

The complaint

Mr W complains about Legal and General Assurance Society Limited (“L&G”). He’s unhappy that it’s been unable to trace and pay out a pension he held with a former employer.

What happened

In 1976, Mr W’s former employer set up a pension scheme (“the Scheme”) administered by a L&G. Mr W contributed to the Scheme until he left his employer in 1979. Upon leaving, Mr W was given several options for taking the benefits he’d accrued, and he selected a refund of contributions and an annual pension payable from age 65.

In 2020, L&G sold its Mature Savings Business, which included the Scheme, to a provider I’ll refer to as “Provider R”. As part of this Provider R assumed liability for the Scheme, including L&G’s historic activity on it.

In 2023, Mr W used the Pension Tracing Service to try to locate his pension and was given L&G and Provider R’s contact details.

Having contacted L&G, Mr W was told that if any pension was due, Provider R would be responsible for it as policies under the Scheme had been transferred to it. It explained that it had no authority to hold any records for the Scheme, and for data protection purposes, after being passed to Provider R, all copies had been deleted. L&G later contacted Provider R, making enquiries on Mr W’s behalf but he didn’t appear in its records.

Mr W continued to correspond with L&G, saying he hadn’t received any annual pension statements after he left the Scheme or been told about its transfer to Provider R. He provided evidence of the pension he’d selected in 1979 and asked L&G and Provider R to pay it.

L&G said it couldn’t provide any further assistance and Mr W complained. He later contacted Provider R, but as it still couldn’t trace his policy, it invited him to provide more information so it could investigate things further. Mr W asked for a complaint to be raised and sent documentation he had from the Scheme. But having carried out a further search, Provider R still couldn’t locate Mr W’s policy.

Provider R later confirmed that although the policy number Mr W quoted matched the Scheme, all benefits under it had been claimed (or moved to other providers) before it was transferred. This meant there were no remaining funds in the Scheme and Provider R held no information about what happened to funds previously held in it.

Mr W maintained that L&G and Provider R were responsible for paying his pension and referred his concerns to our Service. Amongst other things, he made the following points:

- L&G never notified him that it was transferring the Scheme to Provider R. And it hadn’t sent any annual statements for his pension. It had also failed to contact him on his 65th birthday about taking his pension benefits.

- Provider R had misappropriated his pension fund and should meet its obligation to pay it.

One of our investigators considered Mr W's complaints against L&G and Provider R and didn't think they should be upheld. As Provider R assumed responsibility for the Scheme (and L&G's actions under it) when it was transferred, she said she couldn't uphold Mr W's complaint against it. And as there was nothing in Provider R's records or the available evidence showing that Mr W still held benefits under the Scheme, she didn't agree that it should make the payment he was seeking.

Mr W disagreed and, in brief, made the following comments:

- He only had paperwork from the 1970s as L&G and Provider R hadn't sent him any correspondence about his pension over the years.
- Provider R should've contacted him when the Scheme was transferred to it and was lying when it said the Scheme had come to it without funds.
- He was seeking £5,000 for the distress L&G had caused.

As no agreement could be reached, the matter was passed to me for a 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 done so, I'm not going to uphold it. But before I explain why, I think it's important for me to say that I recognise Mr W's strength of feeling on this matter. It's clear to me that he has genuine concerns about his pension entitlement. And he's spent considerable time and energy trying to establish what's happened.

Mr W has provided detailed submissions to support his complaint, which I'm grateful for and have considered carefully. However, I hope he won't take it as a discourtesy that my findings focus on what I consider to be the central issue in this complaint – that is, whether L&G should pay Mr W the pension he thinks he's entitled to based on the available evidence.

L&G's Mature Savings Business, which included Mr W's former employer's Scheme, was sold to Provider R in 2020. As part of the sale, Provider R assumed liability for the Scheme and became responsible for L&G's historic actions and any arising complaints. This means that L&G isn't the appropriate party to answer Mr W's complaint, and this includes his concerns about the lack of contact he's had from L&G and not being notified of the Scheme's transfer. As Provider R is responsible for this, I'm not asking L&G to do anything further.

I appreciate that Mr W may still feel that along with Provider R, L&G is responsible for paying the pension he believes he was entitled to under the Scheme, but I'm satisfied that it isn't.

Mr W's complaint against Provider R is currently being considered, and a decision will be issued under separate cover shortly.

My final decision

I'm sorry to disappoint Mr W but I don't uphold his complaint against Legal and General Assurance Society Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 October 2024.

Chillel Bailey
Ombudsman