

The complaint

Mrs H complains because Scottish Friendly Assurance Society Limited gave her incorrect information about the maturity value of her policy.

What happened

Mrs H held a 25 year endowment plan with Scottish Friendly.

In April 2023, Scottish Friendly gave Mrs H incorrect information about the maturity value of her policy. When the policy matured in November 2023, Mrs H received over £45,000 less than she was expecting.

Mrs H complained to Scottish Friendly, who apologised for its error and offered £150 compensation. Mrs H remained unhappy and brought a complaint to the attention of our service.

One of our investigators looked into what had happened and said she thought Scottish Friendly had acted fairly. Mrs H didn't agree with our investigator's opinion so the complaint has been referred to me to make a decision, as the final stage in our process.

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've taken into account relevant industry rules and guidance when making my final decision.

I've seen internal screenshots from Scottish Friendly's computer systems which show the correct value of Mrs H's bonus in April 2023 was £3,687.60 and not the significantly higher amount that Scottish Friendly incorrectly quoted. These screenshots are commercially sensitive information which I cannot share with Mrs H but I want to assure her that I've carefully considered this evidence and I'm satisfied that it demonstrates the amount she was ultimately paid was the correct figure.

The incorrect bonus figure quoted has an additional number in front of what was the correct bonus figure, and I'm satisfied that the mistake arose as a result of human error. I understand Mrs H feels these statements should be automated and she has pointed out that some statements were sent by email and some by post, but it's up to Scottish Friendly to decide how it runs its business operations. I also understand that Mrs H wasn't receiving statements from Scottish Friendly as she should've been in the time leading up to April 2023, and I accept what Mrs H says about not receiving a May 2023 statement which Scottish Friendly says was sent to her.

I have no doubt that Mrs H will have been extremely disappointed not to receive a payment of the value she was expecting, and that she may have made plans for how to spend this money.

But, in a situation where a business has given incorrect information, we wouldn't generally

think it's fair or reasonable to expect the business to act as if the incorrect information given had been true. Instead, we think about what would have happened if the correct information had been given.

What would have happened here, if Scottish Friendly had given the correct information to Mrs H in April 2023, is that Mrs H wouldn't have experienced disappointment and loss of expectation when she received a lesser amount of money in November 2023.

Scottish Friendly has offered to compensate Mrs H for this disappointment and loss of expectation by paying her £150. Having considered our published guidance on the payment of compensation for distress and inconvenience, I'm satisfied that this is fair and reasonable for the impact of Scottish Friendly's mistake on Mrs H.

I appreciate that Mrs H will be unhappy with my decision but I have no power to punish or fine a business for a mistake it has made – that isn't the role of our service.

I won't be directing Scottish Friendly to do anything more than pay the compensation it has already offered.

My final decision

My final decision is that I don't uphold Mrs H's complaint.

Scottish Friendly Assurance Society Limited has already made an offer of £150 compensation and I think this offer is fair in all the circumstances. Scottish Friendly Assurance Society Limited should pay Mrs H £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 25 June 2024.

Leah Nagle
Ombudsman