

The complaint

Mr R complains about the service that he received from Scottish Widows Administration Services Limited ('SWAS'). He says that SWAS provided incorrect information to him when he was trying to make contributions into his pension via salary sacrifice.

Mr R says that because of SWAS's misinformation, he paid more tax than necessary which he'd now like to be recompensed for along with the trouble and upset that they've caused.

What happened

In August 2023, Mr R contacted SWAS as he wanted to make a contribution to his pension with them via an umbrella company. SWAS advised Mr R that he could make the payments which subsequently transpired to be inaccurate.

In September 2023, Mr R applied to transfer an Additional Voluntary Contribution plan to SWAS. After becoming frustrated with the length of time the transfer was taking, In October 2023, Mr R made a complaint to SWAS about the delays he was experiencing. In addition, the same month, Mr R also made a subject access request (SAR) to SWAS, as he wanted to see a copy of the information that was held about him.

A month later, on 24 November 2023, SWAS added the SAR information to an online portal for Mr R to access. As Mr R had originally asked for the information to be posted to him, he didn't access SWAS's portal at that time.

The AVC funds were eventually credited to Mr R's Scottish Widows plan on 15 December 2023. And, on 19 January 2024, having not received his SARs paperwork through the post, Mr R chased SWAS for the hard copy of his information. Mr R explained that as he had dyslexia, he found the online service tricky so preferred to see a paper copy of what SWAS held about him. After initially declining the request to send a hard copy through the post, Mr R received a printed version on 23 February 2024.

Mr R subsequently raised further concerns with SWAS about the incorrect information he'd received around salary sacrifice and SWAS's reluctance to provide a printed copy of the SAR. After reviewing Mr R's complaint, SWAS concluded that they hadn't provided the service that they would typically aim to deliver. They also said in summary:

- The AVC could have been transferred sooner, by 1 October 2023 rather than in December 2023. As such, a loss calculation showed that Mr R had been disadvantaged by £973. SWAS said that they had added that amount to his pension to put things right for him.
- They had provided incorrect information about salary sacrifice and were sorry if a tax liability had occurred unnecessarily. SWAS also said that if Mr R were to provide additional evidence about the tax, they would be happy to recompense him for it.

- The SAR paperwork had since been provided in the post. SWAS explained that they typically only provided SARs via their portal to help protect customers' personal information from being intercepted in the post. However, they acknowledged in this instance the information should have been posted to Mr R.

In recognition of the service that Mr R had received, SWAS also offered Mr R £500 for the trouble and upset caused.

Mr R was unhappy with SWAS's response, so he referred his complaint to this service. In summary, he said he was unhappy with the service and advice that he'd received from SWAS and explained that he had suffered disability discrimination. Mr R went on to say that he didn't think SWAS's offer to put things right was fair, in light of his specific circumstances.

The complaint was then considered by one of our Investigators. She concluded that whilst SWAS had made mistakes, they'd acknowledged their errors and the approach they'd taken to put things right for Mr R appeared fair and reasonable.

Mr R disagreed with our Investigator's findings. In summary, he said that having looked at the decisions this service publishes online, he'd found a similar case to his where the complainant had been awarded a much higher level of compensation. Mr R explained that his circumstances warranted a similar, if not higher award than the case he'd highlighted because of how SWAS had treated him.

Our Investigator was not persuaded to change her view as she didn't believe Mr R had presented any new arguments she'd not already considered or responded to. Unhappy with that outcome, Mr R then asked the Investigator to pass the case to an Ombudsman 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.

I have summarised this complaint in less detail than Mr R has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts. Instead, I will focus on what I find to be the key issue here, which is whether the steps SWAS have taken to put things right for Mr R are fair and reasonable.

My role is to consider the evidence presented by Mr R and SWAS in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, whilst I'm upholding Mr R's complaint, I won't be instructing SWAS to do anything further beyond what they've already offered to do - I'll explain why below.

When our Investigator spoke to Mr R on 1 May 2024 to discuss the complaint he'd brought to our service, he explained his main cause for concern was the incorrect information that he'd been given about the salary sacrifice issue. He went on to say that he felt his other concerns had been dealt with. I will therefore focus my decision on this specific point.

Using financial services won't always be hassle free and sometime mistakes occur. But this service is not here to punish businesses when things go wrong, that's the role of the regulator, the Financial Conduct Authority. So, when mistakes do happen, we'd typically ask the business to put the consumer back into the same position that they would have been in were it not for the error. And, in his complaint to this service, Mr R has asked to be *"put in the position I should have been with the tax and NICs and would like a fair payment for the stress I have suffered"*.

I've looked closely at various exchanges that Mr R has had with SWAS - it seems to me that SWAS have acknowledged that they did provide incorrect information to him about the salary sacrifice contribution and that they've agreed to put things right for him. However, to do that, SWAS wanted additional information from Mr R to substantiate his claims and to ensure that they were recompensing him correctly. I don't think SWAS were being unreasonable when they asked Mr R to provide them with some payslips in order to satisfy that requirement and whilst I understand that Mr R was initially reluctant to have to send this information into SWAS, it seems that he has now submitted the evidence to them that they needed. I also understand that SWAS have now compensated Mr R for the impact of the National Insurance contributions and paid him interest for the period that he had been without this money.

I'm therefore satisfied that SWAS have acted fairly in respect of putting the salary sacrifice issue right for Mr R and as such, I don't think that they need to take any further action on that point.

I'd like to acknowledge that I do very much appreciate how stressful Mr R must have found his interactions with SWAS, particularly when he initially found out he'd have to pay tax that could have been avoided. However, SWAS have agreed that they made a number of mistakes and have taken action to put things right. They calculated the impact of the delay in transferring Mr R's pension and recompensed his fund for the additional time they took to move his pot. They've also now put the salary sacrifice issue right. SWAS have also provided the SAR paperwork to Mr R in the format that he originally wanted.

When I think about the impact that SWAS's actions have had on Mr R, there's no doubt that he's been inconvenienced, and I think it's fair to say SWAS have acknowledged as much too. But, SWAS have now ensured that Mr R hasn't suffered a financial consequence because of their mistakes. When considering an award for the impact a set of errors has had on an individual, I need to take account of the personal circumstances of the consumer and what they've told us of the impact of those errors because understandably, the impact of such mistakes can have a very different outcome on different people.

Mr R has explained that he's taken a considerable amount of time out of his schedule to put things right. He's also told us about how frustrated he was when SWAS failed to provide the SAR in the format he needed. Mr R highlighted his PTSD to our Investigator and explained that he didn't feel £500 was fair in light of his circumstances. Mr R has also highlighted a case similar to his where the award for trouble caused was higher.

SWAS originally offered Mr R £300 but later increased their offer to £500 when they took account of the SAR issue. SWAS were aware of Mr R's dyslexia, so I think it's right that they acknowledged this when revisiting the award. But, SWAS weren't aware of Mr R's

PTSD so I can well understand how their actions may have a bigger impact on Mr R than other consumers.

When considering the events overall, Mr R's personal circumstances and the impact he says the issues have had on him, I'm satisfied that the £500 that SWAS has offered Mr R is fair and reasonable in the circumstances and is at the same level I would have instructed them to pay to Mr R had they not already offered to do so. Whilst I acknowledge the other decision that Mr R has highlighted, each case that comes to this service is considered on its own merits and I'm satisfied that the £500 SWAS have put forward is fair and reasonable. So, whilst I accept that Mr R may be disappointed by my decision, I won't be asking SWAS to increase the award that they make to him.

My final decision

Scottish Widows Administration Services Limited has already made an offer to pay Mr R £500 to settle the complaint and I think this offer is fair in the circumstances.

So, my decision is that Scottish Widows Administration Services Limited should pay Mr R £500 if they've not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 November 2024.

Simon Fox
Ombudsman