

The complaint

Mrs W complains that Phoenix Life Limited trading as Standard Life (“Standard Life”) has failed to treat her fairly when she has instructed changes to the investments in which her pension savings were held.

What happened

Mrs W holds pension savings with Standard Life. From time to time she has elected to change the investments in which her pension savings are held. On each occasion Standard Life has told Mrs W that the price of the sale of her investments will be determined two days later. Mrs W complained that meant, in rapidly changing markets, she was unable to mitigate any falls in the market prices of the investments she held.

Standard Life told Mrs W that it had acted in line with the terms and conditions of the pension plan that she held. It said that the two-day delay was in line with good industry practice and was intended to mitigate against the risk of customers using market timing to their advantage, at the expense of others. And it provided Mrs W with recordings of the telephone calls she had with the firm where the two-day settlement period had been clearly explained. Unhappy with that response Mrs W brought her complaint to us.

Mrs W’s complaint has been assessed by one of our investigators. She thought that the two-day processing timescale had been clearly set out in the relevant terms and conditions. And she thought that it was reasonable for Standard Life to decide the basis on which it was prepared to conduct business. So the investigator didn’t think the complaint should be upheld.

Mrs W didn’t agree with that assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of 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.

In deciding this complaint I’ve taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mrs W and by Standard Life. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn’t intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the

business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

Standard Life has explained that the provision of the pension plan to Mrs W is governed by some terms and conditions that would have been provided to her when she first opened the plan in 2019. Of particular relevance to this complaint is section 5.25 that forms part of a section headed "Switching between funds". That reads;

"The insurer will normally switch or cancel the units on the second or third business day after receiving your instructions depending on when the instruction was received. However, as explained in section 5.23, there can be some circumstances where transactions can be delayed. For further information ask us or your financial adviser for a copy of the insurer's leaflet on 'Understanding unit-linked funds' or, for an external fund using a mutual fund, the relevant mutual fund prospectus, which is usually available on the external fund manager's website."

Standard Life has also provided us with recordings of the telephone calls in which the fund switches were requested by Mrs W. In total, between November 2020 and August 2024 Mrs W made eleven separate requests to change the way in which her pension savings were invested. And to be clear, although Standard Life only initially provided us with a sample of those calls, it has subsequently provided recordings of nine of those calls for my consideration.

At this stage I would say that the content of each of the calls is remarkably similar, showing that Standard Life uses a script when dealing with instructions of this nature from consumers. So I don't share Mrs W's concerns that the calls initially sent to us by Standard Life were not representative of what happened on each occasion. And for the same reasons I haven't considered it necessary to request the calls of the additional two fund switches that appear to have been omitted.

On each call Standard Life clearly explains to Mrs W that the fund switches will take place two working days later. And, certainly in the later calls, Mrs W is clearly expecting that information and simply uses the call as an opportunity to check her own assessment of when the switches will take place is correct. So I cannot reasonably conclude that Standard Life has treated Mrs W unfairly when applying the two-day delay to the completion of the fund switch instructions.

Mrs W has said that she was disappointed to have been told by Standard Life that the two-day delay was a regulatory requirement. I am not persuaded that was something she was told during the phone calls – as I said they were generally scripted and simply relayed information to Mrs W about what would happen. But in its response to the complaint Standard Life has told Mrs W that the two-day delay is a reflection of its responsibilities to mitigate against the risk of customers using market timing to their advantage, at the expense of other customers in the same fund.

Standard Life is a member of the Association of British Insurers. It is their guide to good practice that has led Standard Life to implement the two-day delay on the transfer of unit-linked funds. But I entirely accept that other firms might have alternative views on that guidance, and on the processes they need to adopt to ensure compliance with any good practice guidance.

But I don't think that means Standard Life has done anything wrong. I haven't seen anything to make me think Standard Life told Mrs W that its terms and conditions were specifically mandated by regulation, and so would be seen across all other providers. And I don't think Standard Life's interpretation of what it needs to do in order to ensure its compliance is unreasonable. Those steps were clearly set out in the terms and conditions of the pension plan, and explained to Mrs W each time she gave an instruction to switch her investments.

I appreciate how disappointing this decision will be for Mrs W. But it is for Standard Life to set the terms on which it is prepared to offer its services. Those terms were clearly explained both in the product literature and when Mrs W gave her instructions. Mrs W appears to now be aware that other firms might offer her pension products on a different basis. It would be for her to consider whether those products better meet her needs and if so transfer her pension savings.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Phoenix Life Limited trading as Standard Life.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 1 April 2025.

Paul Reilly
Ombudsman