW issued information for only one of Mr O's policies on 15 November 2022 by post, as it wasn't at that point possible to email the requested information. This was three working days after the request, which I consider reasonable. I understand that Mr O still hadn't received this by 6 December 2022. But I agree with our investigator that we can't fairly hold SW responsible for any failures in the postage system. I also note that SW made Mr O aware that the post may take several days to reach him.*

*After Mr O told SW on 30 November 2022 that he'd not received the requested information, it came to light that SW had only posted information about one of his policies. By the start of December 2022, SW could now email information to policyholders. So it emailed information to Mr O about his other policy on 1 December 2022, but he found that it wasn't detailed enough.*

*I can see that SW only provided summaries of Mr O's funds at this time. And, while I understand why these weren't what Mr O wanted, I've no evidence that he asked for monthly statements for both of his policies from August 2022 onwards until 6 December 2022. Therefore, while I understand why it would've been frustrating for Mr O to have to call SW again to clarify what he needed, I can't reasonably say that SW failed to act on his request. But I can say that it made a mistake in only posting information about one of his policies.*

*I can also see that, when Mr O clearly requested on 6 December 2022 monthly statements for both of his policies from August 2022 onwards, it took until 11 January 2023 for SW to post that information on to him. It also required another call from Mr O on 10 January 2023. SW said that due to human error, the letter hadn't been issued by email. The delayed provision of the requested information, and sending it by post rather than email, clearly*



*caused avoidable delays to Mr O receiving the information he'd requested.*

*From what I've seen, SW made two errors here, both of which led to a delay in Mr O getting the information he wanted and caused him inconvenience. However, as I noted earlier, I consider that Mr O had other methods available to him to access the information he needed to carry out fund analysis. So I'm not persuaded that the delay in the provision of the requested information rendered him unable to manage his policies, or that it led to a financial loss. But I do consider that SW should compensate Mr O for its mistakes and the inconvenience they caused him.*

*Having considered the service issues Mr O faced, I finally considered the level of distress and inconvenience compensation I consider fair under the circumstances.*

#### ***Distress and inconvenience***

*SW has acknowledged that Mr O faced consistent difficulties trying to contact it by phone. It initially offered him £100 compensation in respect of those difficulties. But it has increased its offer to a total of £300 for the poor service Mr O received overall. SW said this included compensation for the poor quality first final response letter, which had been issued late. It also includes compensation for the delayed provision of information.*

*I understand why Mr O has been angered and frustrated by the call wait times and the difficulty in getting through to the correct department. This is especially true given he felt he was being forced to go through the phone route for the required information as the online access he preferred had been suspended. And as I noted earlier, SW could've anticipated that it would get more calls than normal from those policyholders for whom online access wasn't available. And it therefore could've taken steps to ensure that those policyholders could get through to it by phone in a reasonable way.*

*However, SW has now offered to pay an additional £200, bringing the total compensation offered for the distress and inconvenience the poor service he received caused Mr O to £300. Based on the impact the poor service has had on him, I consider this to be reasonable under the circumstances.*

*Therefore, I intend to uphold this complaint. And I intend to require SW to pay Mr O an additional £200 compensation for the poor service he received.*

#### **Response to my provisional decision**

SW accepted my provisional decision.

Mr O said that SW hadn't yet provided him with the original terms and conditions of his policy from 2006. He said he hadn't received any amendments to his policy. And therefore didn't consider that online services could be withdrawn at any time. Mr O wanted SW to provide him with the original terms and conditions in force in 2006 so that he could confirm whether or not those terms had been breached.

#### **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 noted Mr O's comments. But they don't change my decision. I remain satisfied that SW has the right to suspend or terminate online access at any time and for any reason. And that it always did have this right under the terms of the policy. Therefore I remain of the view

I set out in my provisional decision.

### **Putting things right**

I require Scottish Widows Limited to pay Mr O a further £200 compensation for the poor service he received.

### **My final decision**

For the reasons set out above, I uphold Mr O's complaint. Scottish Widows Limited must pay Mr O a further £200 compensation for the poor service he received.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 4 January 2024.

Jo Occleshaw  
**Ombudsman**