

The complaint

Mr M's complaint is that Scottish Widows Limited failed to pay him the proceeds from his personal pension in a timely manner. He says this had significant consequences for him including that he was made homeless.

What happened

Mr M's complaint was considered by one of our investigators. She sent her assessment of it to both parties in December 2023. The background and circumstances to the complaint were set out in her assessment. But to summarise, Mr M called Scottish Widows on 28 July 2023 requesting the full withdrawal of his pension. During this call the call handler asked why Mr M wanted to take the pension. Mr M said that times had been tough. The call handler then enquired as to whether Mr M was struggling financially, and Mr M said he didn't want to discuss it, that Scottish Widows wouldn't be able to help and he just wanted to cash the pension in. Mr M later said that he was hopefully going to get a job later that day and he needed to get a car.

The call handler tried to verify Mr M's identity (as part of the withdrawal process) on the call but wasn't able to do so. So they said that they would send Mr M an e-mail with the withdrawal forms and the identity requirements.

Mr M called Scottish Widows again on 31 July 2023 as he had lost his passport and wanted clarification about how to provide identification. Following a conversation Mr M asked Scottish Widows to send him an e-mail with a list of suitable documents it accepted for identity verification. Scottish Widows sent Mr M an e-mail with the list of acceptable identity requirements. Mr M sent Scottish Widows the documents needed to verify his identity on 2 August 2023.

Mr M called Scottish Widows again on 16 August 2023 asking for an update on the withdrawal. Scottish Widows said it hadn't received the application form and couldn't process the withdrawal without it. Scottish Widows said it had sent two e-mails to Mr M, one of which had the application. Mr M said he hadn't received that e-mail.

Mr M called Scottish Widows again later the same day. Whilst on the call Mr M completed the form with the help of the call handler. Mr M said he couldn't wait another three weeks to receive his pension as he needed it to pay his rent. The call handler signposted Mr M to various charities. The call handler made a note of Mr M's financial situation and explained that as a vulnerable customer Scottish Widows was able to expedite the payment. However didn't provide any timescales for it. The call handler promised a call back from someone on their team once they had an update.

Mr M called Scottish Widows again on Friday 18 August 2023. He explained that he was going to be evicted that day, and needed the money from his pension to pay his rent. The call handler explained that the pension withdrawal process was started two days previously and that the payment usually took 15 working days. Mr M was unhappy with this and said he would be evicted if he didn't pay his rent by 5pm that day. The call handler said that they could send an e-mail with confirmation of the payment to Mr M's account to show to his

landlord. Mr M didn't agree to this and said he thought that the landlord would rent the flat to somebody else if the rent wasn't paid that day. The call handler said that they would call Mr M back once they had received more information.

In the call back later on that day the call handler explained that a CHAPS payment had been raised and the payment could be made by early the next week. Mr M said he had started the process to take his pension in July 2023 but still hadn't received it. He asked to raise a complaint about the matter. A manager then spoke to Mr M and said the earliest the payment could be made was the Monday. Mr M subsequently received the payment on the Monday (21 August 2023).

In responding to Mr M's complaint Scottish Widows, said it had received the identification documents on 2 August 2023. But it hadn't received the application form, and it couldn't have started the withdrawal process until all its requirements had been met. It said, however, on the call on 16 August 2023 the call handler had said that they would expedite the process but hadn't provided any timescales. It also said it could have offered Mr M more support on the call on 18 August 2023. It therefore offered Mr M £750 as compensation for the distress and inconvenience this had caused.

Our investigator thought that the offer made by Scottish Widows was fair and reasonable in all the circumstances. She noted that Mr M had sent Scottish Widows the identification requirements on 2 August 2023. But he hadn't completed the application for the withdrawal. She said Scottish Widows had provided evidence to satisfy her that it had sent the e-mail about the application form to the same e-mail address as the one used for the identification requirements which Mr M had received.

The investigator said she had listened to the calls between Mr M and Scottish Widows between 28 July and 18 August 2023. And it wasn't until the call on 16 August 2023 that Mr M had told Scottish Widows that he needed the money to pay his rent. She said that on previous calls Mr M had said that he was in some financial difficulty, but that he would be fine as he was going to get a job soon.

The investigator said she appreciated it was an extremely difficult time for Mr M as he hadn't received his pension which he needed to pay his rent. But she said Scottish Widows had offered to send Mr M an e-mail confirming it was going to pay the pension so that Mr M could show his landlord. And when Mr M said the landlord wouldn't accept the e-mail, Scottish Widows said it would make an emergency payment of £500 on 21 August 2023. Scottish Widows paid the pension itself on 21 August 2023. The investigator said that Scottish Widows expedited the payment and processed it within three working days of receiving the completed application form.

The investigator said that whilst she empathised with Mr M's situation, if Scottish Widows had known about the urgency of Mr M's position earlier it could have potentially done more and made the payment sooner. Overall, she thought Scottish Widows' offer of £750 compensation was fair in all the circumstances.

Mr M didn't agree with the investigator's findings and raised some further points. Mr M's complaint was therefore passed to me to consider.

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 appreciate that the financial consequences of the pension not being made in time for Mr M

to pay his rent have been significant. And that this had a knock-on effect both for Mr M's financial position deteriorating generally, and his overall wellbeing. Mr M has questioned why the investigator thought Scottish Widows' offer of £750 was fair given this wider impact the matter has had on him.

I think the starting point is to assess how the firm acted, and what it did wrong in the context of all the circumstances.

As the investigator said, when Mr M initially contacted Scottish Widows and said he wanted to cash in his pension, the call handler asked for the reasons he wanted to do so. When Mr M said that times had been tough, the call handler started to enquire further about Mr M's financial situation. However Mr M said he didn't want to discuss it, and Scottish Widows wouldn't be able to help. Scottish Widows wasn't initially alerted of the urgency to get the payment to Mr M by a certain date, and what the consequences were for Mr M if it didn't.

Mr M has questioned why he needed to tell Scottish Widows why he needed the money from the pension. He's said he should have been able to expect a smooth transaction, and when he originally applied for it there was plenty of time for it to be paid.

Scottish Widows has said its standard time to process a pension withdrawal is 15 working days once it had received all the required documentation. Mr M sent Scottish Widows the documents needed to verify his identity on 2 August 2023. So even leaving the e-mail about the withdrawal Mr M didn't receive on 28 July 2023 aside, 15 working days after 2 August 2023 fell after 18 August 2023 when the rent was due to be paid. So it wasn't guaranteed that Scottish Widows would have paid the money out to Mr M by 18 August 2023 in any event, and time could always have been tight.

Firms obviously receive work on an ongoing basis and will generally be set up to process that flow of work as it's received and in accordance with its standard timescales (assuming reasonability). So Scottish Widows would ordinarily have aimed to process the request within its usual 15 working days (after receipt of all information) turnaround time. However it's natural and reasonable to expect that if a firm is made aware that there are serious consequences if a payment isn't made by a certain date, it will make reasonable endeavours to meet that date. So if Scottish Widows had known about the potential eviction, it could have treated Mr M's withdrawal as a matter of urgency and prioritised its payment.

When Mr M initially discussed wanting to make the withdrawal and the call handler wasn't immediately able to verify his identity (for the withdrawal purposes), he explained he'd send Mr M forms for withdrawal and for identity verification. Scottish Widows has provided copies of the e-mails it says were then sent. As the investigator said, they were both sent to the same e-mail address. And they were also sent at the same time.

The call handler had just been discussing the two requirements with Mr M. I accept the call handler may not have specifically said he was sending the two requirements in two separate e-mails. And as Mr M has said, cashing in a pension isn't a daily activity and he wouldn't have known the process and that two emails had been sent. But I don't think sending two separate e-mails was unreasonable in the context of the discussion with the call handler that had just taken place. I don't think it would have been unreasonable for the call handler to assume the e-mails – if correctly addressed which they were – would be received. I have to consider whether what the firm did was unreasonable at the time, and not with the benefit of hindsight. And in my view it wasn't unreasonable in the circumstances.

Mr M didn't tell Scottish Widows that he needed the money in order to pay his rent and was under threat of eviction until the call of 16 August 2023. He didn't mention the eviction was going to be on 18 August 2023 in the 16 August 2023 call; it wasn't until the 18 August 2023

call that he said he was going to be evicted that day. During the 16 and 18 August 2023 calls Scottish Widows suggested alternative ways it might be able to help. I accept that Mr M said the suggestions wouldn't work or resolve the matter. But I think Scottish Widows was making genuine attempts to help.

As I've said, I don't think Scottish Widows acted unreasonably up to the 16 August 2023 call. And it made payment three working days from that call. Scottish Widows has said that in the 16 August 2023 call, its call handler said they would expedite processing the payment but didn't provide a timescale. I also note it didn't call Mr M back as it said it would. Scottish Widows said it could also have offered more support to Mr M in the 18 August 2023 call. It offered Mr M £750 for the distress and inconvenience relating to those failings.

On the one hand, if the call handler had mentioned a timescale during the 16 August 2023 call, Mr M would likely have said this wasn't soon enough and something more might have been able to have been done to make payment by the deadline. But equally, given the rent was due only two days away, I think it would also have been reasonable for Mr M to have alerted Scottish Widows to that deadline date given he had no firm confirmation when payment would be made and with that deadline looming.

Taking all the circumstances into account, I don't think it would be fair or reasonable to find that Mr M was evicted solely because of Scottish Widows' omission on 16 August 2023. As I say, I don't think it acted unreasonably up to that point. It wasn't alerted to the gravity of Mr M's situation until that 16 August 2023 call which was very late in the day. Whilst it may have been possible for the payment to have been arranged by the deadline if the call handler had identified the deadline date from Mr M, I think Mr M could equally have told Scottish Widows when he needed that money by – it was only two days later. Scottish Widows had asked Mr M why he needed the payment right at the off. And I think if Mr M had told Scottish Widows about the deadline date earlier, it's very likely payment would have been made by or before 18 August 2023.

So although Scottish Widows may not have provided the level of service it could have done right at the end, I don't think that was the sole cause of Mr M being evicted. So I don't think it would be reasonable to hold it liable for all the costs, distress and inconvenience caused by the eviction. Scottish Widows offered Mr M £750 for the distress and inconvenience it caused in the matter. As I've said above, I appreciate that there were serious consequences for the pension not being paid to Mr M by 18 August 2023. But I think Scottish Widows' offer is fair given what I think Scottish Widows actually did wrong, and the matter is considered in the context of the particular circumstances.

My final decision

Scottish Widows Limited offered Mr M £750 for the distress and inconvenience the matter caused. In my view that offer was fair in the particular circumstances. My final decision is that Scottish Widows Limited should pay Mr M £750 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 February 2024.

David Ashley
Ombudsman