

The complaint

Miss Q complains about Phoenix Life Limited (Phoenix). She's unhappy with the service she received during its death benefit claim process.

Miss Q is the administrator of the estate of her late father, "Mr Q". She is an eligible complainant in this complaint due to being a beneficiary of Mr Q's personal pension plan (PPP).

What happened

Mr Q held a PPP with Phoenix. On 14 June 2023, he very sadly passed away. Miss Q informed Phoenix of this and made a death benefit claim against his PPP.

Phoenix provided Miss Q with a claim form and requested documents relevant to the claim. Miss Q completed and returned the claim form in July 2023 and provided the documents Phoenix required.

Having received little or no information about how her claim was progressing, Miss Q says she contacted Phoenix for updates regularly but was, in most instances, given incorrect information or ignored. During this time, Miss Q says Phoenix informed her that her father's partner – "Miss L" – was a potential beneficiary of his PPP. Concerned by this, Miss Q explained to Phoenix that as Miss L wasn't in a relationship with her father when he died, she wasn't entitled to anything from his PPP.

Miss Q continued to contact Phoenix about her claim, but she says that despite being told that it was being treated as a priority, there was never any indication that it was moving forward.

Dissatisfied with the lack of progress, Miss Q complained in September 2023. As Phoenix didn't issue its final response on the matter within the required timescale, Miss Q referred her complaint to our Service.

In her submissions, Miss Q said she'd felt ignored during Phoenix's claim process, which left her deeply worried that her father's pension might be paid out incorrectly. She said Phoenix demonstrated little compassion for what she was going through, and that its actions caused her further distress and prevented her from being able to grieve properly. Miss Q also questioned why Miss L was being considered a potential beneficiary of her father's PPP and asked Phoenix to decide the claim without further delay.

One of our investigators considered the complaint and upheld it. He acknowledged that deciding who to pay death benefits to under a PPP wasn't straightforward and that Phoenix had to consider various factors before reaching a decision. However, he said Phoenix had made a difficult time worse by not providing Miss Q with updates about her claim or deciding who to pay the proceeds of Mr Q's PPP to. To resolve the complaint, the investigator said Phoenix should settle the claim as soon as possible, in line with its procedures, and provide Miss Q with an update. He added that it should also pay Miss Q £500 compensation for distress and inconvenience it had caused.

Miss Q and Phoenix accepted our investigator's findings. Phoenix said it was dealing with Miss Q's claim as a priority and would provide an update when a decision had been made. Following this, the complaint was closed.

A couple of months passed, and as the claim still hadn't been decided, Miss Q's complaint was reopened and passed to me for a final decision. Shortly after this, in September 2024, Phoenix confirmed that it had settled the claim, opting to split the proceeds of Mr Q's PPP 50/50 between two eligible beneficiaries, one of which was Miss Q. A month later, Phoenix transferred over £5,000 to Miss Q from her late father's PPP.

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 done so, I've independently reached the same conclusions as the investigator, and I'm upholding Miss Q's complaint.

The "*What happened*" section above is a broad summary of what's happened here. That's partly due to our Service being an informal alternative to the Courts, and there not being any requirement or need for me to outline a detailed chronology of every step in what has clearly been a protracted process. It also reflects the fact that despite this Service's requests, Phoenix hasn't provided its full file for Miss Q's complaint.

Notwithstanding this, Phoenix accepts that it provided poor service and caused Miss Q avoidable distress and inconvenience during its claim process. Miss Q has also made detailed submissions to this effect, all of which I'm grateful for and have considered carefully.

As stated above, our investigator recommended that Phoenix pay Miss Q £500 compensation for distress and inconvenience it caused during the claim process. Both parties accepted this, and the compensation was paid to Miss Q. Because of this, I hope the parties won't take it as a discourtesy that while I've taken note of all the points they've made, I've limited my response to the issue I consider to be central to this complaint. That's to say:

- Whether, based on Miss Q's experience of its claim process, Phoenix has fairly compensated her for the distress and inconvenience it caused.

I understand that Miss Q was – and may remain – unhappy with how Phoenix ultimately settled the death benefit claim, which includes how it reached its decision and shared the outcome with her, but this doesn't form part of the complaint I've considered here. Phoenix confirmed that these concerns would be investigated under a new complaint and that a final response would be sent to Miss Q.

Turning now to Miss Q's experience of Phoenix's claim process.

First, I'd like to offer my sincere condolences to Miss Q and her family for the untimely loss of Mr Q. It's clear to me that losing Mr Q has been a devastating experience, one which I'm sure will have been made worse when Miss Q's been faced with the bureaucracy involved in administering Mr Q's financial affairs, particularly his PPP.

As a potential beneficiary of Mr Q's PPP, Miss Q had a reasonable expectation that Phoenix would keep her informed about how the death benefit claim was progressing and conduct its investigation with sensitivity and understanding. Based on the available evidence, which includes Miss Q's testimony, I'm not satisfied that Miss Q received the service she was

entitled to expect. I say this having noted the following about Miss Q's experience with Phoenix's claim process:

- As part of the claim process, Miss Q was required to provide her birth certificate. She sent this to Phoenix and received confirmation that it had been delivered. However, when she contacted Phoenix to discuss the claim over the phone, she was told that the birth certificate never arrived. Although Phoenix eventually acknowledged that there'd been some miscommunication about the birth certificate and confirmed it had been received, the potential loss of this important document and the conflicting information Miss Q received on the phone understandably caused her some concern.
- Miss Q has said she consistently experienced difficulties contacting Phoenix about the claim. Despite being provided with a phone number to call if she needed information, she's said the call handlers she spoke to either refused to share information about the claim or incorrectly told her that she was the sole beneficiary of her father's PPP. I understand that Miss Q was also promised callbacks on several occasions which never took place.
- I don't think it was unreasonable for Miss Q to expect Phoenix to keep her informed about the progress of the claim – even if this could only be in general terms – and that she could rely on it to share correct information. She should never have been put in a position where she was having to consistently chase for updates and acknowledgement of her submissions. And given how emotive and difficult the situation already was, it's clear to me that having her expectations unfairly raised about being the sole beneficiary to Mr Q's PPP would've been deeply upsetting.
- The lack of information Miss Q received from Phoenix about the claim only served to increase her concern that all relevant factors weren't being considered. From what I can see, this left her feeling compelled to make numerous submissions about the circumstances preceding and following her father's passing. I don't underestimate how distressing it must have been for Miss Q to revisit and set out these memories. I consider that much of it could've been avoided if Phoenix had proactively kept Miss Q updated and been clear about the information it was considering and what it required.
- I understand that despite having been provided with Miss Q's birth certificate and advised that she was Mr Q's daughter, Phoenix sent her a letter querying what her relationship with Mr Q was. Although it was later confirmed that this letter had been issued in error, I appreciate that this must have been very disconcerting for Miss Q at the time.

Although what I've outlined above doesn't capture the finer points of Miss Q's experience, it's clear to me that Phoenix's repeated errors undermined Miss Q's confidence in its claim process. They also compounded what was already an incredibly stressful time for Miss Q and caused avoidable frustration and disappointment.

Given the nature of the claim, Phoenix should've had more regard for what Miss Q was going through and handled its communications with her with greater sensitivity.

Taking account of all the facts in this case, I think it's entirely appropriate that Miss Q be recompensed for the upset that Phoenix caused her. When considering what an appropriate award would be, I've taken into account the fact that putting aside the actions of Phoenix, Miss Q was already dealing with a very traumatic and challenging event. I've also been mindful that under the applicable Scheme Rules for Mr Q's PPP, Phoenix was required to gather all the relevant facts and information with supporting evidence, so it could make an

informed decision about who should benefit from the PPP. This can often be a complex process, especially when, competing interests from potential beneficiaries must be weighed up.

But whilst Miss Q's circumstances were already upsetting and the very nature of deciding a claim isn't straightforward, the fact remains that Miss Q's interactions with Phoenix clearly made a very difficult situation even worse. I don't underestimate the time and energy it will have taken Miss Q to deal with this matter. And I'm mindful that her experience of the claim process has impacted her ability to grieve properly.

Taking all these factors into account, I'm satisfied that the £500 compensation our investigator recommended Phoenix pay for the trouble and upset Miss Q suffered is fair in the circumstances of this complaint. It is in keeping with the level of awards our Service would usually recommend for an error which has caused considerable distress, upset and worry.

My final decision

My final decision is that I uphold Miss Q's complaint. But as I understand that Phoenix Life Limited has already paid Miss Q the £500 compensation for the distress and inconvenience it caused, I don't require it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Q to accept or reject my decision before 18 March 2025.

Chillel Bailey
Ombudsman