

## **The complaint**

Mr C has complained that Liverpool Victoria Financial Services Limited (LV) delayed the process of him making a £4,000 withdrawal from his self invested personal pension (SIPP).

To resolve the matter, Mr C wanted LV to consider its processes for withdrawals and to implement changes to improve the customer journey. Mr C also sought compensation for the inconvenience caused to him.

## **What happened**

The investigator who considered this matter set out the background to the complaint in her assessment of the case. I'm broadly setting out the same background below, with some amendments for the purposes of this decision.

The investigator set out the timeline of events as follows:

15 March 2024: LV received the £4,000.00 withdrawal request.

19 March 2024: LV emailed Mr C to ask how the funds should be disinvested as they were invested across three funds – Mr C responded the same day.

21 March 2024: LV attempted to call to complete the risk assessment but was unable to get through.

4 April 2024: The risk assessment was completed but because the payment would not be received within the 2023/24 tax year, Mr C chose to cancel the withdrawal.

The investigator noted that LV had acknowledged that the service provided wasn't always what should be expected. By its own admittance, an error was made which meant the withdrawal exceeded the ten working day service level agreement.

And so the issue to determine was whether LV had already reached a fair resolution to the complaint - one which would put Mr C back in the position he would have been in had a mistake not been made, and fairly compensated where appropriate.

Having considered what had happened here, the investigator thought that LV had acted appropriately in trying to resolve the matter. She said the following in summary:

- A risk assessment had already been completed online and so the need for a further phone call to discuss the risk warnings shouldn't have been necessary.
- Mr C had also said that the online process includes disclosure of how the funds should be disinvested, so it seemed the email of 19 March 2024 should also not have been necessary.
- LV had explained to our service that, due to a system error, the risk assessment form completed online didn't complete or wasn't processed properly and so it needed to complete this over the phone with Mr C.

- Based on the above, errors in the process had caused an avoidable delay and meant that the withdrawal didn't complete within the ten working day timeframe it should have.
- This service settles complaints between consumers and businesses using a fair and impartial approach. But we're not the regulator. The Financial Conduct Authority (FCA) is the regulator of most financial services in the UK and is responsible for checking how businesses are carrying out services and setting rules for them to follow. It's not within our power to recommend a business change its processes or adopt new ones. That is a matter for the FCA.
- That said, the investigator was pleased to note that LV had provided an overseas contact number for Mr C to use going forward, and it was reviewing its processes and IT systems to see where improvements could be made to make the withdrawal process more streamlined.
- But our service also acknowledges that mistakes can cause distress and inconvenience to consumers. This would be assessed on a case by case basis and when determining a fair figure the case is reviewed holistically - while bearing in mind that it is not our role to punish businesses.
- LV had paid £50 for the inconvenience caused. As a service, we take the approach that using financial services won't always be entirely straightforward and so just because a mistake has been made this wouldn't automatically mean that compensation would be due.
- However in this instance some compensation was appropriate as it was likely there'd been a loss of Mr C's confidence in the efficiency of the current withdrawal process that was in place, and Mr C had had to spend additional time and effort repeating steps.
- Our service has guidelines for awarding for distress and inconvenience – and an award of £50 would be considered fair when a business had caused a one-off incident or occurrence such as a small administrative error or short delay.
- Based on the above, the investigator thought that LV had already reached a fair resolution to the complaint, and so she wasn't recommending that it take any further action.

Mr C replied to say that, whilst he agreed that the £50 payment was sufficient, the error wasn't an isolated incident and so he wanted LV to review all customer withdrawal journeys and receive consistent treatment.

Each time he'd tried to make withdrawals over the last few years he'd experienced the same errors which delayed matter unreasonable, and he'd had to raise a complaint to resolve matters.

Mr C considered that LV's process was broken and he wished to refer the matter to an ombudsman as there'd been a breach of customer treatment.

Mr C also enquired as to whether this service was seeing a trend of these kinds of mistakes.

The investigator acknowledged Mr C's concerns, but said that this service (so neither an investigator, nor an ombudsman) would be able to enforce changes in a business's

processes or require it to adopt new ones. Nor would we look at the withdrawal experiences of other customers. A review of more systemic issues would fall within the remit of the FCA.

And with regard to previous errors made by LV, the investigator's understanding was that Mr C had raised complaints with LV about these at the time. If they weren't referred to our service within six months of the final response letter, and unless LV gives our service consent to do so, we would only be able to look into those complaints/withdrawals in exceptional circumstances. And the bar for exceptional circumstances was high (e.g. incapacitation).

In response, Mr C expressed disappointment that this service couldn't become involved in determining whether LV had fixed its processes and he wondered whether he would experience the same standard of service the next time he tried to make a withdrawal. Mr C also asked for the FCA's contact details.

The investigator duly obliged and confirmed to both parties that, as agreement couldn't be reached on the outcome, it would be referred to an ombudsman for review.

### **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, and whilst I appreciate that this may disappoint Mr C, I've reached similar conclusions as the investigator, and for broadly the same reasons.

I fully understand that Mr C would like reassurance that, when he tries to make a withdrawal in the future, he won't experience the same issues. But as noted by the investigator, we don't have the power to require a business to change its processes or systems. Nor can we consider the service provided to other customers. We deal with individual complaints, looking at the individual circumstances of that complaint.

But what we can do is, in each instance of acknowledged poor service, highlight what has gone wrong and make compensatory awards if appropriate. This in itself serves to highlight to a business that it may wish to review its systems and processes, and as with the investigator, it's pleasing to note that LV has said that it's doing just that.

As also set out by the investigator, a more systemic review of LV's processes would fall to the regulator, the FCA, which does have the power to investigate customer journeys generally and, if necessary, require changes in processes or impose fines for poor behaviour.

I note that the investigator has already provided Mr C with the FCA's contact details, and so there little else I think I can usefully add on these specific points.

But Mr C has certainly been inconvenienced by what happened here, and as mentioned above, we can make awards in individual cases. Mr C has agreed that the sum paid by LV in respect of the inconvenience caused to him is sufficient, and I'm inclined to agree.

However, if Mr C experiences something similar in the future, and needs to refer the matter to this service, further payments (and possibly higher given Mr C's overall cumulative experience) may be deemed appropriate. And I'd ask LV to note this carefully.

**My final decision**

My final decision is that the payment made by Liverpool Victoria Financial Services Limited is appropriate in this instance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 March 2025.

Philip Miller  
**Ombudsman**