

The complaint

Mr I complains that Scottish Widows ('SW') provided inconsistent fund values and failed to explain the reason. And that it failed to provide details about the monetary amount of the fees it charged on his personal pensions when asked repeatedly for this information.

What happened

Mr I had two pension policies with SW. And in early 2023 he wanted to move those policies, along with a third pension policy with ReAssure, to a new flexible drawdown retirement account.

Mr I had an independent financial adviser who sent a letter of authority to SW in January 2023. SW provided information regarding Mr I's policies and SW proceeded with the request as applications were received.

On 21 April 2023 SW sent Mr I a letter with information about the new retirement account that had been set up. That letter showed the values of the transferring pensions as follows:

- Retirement Planning
 - SW policy ending 290 - £3,007.80
 - SW policy ending 044 - £26,205.83
 - ReAssure policy - £32,271.08
- Retirement Income
 - SW policy ending 290 - £489.20
 - SW policy ending 044 - £4,252.17
 - ReAssure policy - £5,248.63

On 25 April 2023 Mr I phoned SW to query the values. He'd had a quote for his SW policy ending 290 the previous week giving the value as £3,547.49. He asked why it was now only being valued at £3,007.80. And said that the difference on the policy ending 044 was even bigger. The call taker wasn't able to explain the reason for the fund difference other than that fund values can change. Mr I also queried the second set of figures under the heading of 'Retirement Income' because he didn't understand these.

Mr I complained to SW about SW's service. Including that he'd been provided with incorrect information about his pension fund values. And that he still hadn't been provided with information about his charges in the format he wanted.

SW responded to Mr I's complaint answering a number of his concerns. In relation to the fund values it explained that the values were not final values and could fluctuate daily. In relation to the charges it explained that the information had been provided but that it wasn't available in pounds. Only as a percentage. But SW agreed that its service hadn't been satisfactory and paid Mr I £150 for the distress and inconvenience that he'd been caused by the time he spent waiting and being transferred when he called.

Mr I didn't accept SW's response and referred his complaint to our service. His remaining issues of complaint were summarised as being the failure of SW to provide evidence of its charges and that it had provided him an inaccurate fund valuation. Our investigator looked into what happened and was unable to resolve Mr I's complaint. So his case was referred for an ombudsman's decision.

I issued a provisional decision to let both parties know what I thought SW had done wrong and what it should do to put things right.

What I said in my provisional decision

"Incorrect fund valuation on 21 April 2023

I will start by giving my thoughts on this issue. Which I think was the crux of the complaint as it related to whether or not Mr I was receiving the correct amounts from his personal pensions to his retirement account.

And, as has since been explained to Mr I by our investigator, I don't think he was given incorrect information. I say that because the application he made to set up the Retirement Account and transfer in pensions included a request to take a pension commencement lump sum of £10,000. And the figures set out in the section headed 'Retirement Income' add up to £10,000 and are taken proportionately across the three transferring funds. This wasn't incorrect. And it meant that the amounts listed under the heading 'Retirement Planning' were the residual values of the three transferring funds.

But it is clear, from the call Mr I made on 25 April 2023, that he didn't understand the way the information was provided. And he phoned SW for clarification. Which wasn't provided by the call taker. In spite of the call taker having Mr I on the phone for a long time while she sought advice from a colleague. I've looked at the explanation provided in SW's complaint response and that didn't provide an adequate explanation either. So, whilst I don't think there was a mistake in the values that SW provided, its failure to provide a reasonable answer to his query caused unnecessary inconvenience that wasn't acknowledged or addressed in the offer of compensation it made.

Amount of charges

SW has explained to Mr I that it is unable to provide him with a breakdown of the charges in monetary value on his personal pensions prior to switching them to the Retirement Account. It has told him that the charges are expressed as a percentage.

We have queried this with SW as well. And it has explained that the charges are accounted for in the SW funds that Mr I's personal pensions held. And it does not have a separate breakdown of the monetary amounts in the way that Mr I has asked for because of that.

I think that it was always clear in statements about the inclusion of a percentage fee for the service it provided. Which I think was fair. I've found nothing that it has done wrong in this regard.

Having considered the correspondence in this case I think that SW should have been clearer with Mr I on this issue from the outset. It is clear that Mr I first raised this issue in an earlier complaint in July 2022. And SW responded to that on 28 July 2022 by explaining that it had requested the breakdown of fees for both policies. But then it never provided that information. Nor did it provide a further comment or reason why not. Which was unreasonable. Only when Mr I complained about the ongoing failure again

was he told that he could only be provided the details in the form of percentages. Which was in its complaint response of 24 August 2023. Which was more than a year after he'd been promised that information. I don't think this treated him in a fair or reasonable way and I don't think this was accounted for in the offer of compensation SW made."

And, on how to put things right, I said:

"For the above reasons I uphold Mr I's complaint and direct Scottish Widows Limited to pay Mr I a total of £300 for the distress and inconvenience its service provided him. To be clear, if it has already paid the £150, then a further £150 is due.

I think this is fair as Mr I was not only inconvenienced by having to wait an unreasonable time and be passed around on the call he made. It is that he wasn't provided with a clear explanation about the fund discrepancy at any time when I think he could have been. And it took over a year for SW to explain that it couldn't provide him with information on its charges in the way he wanted."

Responses to my provisional decision

From Scottish Widows

SW disagreed with my provisional decision. It said that it had responded to the issues Mr I raised regarding his annual charges in July 2022. And referred to its response to that complaint which I had previously been provided.

SW also pointed out that Mr I had previously made a number of complaints that had been investigated and dealt with separately. And explained that it considered that the increased compensation I'd suggested was too high.

From Mr I

Mr I didn't agree that the compensation I'd suggested was high enough. He re-iterated the volume of correspondence he'd had with SW. And he clarified that SW's cheque (dated 30 August 2023) for £150 had not been cashed so that was still outstanding.

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 am aware that there is a history of dissatisfaction that Mr I has with the service that SW has provided him over a period of time. I thank SW for flagging this but confirm that much of this was provided prior to reaching my provisional decision. On the subject of the previous complaints that weren't referred to our service within six months of SW's final decisions, I have not considered the merits in those in this decision. What I have considered here relates only to the issues described. However, in reaching this decision I have borne in mind that Mr I has raised similar issues regarding his annual fees previously.

When I referred in my provisional decision to Mr I's earlier complaint of July 2022 I was not considering the merits of that. I refer to it only as I think it evidences that Mr I was expecting, based on what that told him, that he would receive further information regarding the amount of his charges. This has been a point of contention and I have not seen any evidence that SW ever provided the further update that SW's complaint response led Mr I to believe it would. Which I don't think was fair. And led, in part, to the further complaint that I am

deciding on in this decision.

Having considered everything I am upholding Mr I's complaint. Although not entirely for all the reasons that Mr I originally set out. I've seen no evidence or arguments that have persuaded me to change my mind, so my final decision is the same as I set out in my provisional decision and included above.

In summary

I don't think that SW provided Mr I with incorrect fund values for his pensions. I haven't found any error in the information that Mr I was sent and hope that this reassures Mr I about his pension fund. But I don't think that SW dealt with his query about his fund values very well. I think there was a simple explanation that would have cleared up Mr I's misunderstanding. But SW never provided that even in response to a complaint. Which wasn't fair or reasonable. And was never addressed in its consideration of a fair measure of compensation.

I am not directing that SW provide information on historic charges in a format that it has made clear to us that it doesn't have. But I have decided that the way that SW handled Mr I's request for this information wasn't reasonable. If it was not possible to provide that it ought to have been very clear from the outset. And the evidence that I've seen doesn't show that it did. It left Mr I expecting further information on this that never came.

Because of these things I don't think that what SW have so far done adequately recognised the distress and inconvenience its service caused Mr I. And my final decision is that its offer of compensation, whilst suitable for the failings it identified, was not high enough to also deal with the additional things that it did not. I have also considered Mr I's response and am aware that he will be disappointed that I have not changed my mind on what I think fair compensation should be. But I have considered what I think the impact was on him from the failings I've identified. And for the reasons I set out below have decided that the compensation I proposed in my provisional decision is still fair and reasonable.

My final decision

For the above reasons I uphold Mr I's complaint and direct Scottish Widows Limited to pay Mr I a total of £300 for the distress and inconvenience its service caused him. To be clear, if the cheque payment it previously sent has not been completed then it still owes the full £300.

I think this is fair as Mr I was not only inconvenienced by having to wait an unreasonable time and be passed around on the call he made. It is that he wasn't provided with a clear explanation about the fund discrepancy at any time, when I think he could have been. And it took over a year for Scottish Widows Limited to explain that it couldn't provide him with information on its charges in the way he wanted.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 26 April 2024.

Gary Lane
Ombudsman