

The complaint

Mr V complained that Scottish Widows Limited ('SW') gave delayed and inaccurate responses to queries he made about his investments.

What happened

Mr V had a regular savings plan with SW. The plan had 20 segments.

In 2017 SW told Mr V it was moving his investments into a different investment fund because the fund he was invested in was closing. At that time Mr V had surrendered one segment and had 19 active segments remaining.

In 2019 SW told Mr V it had failed to move his investments when it should have. By this time Mr V had surrendered a further four segments of the plan. SW sent him a cheque for value he'd lost on those four segments by not having them invested correctly, plus 8% simple interest on that amount. SW's letter to Mr V didn't say whether the error had affected the 15 segments of the plan that were active.

In September 2023 Mr V contacted SW by phone to find out the value of his investments. By this time he'd surrendered a further five segments of his plan. SW told him his plan had been terminated and he no longer held any investments. This caused Mr V to think his investments had gone missing. Mr V emailed SW and asked it to investigate as a matter of urgency.

Later in September 2023 Mr V chased SW for a response because SW hadn't resolved the issue. And in October 2023 he raised a complaint.

On 13 December 2023 SW told Mr V it had found his investments. It said segments 1 to 10 were still active. It apologised for the delay responding to Mr V's query.

On 13 February 2024 SW sent Mr V a valuation for his plan. And on 15 February 2024 SW replied to his complaint. It said that in 2017 it had failed to transfer Mr V's investments to a new fund like it said it would. It said the mistake had caused Mr V a financial loss which it would correct. To put things right in Mr V's plan SW amended the value of segments 1 to 10 which were the active segments at the time. And it sent Mr V a cheque for £250 in acknowledgement of having given him poor service.

Mr V wrote back to SW saying SW had made many errors in its communications with him and he remained concerned about whether his investments were correctly invested and whether he'd missed out on some investment growth he should've had.

Mr V also referred his complaint to this service. He said he'd enquired about the value of his investment so he could assess the possibility of paying off his mortgage because of increasing mortgage interest rates. He said he wanted to know his money was invested correctly.

One of our Investigators looked into Mr V's complaint. During her investigation of the complaint SW found it hadn't addressed the impact of its error on segments 11 to 15 of Mr V's plan. Those segments had been surrendered after the initial corrections in 2017 but before SW dealt with Mr V's complaint in 2024. In light of this SW now paid Mr V the value it calculated he'd lost by not having segments 11 to 13 invested correctly, with 8% simple interest. For segments 14 and 15 SW said it had paid Mr V more than he would've received if the segments had been invested correctly but it had decided not to ask him to repay the excess amount. The amount of overpayment was about £400.

During the investigation Mr V told this service SW's error had stopped him making withdrawals which had put him into financial difficulty and meant he'd had to borrow money from his family. He said he had to borrow £2,500 per month from family, and he missed mortgage payments which he could've made if SW hadn't made the errors it made.

Mr V provided bank and mortgage statements to show the impact he felt SW's errors had had on him. The earliest bank statement he provided was dated August 2023. The earliest mortgage statement Mr V provided was dated 7 October 2023. It appeared to show Mr V had two monthly payments overdue at that date. The other statement was dated 6 December 2023 and appeared to show Mr V had one monthly payment overdue at that date.

Our investigator concluded that what SW had done to settle Mr V's complaint was fair. In summary she said the following:

- SW had corrected the value of the open segments in the plan and that had put right its error in relation to those segments.
- For the segments that had been closed SW had paid Mr V the amount he'd lost due to SW's error, and it had paid 8% simple interest on that amount.
- In making its corrections SW had paid Mr V more than necessary on two of his segments, but it didn't ask him to repay any money.
- A spreadsheet provided to this service by SW showed that the corrections SW had made were fair and reasonable.
- Mr V's interactions with SW – before and after he made his complaint to SW – included no evidence he'd wanted to make a withdrawal from his savings plan. His complaint to SW said he was unhappy that he couldn't get correct information and he was concerned his money wasn't invested correctly.
- After SW located Mr V's investments in December 2023 he didn't make any withdrawals from the plan. Mr V said that was because he didn't want to change the balances until his complaint was resolved. But it remained the case that there was no evidence supporting Mr V's assertion that SW had stopped him making withdrawals that he otherwise would've made.
- When Mr V made withdrawals previously, he did so by signed letter. When he contacted SW in 2023 he did so by telephone. That suggested Mr V was making an enquiry rather than seeking to make a withdrawal.
- The investigator asked Mr V for evidence he'd borrowed money from family. He provided some bank statements but not enough information to show he'd borrowed money from family as a result of the errors by SW. The payments to Mr V that were shown in the statements were from a company for which Mr V was a director.

- From December 2023 Mr V knew his plan had been located so he had the opportunity to withdraw money from it. So SW's mistake couldn't have prevented Mr V making withdrawals after that date.
- Mr V thought he shouldn't have to pay fees to SW because SW hadn't managed his money as it should've. But SW had put him back in the position he would've been in if his funds had been managed correctly. So it was fair that Mr V pay SW's fees.
- While the investigator was looking into Mr V's complaint Mr V raised a new point of complaint about the accuracy of a statement SW had sent him. This issue was outside the scope of the complaint this service was looking into.

Mr V didn't agree SW had provided a fair outcome. In summary he said the following:

- SW didn't tell him in 2017 that his money would be switched to a different fund.
- SW did tell him in December 2023 that it had located his money. But it didn't give him a valuation until January or February 2024.
- Mr V wasn't going to request a withdrawal until he knew the current value of his plan.
- Mr V would've withdrawn the full amount of his investment, but he needed to be confident he knew the correct amount.
- If he'd withdrawn his money before his complaint was resolved, he would've received little or no '*traction*' with SW. This was shown by the fact SW paid him a further amount of more than £2,000 after he escalated his complaint to this service.
- The company that transferred money to Mr V had no business and was '*entirely operated by money provided by [his] parents*'.
- Mr V's enquiry to SW in 2019 was with a view to paying off his mortgage and other liabilities. When he'd made withdrawals in the past, he'd made a phone enquiry first and then made a signed request in writing.
- Mr V had written to SW in February 2019 about whether it was correctly investing his £500 per month contribution. He wanted this service to look into this.

In response to Mr V the investigator said, in summary, the following:

- SW provided copies of two letters indicating it told Mr V in 2017 that it meant to transfer his money to a new investment fund.
- If Mr V had've made withdrawals, that wouldn't have caused his complaint to have no traction – it would mean any redress would have to take into account that he'd made the withdrawals. SW had already been able to put right Mr V's losses on the segments of his investment that had been surrendered as well as those that were still active.
- The evidence didn't show Mr V was looking to make withdrawals. It showed he wanted to check what segments and balance he had. So the £250 the investigator thought was fair was in recognition of the distress and inconvenience caused by not receiving correct information and having to chase a responses, and the worry associated with that.

- If Mr V had've wanted to make a withdrawal it's reasonable to expect he would've told that to SW when he was corresponding about his plan. Alternatively the investigator would expect to see Mr V make a withdrawal as soon as possible once he had access to his investment again. But in fact Mr V told SW he just wanted to ensure his money was invested correctly. And he didn't make a withdrawal as soon as possible once he had access to his investment again.
- The investigator had no grounds to ask SW to compensate Mr V for not being able to withdraw money if there was no evidence he would've made a withdrawal had SW not made any errors.
- Mr V's complaint about the statement SW sent him had to be set up as a new complaint and so wouldn't be dealt with as part of this complaint.

Mr V said he'd mentioned a couple of times to SW's complaint manager that he'd wanted to use his invested money to pay down his mortgage. He also asked for evidence that SW had overpaid him in relation to two segments of his plan. And he said it was reasonable for him to wait for the outcome of his complaint before making a withdrawal. He said he'd now asked to withdraw 9 of his 10 remaining segments.

The investigator sent Mr V the information SW had provided showing it had overpaid him in respect of two segments. She said that, even if Mr V had said during his complaint calls with SW that he wanted to pay down his mortgage, the evidence overall simply didn't show he'd had that intention at the time he lacked access to the investments (because he didn't mention it at that point) or after he regained access to the investments (because he didn't take any steps to make a withdrawal). The fact Mr V had now initiated a withdrawal didn't show he would've done so earlier if SW hadn't made any errors.

The investigator also said SW had paid Mr V to put right its errors on segments that he'd already surrendered, so Mr V should've known he didn't need to refrain from making withdrawals in order to have his complaint considered.

Mr V made further comments. In part he reiterated and elaborated on comments he'd already made in response to the investigator's view. He also said in considering the impact on him of SW's errors the investigator had focused on whether Mr V had intended to pay down his mortgage. But it was important to look more broadly at his financial situation and the trouble he had getting SW to address his concerns. And he said the investigator had concluded that the impact on Mr V had ended in December 2023 but it had continued until the end of February 2024 because it wasn't until then that SW gave him a valuation.

Mr V provided further information about his financial situation and the impact he felt SW's errors had had on him. He wanted to be compensated for interest he paid on his mortgage from September 2023 to February 2024, which he said he wouldn't have had to pay if SW hadn't made errors. He said he'd had medical appointments since 3 September 2023 to treat a range of symptoms and conditions which were brought on by his financial situation and heightened after his interaction with SW. He said he'd had no income since August 2023 and so had been supported by his parents.

Because no agreement could be reached, this complaint was passed to me to review afresh and make 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 upholding the complaint. I think SW did make mistakes, but I think it's done enough to put the mistakes right for Mr V. I'll explain why.

The purpose of this decision is to set out my findings on what's fair and reasonable, and explain my reasons for reaching those findings, not to offer a point-by-point response to every submission made by the parties to the complaint. And so, while I've considered all the submissions by both parties, I've focussed here on the points I believe to be key to my decision on what's fair and reasonable in the circumstances.

It's common ground that SW wrongly told Mr V in September 2023 that he had no investments, after failing to switch his investments when it should've in 2017. SW has acknowledged its errors and taken steps to put right the impact Mr V suffered. Those steps included making good the financial loss Mr V experienced by not having his money invested correctly for a time, and paying Mr V £250 in recognition of the distress and inconvenience associated with SW giving him wrong information and taking too long to sort things out.

After being given information from SW about the historical values of his plan which SW used to decide how much to pay him to correct the valuation of his investment, Mr V didn't dispute the figures provided. I've seen that, where necessary, SW has made a payment or a correction for each of the segments in Mr V's plan that should've been but weren't switched into a new fund in 2017. And I've seen no reason to say the amount SW paid to correct its mistake for each segment was too little. I also note that in respect of two surrendered segments SW had paid Mr V a surrender value of about £400 more than he would've been due if SW had correctly switched his investment. For all of these reasons I don't think SW needs to do any more to ensure Mr V has received the full value of his investments.

Mr V has disputed our investigator's assessment of the impact on him of his investments going missing for a time and SW not telling him the value of the investments for a time. He said £250 was insufficient for the distress and inconvenience he suffered, particularly because he said SW stopped him withdrawing money needed to pay his mortgage and other liabilities. And he said he should be compensated for mortgage interest that he could've avoided if he'd been able to withdraw money from his plan and pay down his mortgage.

I am sorry to know Mr V has found his financial situation difficult. But I'm not persuaded SW caused him the financial difficulties he's described. In particular, I can't safely conclude SW stopped Mr V making withdrawals he otherwise would've made. I'll explain why.

The bank and mortgage statements Mr V provided indicate he was receiving payments from his company and was behind on his mortgage before he contacted SW in September 2023 about his investments. So I don't think those aspects of his financial situation could've been caused by SW giving him wrong information in September 2023 and thereby stopping him having access to his investments. Of course, I might say Mr V's financial situation was exacerbated by SW's error after September 2023 if I thought Mr V had wanted to withdraw his money but couldn't due to SW's mistake, although I can see that in December 2023 the amount by which Mr V was behind on his mortgage was less than the amount he'd been behind in early October 2023.

I've considered whether Mr V would've withdrawn money from his plan between September 2023 and February 2024 if SW hadn't made any errors. Having reviewed his emails to SW from 8 September 2023 onwards, I've seen nothing to indicate that, at the time, he intended to withdraw funds from his plan. He gave SW reasons for wanting information about the plan. And those reasons centred on wanting to know his money hadn't been misplaced, and wanting to ensure his investments had been growing as they should. If Mr V had've felt he

needed money from his plan at the time, I would've expected him to mention that when he urged SW to reply to his enquiries. Although I haven't had any call recordings to show what Mr V said when he telephoned SW, his written communications indicate that, on the balance of probabilities, he was unlikely to have intended to make a withdrawal because – as I've said – he didn't mention wanting to do so when he wrote to SW about the situation.

It's also significant that once Mr V had been told his investments were located and once he'd been given a valuation he still didn't make a withdrawal from his plan until some months later. Like our investigator, I'm not persuaded it was necessary for Mr V to hold off on making any withdrawals while his complaint was resolved. He'd already seen that SW was able to calculate and pay compensation on segments of the plan that had been surrendered. So there was no need to refrain from surrendering further segments if he needed the funds.

So, taking everything into account, I'm not satisfied I can conclude that SW's error stopped Mr V from making a withdrawal that he otherwise would've made. Having reached this conclusion, I can't hold SW accountable for Mr V's financial situation. And I can't hold SW account for interest he paid on his mortgage – because I haven't found he would've paid off or paid down the mortgage at any particular time if it weren't for SW's error.

I'm sorry to know Mr V has been experiencing a range of health concerns. He's said his health conditions existed before he enquired about the balance of his plan, but that they were exacerbated by his dealings with SW from September 2023. Mr V hasn't provided evidence to show he has health conditions which were exacerbated by SW's errors. But in reaching a decision on this complaint, I accept and have taken into account that Mr V would've felt distress over his investments going missing from September to December 2023, and that he would've felt continued worry or frustration while he awaited a valuation which wasn't provided until February 2023.

Taking everything into account I think the £250 which SW has paid is fair to recognise the distress and inconvenience Mr V suffered by being temporarily deprived of his plan and information about the investments in his plan. It's in line with what this service would usually award in similar circumstances.

Overall, I understand Mr V feels strongly that SW should give him further compensation. But I hope I've explained the reasons why I don't think that would be a fair outcome.

My final decision

For the reasons I've set out above, my final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 21 January 2025.

Lucinda Puls
Ombudsman