

## **The complaint**

Mr F has complained that Standard Life Assurance Limited ('Standard Life') have not provided him with sufficient detail around the charges deducted from his pension, from inception to the current date.

## **What happened**

Mr F requested a list of the charges applicable to his Standard Life pension in December 2022.

Standard Life responded on 22 December 2022. This explained the three charges that applied to the pension. The service charge and the contribution protection benefit charge were detailed, with the amounts deducted for these listed.

The third charge was the annual management charge ('AMC'). Standard Life stated that this was not deducted from the policy but was taken into account in the calculation of the daily fund prices, and as such no monetary breakdown of this charge could be provided.

Mr F responded on 24 December 2022 stating that the information was not sufficient and that he required a complete breakdown of all charges deducted from his pension, including the AMC, from the policy's inception. A complaint was subsequently registered.

Standard Life provided additional information on 11 January 2023. This explained that the monetary fund charges shown online were based on assumptions. Whilst the percentage was accurate, the charges shown were calculated assuming a static fund value over the year, with the actual charges taken being driven by fund value changes over time.

Later in January 2023 a pension statement was issued giving a full transaction history going back to the policy inception in 1995, detailing each premium and investment made within the pension.

Standard Life issued a complaint response on 9 February 2023. This detailed the total expense ratio ('TER') for each of the four funds Mr F's pension held, and detailed the yearly charges as being £534.59 for 2022 and £396.14 for 2021. The response explained that the yearly charges for years prior to 2021 could not be provided as there had been no requirement to calculate these before 2021.

Mr F responded on the same day to state that the response was unacceptable and that he still required further information about the charges levied on his pension.

Standard Life issued a further complaint response on 16 February 2023.

This explained that prior to 2003 Mr F had been invested in with-profits investments and these investments did not have explicit AMCs. As such no further detail could be provided on these funds.

From 2003 onward the new investments held within Mr F's pension did have an AMC however this was not deducted from the policy but factored into the unit prices calculated

each day. Whilst monetary fund charges were shown online these were only indicative as they assumed a constant fund value over the forthcoming year. The actual charges taken would be impacted by fund performance over that time. Additionally, Standard Life explained that whilst more information on the actual charges levied had been included on more recent statements this was due to a change in legislation, with there having been no requirement to calculate or include this on previous statements. As such providing the same information for the previous 30 years was not something Standard Life could do.

Mr F responded stating that the reply was still not acceptable and repeated his request for more detail on the historic charges levied on his pension. On 17 February 2023 Standard Life explained that there was nothing further they could do, and no further information was available.

Mr F referred his complaint to this service for further consideration in February 2023, stating that Standard Life had yet to provide him with adequate information regarding the charges levied on his pension policy.

Discussions between Mr F and Standard Life continued throughout February and March 2023 on this, and other issues not considered within this decision.

As part of this Standard Life provided an example from their actuarial team showing the complexity of the calculations required to provide Mr F with the yearly charging information he required. A summary table was also provided showing the annual charges taken from the pension each year from 2003 to 2023. In addition, Standard Life offered Mr F £300 by way of apology given the time taken to provide him with the information.

Mr F felt the amount offered by way of compensation was too low and as such this service was asked to continue with the investigation.

Our investigator subsequently issued their findings concluding that Standard Life did not need to do anything further.

The investigator explained that the charges information included in Mr F's 2021 and 2022 statements did not have to be included in previously issued statements and that the calculations required to calculate these figures retrospectively were extremely complex.

Regarding the initial requests for information, and in the complaint responses issued, Standard Life's initial stance was that no further information could be provided in relation to the AMC's levied on the pension, with this changing in March 2023 when the actuarial example and summary sheet were provided.

Whilst this chain of events suggests Standard Life could have provided Mr F with more information sooner, our investigator concluded that the £300 offered was sufficient to cover this issue, and as such did not ask anything further of Standard Life.

Mr F did not agree and stated that he had asked a lot of questions of Standard Life that had still not been answered, with these also not considered within the investigator's findings, including questioning Standard Life's transparency.

Our investigator was not minded to change their findings based on Mr F's additional comments.

With regard to transparency the investigator noted that Standard Life were only recently required to include charges information (in monetary terms) on statements, with their historic statements showing what was required at that time, and whilst there had been a

delay in provided the historic information requested, Standard Life had provided compensation for this.

As no agreement could be reached the case has been passed to me for a final 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.

Overall, I have reached the same outcome as our investigator and for broadly the same reasons.

Firstly, I would like to note that this decision has focussed on the issue of Standard Life's provision of charges information to Mr F.

I note that in March 2023 Mr F raised other questions with Standard Life which included questions around charges for new pensions, discounted charges, suitability issues and questions around a pension sharing order.

These issues were not included in the original complaint and as such are not something I can comment on here. As above, the sole focus of this decision is the provision of charges information.

Whilst in response to our investigators findings Mr F stated that there were other questions that had been asked of Standard Life (and our investigator) which had not been considered, no further detail or elaboration has been provided.

The complaint which was originally raised with Standard Life, and which was forwarded to this service, focused on the provision of charges information and as such I have concluded that our investigator did consider the relevant complaint points.

The charges information that is now included on Mr F's pension statements (from the 2021 statement onward) does detail the total charges taken from the pension in monetary terms. Prior to 2021 there was no requirement for Standard Life to provide such information.

As per the explanation provided by Standard Life, the AMC applicable to the policy is not a set fee deducted each month. It is based on the fund value and as such whilst the percentage fee is constant, the monetary cost is subject to investment performance.

Given Mr F's pension contained multiple funds with the request for information going back over 20 years, the amount of work needed to calculate the charges information requested was considerable and is not something I would expect a business to be able to provide quickly.

I note that within his requests Mr F has stated he wanted to know the date each charge was taken from his pension. However, with regard to the AMC Standard Life have already explained that this is not a charge taken from the pension on a set date each year, rather it is factored into the unit prices of the underlying funds held within the pension and as such I do not believe there is any further historic information Standard Life can reasonably be expected to provide to Mr F regarding the AMC levied on his pension.

I would note here that Standard Life's early responses to Mr F stating that no further information could be provided in relation to the AMC did turn out to be incorrect, with the summary sheet detailing the costs each year subsequently being provided in March 2023.

As per the investigators findings whilst these early responses did provide incorrect information, and did elongate the complaint process, I consider the £300 offer made by Standard Life to be reasonable and in keeping with what I would expect in such circumstances.

Whilst Mr F has stated he considered an amount of £1,000 more appropriate I do not agree. The issues at hand related to the provision of information with Mr F not exposed to any increased risk of financial loss or detriment because of Standard Life's actions.

As such, whilst Standard Life did make an error which necessitates this complaint being upheld, I consider the actions already undertaken to try and rectify this error sufficient. As such I do not require any further action from Standard Life.

### **My final decision**

In line with the rationale above, no further action is required of Standard Life Assurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 2 April 2024.

John Rogowski  
**Ombudsman**