

The complaint

Mr F has complained that Legal and General Assurance Society Limited (L&G) caused a delay in responding to a request to provide him with quotes to withdraw funds from his pension plan. This caused him financial uncertainty and led to him relocating to another part of the country.

He also complained about the poor level of service it provided him.

What happened

On 29 June 2023, Mr F contacted L&G to ask how the maturity value of his pension would be affected if he withdrew either £10,000 or £13,000 from his funds. He also asked for quotes for both those withdrawals, as well as a cash equivalent transfer value (CETV) for his pension policy.

As Mr F did not receive the information he had requested, he contacted L&G on 11 July 2023. L&G acknowledged and apologised for the delay on 12 July 2023.

Unfortunately, L&G had still not sent the information by 24 August 2023, so he contacted it once again. L&G responded once again on 25 August, saying it had:

....set up an urgent task for the admin team so they should be in touch with you soon

On 12 September 2023, L&G contacted Mr F to suggest he undertake a PensionWise appointment, which he declined. It also began the withdrawal process on that date, sending him risk warning documentation to complete.

Mr F responded the same day to L&G to say that he was unable to access one of the documents it had sent, he did not understand the information it had sent him in the letters and he

...simply couldn't extract the information I was looking for

L&G raised a complaint on the same day.

On 14 September Mr F contacted L&G again to ask it to consider sending the information by post, as he was keen to receive it as soon as possible.

L&G replied to his complaint on 13 November 2023, acknowledging and apologising for the poor service it had provided, the delay in sending him the information he requested and the risk warning forms it needed him to complete before it could calculate and issue him with the quotes and information he had requested.

It also paid Mr F £100 compensation for the distress and inconvenience it had caused him.

Unhappy with this response to his complaint, Mr F asked this service to continue to consider it, as he did not think the compensation L&G paid him was adequate. In particular, he stated that he had wanted to use the withdrawal from his pension to help fund a mortgage. As he

had not been able to access these funds in time, he felt had been forced to move away from Kent to Shropshire.

Our investigator reviewed the evidence and formed the view that the complaint should be upheld, and that L&G should pay Mr F an additional £350 in respect of distress and inconvenience. Mr F was unhappy with this view, so this case has been passed to me to review the evidence again and make 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.

Having reviewed all the evidence in this case, I agree with our investigator and uphold this complaint.

I will explain how I have reached my decision.

Firstly, I think it's important to reflect upon the role of this service. Our role is to impartially review the circumstances of a complaint and make a decision on whether a business has made errors or treated a customer unfairly. Where it has, we will recommend compensation to put the customer as closely as possible in the financial position they would have been in were it not for the mistakes or unfair treatment.

In the circumstances of this case, I believe that it is clear that L&G did indeed cause Mr F a significant amount of distress and inconvenience through the poor service it provided. This was compounded by the difficult personal circumstances he found himself in at the time.

There are two elements of compensation that I can award. The first is for distress and inconvenience and the second for any financial loss I find Mr F may have incurred.

I will look first at the distress and inconvenience Mr F has suffered. I can see from the tenor and tone of Mr F's communications with L&G that its errors undoubtedly caused him a significant amount of stress. Not only did it fail to respond to his initial request, it also did not inform him of the requirement to complete a risk warning questionnaire before it could send him the information he had asked for. In fact, it took almost three months for it to send the risk warning questionnaire, and that arrived in a format he could not access.

The Financial Conduct Authority expects firms to act in accordance of its Principles for Businesses. I believe that the following principle is most applicable to this complaint:

Communications with clients: A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading. (Principle 7)

Given the circumstances I have outlined above, I find that L&G has failed to comply with this principle, and should pay Mr F compensation for the distress and inconvenience it has caused him. Having considered the evidence, I agree with our investigator, and think that a total of £450 is appropriate in the circumstances.

Moving on now to look at whether I consider that Mr F has suffered a financial loss, I have carefully considered his evidence in this respect. I can see that he believes that the delay caused by L&G contributed to his inability to secure the funds to buy a house in Kent, instead forcing him to move some 200 miles away from friends and family to Shropshire. He

has provided evidence to show costs he has incurred such as paying for accommodation in Shropshire when organising his property purchase and storage fees for his belongings.

When considering whether I should ask L&G to contribute towards or even cover such costs, I have to be convinced that these costs arose as a direct consequence of L&G's errors, and I'm not convinced that they are. As our investigator noted, house purchases can be long and protracted processes, so I can't be sure whether he would have been in a position to complete an alternative property purchase in Kent in the same timescale he was able to in Shropshire, and so he may well have incurred similar costs if buying in Kent.

Given this, and disappointingly for Mr F, I have concluded that he has not suffered a clear financial loss and so I will not ask L&G to contribute towards these costs.

There is another consideration in cases which involve a delay in a customer being able to access their benefits owing to a business making errors. This is whether or not the fund value has changed between the original request and the customer finally being able to access their funds. In this case, however, Mr F changed his mind about making a withdrawal from his pension policy, so I do not consider it appropriate to ask L&G to undertake a financial loss calculation.

My final decision in this case is the same as our investigator's recommendation, that L&G compensate Mr F by paying £450 compensation for the considerable distress and inconvenience it's poor service has caused him.

Putting things right

Legal & General Assurance Society Limited should pay Mr F £450 in respect of the distress and inconvenience he has suffered.

My final decision

For the reasons explained above, I uphold Mr F's complaint. I find that Legal and General Assurance Society Limited does not need to pay any more than £450 to resolve this complaint.

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

Bill Catchpole
Ombudsman