

The complaint

Ms M complains about the delays and customer service received from Scottish Widows Limited trading as Clerical Medical when trying to transfer her pension.

What happened

Ms M had a pension with Clerical Medical which she stopped contributing to when she moved to Australia in 2012.

On 7 September 2021 Ms M with the help of her financial adviser started looking into transferring her pension to her pension scheme in Australia. There were long delays and so Ms M complained to Clerical Medical.

Clerical Medical sent a number of responses to Ms M's complaint and it awarded her in total £300 in distress and inconvenience. It also said once the transfer completed it would carry out a loss calculation. As there was little progress in terms of the transfer and Ms M continued to have communication issues with Clerical Medical she brought her complaint to us.

At the time our investigator issued her view in late 2023 the transfer still hadn't occurred.

The investigator upheld the complaint. She attempted to work out the delays caused by Clerical Medical but as it had supplied us with very little information and wasn't answering her requests for information, this proved difficult. Clerical Medical had already admitted to delays spanning from May 2022 to February 2023 but this was complicated by Clerical Medical's assertion that Ms M must speak with MoneyHelper and Ms M's reluctance to do so.

The investigator believed an additional £150 compensation should be paid to Ms M in recognition of the continued frustration and inconvenience caused by Clerical Medical. She cited examples such as Clerical Medical telling Ms M in March 2023 that the transfer was nearly complete (setting false expectations), it had taken 207 working days to do its due diligence checks and it hadn't responded to Ms M on a number of occasions, meaning Ms M had to chase it for a response. It also corresponded by letter to Australia, despite Ms M providing her email address, which delayed matters further and caused Ms M further annoyance.

The investigator said as the transfer hadn't completed she couldn't carry out a loss calculation but Clerical Medical had already committed to do so. And she asked that it took into account her view.

Clerical Medical accepted the view but Ms M was still having ongoing issues with the transfer and so asked if the case could be looked at by an ombudsman. She said she'd spoken to MoneyHelper and they'd said discussing the transfer options in this scenario would be a waste of everyone's time. She said she'd tried to discuss this with Clerical Medical but nobody would answer her questions.

Following this, I reviewed the case and wrote to both parties: I've included a copy of this below:

'Having looked at the circumstances of the case it appears that Ms M still hasn't yet been able to transfer her pension. The investigator has gone to some effort to attempt to set out where the delays were caused – although this hasn't been easy due to Clerical Medical's lack of engagement with her on this case. Which is something I'll be raising with the appropriate people internally as it is not complying with its regulatory duties here. But as the transfer hasn't taken place, I cannot put in place any definitive method in terms of how to redress Ms M for any losses that may occur. And I note Clerical Medical has said once the transfer completes it will look into a loss assessment.

The complaint Ms M brought to our service was about the poor customer service and barriers Clerical Medical were putting in place to transferring. If Ms M does transfer that will be a subsequent event to the complaint she has brought to us now and she will be able to make a new complaint to Clerical Medical. And if she is unhappy with its response, she can refer it to us.

So, what I've looked at is how to compensate Ms M in terms of the frustration, time and effort and upset that Clerical Medical's poor customer service has caused Ms M. It has undoubtedly caused undue delays as set out by the investigator. And I note that whilst some of the time could be attributed to Ms M, around its requirement for her to speak to MoneyHelper – Ms M has now sent us further information to say she has done this. And she has sent the relevant information to Clerical Medical, but she is still no further forward despite calls to it, promises of call backs and from what she's told us just a complete lack of help or service from Clerical Medical. I don't doubt her testimony is a true reflection given what's happened previously.

This has been a theme throughout her attempt to transfer. Sending letters to Australia rather than emails, missed call-backs, lack of response to contact are just some examples of the poor service that has occurred here. I don't intend to go into this in detail as it's clear the customer service given to Ms M has been very poor and despite raising this as a complaint with Clerical Medical, it appears it hasn't made any effort to make amends going forward. Because of this and the continued frustration caused to Ms M I intend to award additional compensation of £700 on top of any awards already offered by Clerical Medical. This should be paid by bank transfer to Ms M and not by cheque.

Furthermore, for every 30 days that passes from Ms M's acceptance being communicated to Clerical Medical, and where payment has not been made, another £100 should be added to the total and so on until the compensation is paid in full. This is to reflect that any delay in this compensation being paid will cause further frustration and upset to Ms M.'

Following this Ms M let us know that the transfer had finally completed. So I asked the investigator to contact Clerical Medical to see if it could now calculate a loss calculation. It got in contact with Ms M but it said she hadn't yet invested her money as her husband was also transferring from it and the plan was to invest together, so it said it had informed Ms M it would be some time before it could carry out the loss calculation.

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.

And having done so I see no reason to depart from the findings set out above in my letter to both parties.

We cannot keep complaints open indefinitely and whilst the transfer has now completed, this is an event subsequent to when the complaint was made. I had hoped to include this as part of this complaint to resolve all the issues together. But if Mr M's transfer has also had an impact on Ms M as has been suggested by both parties and his transfer is yet to complete – I don't think it would make sense to attempt to resolve this matter as part of this complaint.

Once Clerical Medical carries out the loss calculation, if Ms M is unhappy with this, she can raise a new complaint with this service. Clerical Medical has already admitted to significant periods of delay and committed to carrying out a loss calculation. But it seems that at this point it has agreed with Ms M that this should not be done until her husband's transfer has completed. As it appears he has had a similar experience to Ms M and they intend to invest their money together. I'd hope that Clerical Medical will take into account the journey so far, and Ms M's poor experience and will provide a fair resolution that resolves this issue once and for all.

In terms of the complaint at hand, the level of compensation I've awarded recognises the severity of the delays caused by Clerical Medical and the fact Clerical Medical still isn't in a position to fully resolve matters. Alongside the poor customer service Ms M has received across numerous touchpoints over the years and the frustration this will have caused.

Putting things right

Clerical Medical should pay Ms M £700 in additional compensation on top of the awards it made in its final responses. This should be paid by bank transfer to Ms M and not by cheque.

Furthermore, for every 30 days that passes from Ms M's acceptance of this decision being communicated to Clerical Medical, and where payment has not been made, another £100 should be added to the total and so on until the compensation is paid in full. This is to reflect that any delay in this compensation being paid will cause further frustration and upset to Ms M.

My final decision

I uphold this complaint and require Scottish Widows Limited trading as Clerical Medical to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 7 June 2024.

Simon Hollingshead
Ombudsman