

## The complaint

Mr B has complained that Scottish Widows Limited didn't provide him with any information or service on his personal pension plan since it started and claims that he's suffered a financial loss as a result.

## What happened

Mr B holds a personal pension plan with Scottish Widows Limited (Scottish Widows), which he started in May 1995. Mr B has said that in early 2024 he was going through some paperwork and came across documents for his Scottish Widows pension. Mr B then contacted Scottish Widows on 1 June 2024, via his online portal, to ask for information on his pension plan, including copies of annual statements for his pension going back to 1995.

In July 2024 Mr B complained to Scottish Widows. Mr B said that he'd been told by Scottish Widows that he couldn't access any online information on his pension plan as the plan had been "*retired*", so he'd asked Scottish Widows for his annual statements again. Mr B also said that he had previously been able to download statements for the previous five years from his portal and had seen that these statements were addressed to Scottish Widows' head office and not his home address. However, Mr B said that he no longer had online access to these statements.

Mr B also complained that Scottish Widows had been charging him management fees on his pension plan but hadn't been providing him with any service since his pension plan had started in 1995. Mr B added that he'd previously told Scottish Widows about a change of his address for an investment plan he held with it, but Scottish Widows hadn't applied his new address to his pension plan. Mr B also claimed that because he hadn't had any contact from Scottish Widows then he hadn't been able to manage the investment of his pension plan and had suffered a financial loss as a result.

Scottish Widows responded to Mr B's complaint on 15 August 2024 to say that it couldn't uphold his complaint about not sending out correspondence since 1995 or for Mr B not being able to view his pension plan online. It also didn't uphold Mr B's complaint about him not receiving any service for the management fees that he'd paid.

However, Scottish Widows did apologise for not promptly sending Mr B annual statements following his request for these earlier in 2024. Scottish Widows enclosed historic valuations for Mr B's pension plan with its response to his complaint and sent Mr B a cheque for £100 in compensation for the inconvenience its poor service had caused him.

Scottish Widows then wrote to Mr B again on 5 September 2024 with a response to a further complaint he'd made on 22 August 2024. Scottish Widows said in this response that it had addressed Mr B's concerns in its earlier letter of 15 August 2024. However, Scottish Widows also said that Mr B had explained in his letter to Scottish Widows of 2 July 2024 that he had to sell his property in 2021, due to financial difficulties. Mr B said that if he'd known about his pension plan then he could've used it to offset some of his debt. Mr B had now complained that this issue hadn't been addressed by Scottish Widows in its response to his earlier complaint.

Scottish Widows said it wasn't responsible for Mr B not being able to use his pension plan to offset any of his debt but went on to say that because it hadn't previously addressed this issue its service had fallen below the level that Mr B should have expected and would now send him payment for £250 in compensation for the further inconvenience he'd suffered.

Mr B wasn't happy with Scottish Widows' responses to his complaint, so he referred this to the Financial Ombudsman Service. One of our Investigators reviewed Mr B's complaint.

Whilst our Investigator was completing their review Scottish Widows contacted this Service to say that it had considered whether it could have traced Mr B's address, as it had knowledge of a possible incorrect address for him. Scottish Widows said that whilst it would have carried out a trace for Mr B two years before to his retirement date, a trace should have been performed in 2020 as it was evident that correspondence would not reach Mr B as earlier correspondence had been returned marked "*gone away*".

Scottish Widows said it would now pay Mr B a further £300 in compensation for this error, bringing the total compensation payable to Mr B to £650. Our Investigator thought that this amount of compensation was fair and reasonable in this case and therefore didn't think that Scottish Widows needed to take any further action in respect of Mr B's complaint.

Mr B disagreed with our Investigator's view. He maintained that if Scottish Widows had updated his address records in 2021 or 2022 then he would have been aware of the investment performance of his pension plan. Mr B went on to say that he would have taken financial advice and more than likely moved or changed investments to provide potentially better investment returns. Mr B asked for his complaint to be considered by an Ombudsman.

### **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.

Mr B has complained that Scottish Widows didn't send him annual statements for his pension since it started in 1995. However, Scottish Widows has said that it didn't issue annual statements for the type of pension plan held by Mr B before 2020. Therefore, regardless of whether Scottish Widows had held a correct address for Mr B, annual statements were not issued for Mr B's pension plan before then.

Scottish Widows says its systems were updated in 2020, which allowed annual statements for Mr B's policy to be issued for the first time. However, annual statements were then not sent out to Mr B as Scottish Widows' address records for his pension plan were out of date. Scottish Widows has sent this Service a copy of the annual statements produced for Mr B's pension plan and from these I can see that they show Scottish Widows' business address against Mr B's name, and not his home address, on the relevant address page.

Scottish Widows has also sent this Service a statement for Mr B dated 2019 but has now confirmed that this was produced later and not in 2019. Scottish Widows has therefore again confirmed to this Service that annual statements for Mr B's pension plan were produced for the first time in 2020.

Scottish Widows has also said that although Mr B didn't receive the annual statements that were sent from 2020, he would still have been able to contact it by telephone at any time, or through its online portal, to obtain information on his pension. I think this is reasonable. Mr B's pension started in 1995, so 25 years before annual statements were first produced. I think it's reasonable to conclude that had Mr B maintained records of his pension plan or located the information he had on his pension plan before early 2024, then he would have been able to either contact Scottish Widows directly, or open an online account, and obtain information about his pension earlier than he did.

I also think that Mr B would have been given information on his pension plan when it started in 1995, including the pension plan number, which would've allowed him to contact Scottish Widows to ask for information on his plan. However, I don't think this happened because, as Mr B has said, he'd forgotten about his Scottish Widows pension. But I don't think it would be reasonable to conclude that Scottish Widows was responsible for Mr B not asking it for information on his pension plan because he'd forgotten about it, or because he didn't locate paperwork on his pension plan earlier than he did.

Mr B has said that he sent details about his change of address to Scottish Widows in relation to his investment plan only in 2002. Scottish Widows updated its address records for Mr B's investment plan as a result. However, Scottish Widows didn't update its records for Mr B's pension plan as Mr B hadn't quoted his pension policy alongside his investment plan reference.

As Scottish Widows successfully changed its address records for Mr B's investment plan then I think it's reasonable to conclude that had Mr B quoted his pension plan reference or policy number when he wrote to Scottish Widows then it would have also updated its records for his pension plan. I think that this would have meant that Mr B would have received his annual statements in the post from 2020 onwards, when Scottish Widows started to produce these.

Mr B has also said that if he'd known about his Scottish Widows pension plan in 2021 then he would've used his plan to offset some of his debts and therefore wouldn't have needed to sell his property. However, in 2021 Mr B was under age 55 and as a result wouldn't have been able to draw any of his pension benefits. I therefore think that even if Mr B had known about his pension plan in 2021, he still wouldn't have been able to draw any money out of his pension plan at that time. Also, as I've said above, I think that if Mr B had maintained records of his pension, then he would've known of its existence.

Mr B has also claimed that because he wasn't receiving any annual statements from Scottish Widows then it wasn't providing him with any service, and therefore shouldn't have applied its annual management charge. However, the charge applied by Scottish Widows wasn't for ongoing financial advice, it was for running his pension plan. I don't think that the application of Scottish Widows' annual charge was dependent upon it sending Mr B an annual statement each year. Instead, I think that Scottish Widows continued to manage the investment of Mr B's pension savings, in line with his original instructions, and administer his pension plan. I therefore don't think it would be reasonable to uphold this part of Mr B's complaint.

Mr B has also said that he appointed a financial adviser to help him manage his finances in 2022 and that if he'd known about his pension plan at that time then he and his financial adviser would have made changes to the investment of his pension which would've produced better investment returns. But I think that when Mr B appointed his financial adviser in 2022, it's likely that he'd have told his adviser about his financial circumstances, which would've included details of pension and retirement savings.

However, Mr B didn't tell his new financial adviser about his Scottish Widows pension. I think this was likely because he'd forgotten about this plan. But I think that had Mr B maintained up to date records for his retirement savings then he would've told his financial adviser about his Scottish Widows pension when he engaged them in 2022. I think that this would have allowed Mr B's financial adviser to advise him on his Scottish Widows pension.

The annual statements that I've seen for Mr B's pension plan for 2020 to 2024 inclusive show that it was invested in "*Scottish Widows Pensions Managed Fund (Series 2)*". I've therefore considered what, if any, change there has been to the investment of Mr B's pension plan since he became aware of it.

Scottish Widows has said that in June 2024 Mr B moved his pension to a retirement account and drew out a tax-free payment. Scottish Widows has added that since then Mr B's pension has invested in its "*Pathway 4*". Scottish Widows has said that the fund that it uses for this "*Pathway*" is the "*Scottish Widows Pension Portfolio C series 4*", and Mr B's pension is solely invested in this pension portfolio. Scottish Widows' website says it has four "*Pathways*" for pension plan holders to choose from and goes on to say: "*Pathway 4 You plan to take out all your money within the next 5 years*"

Therefore, whilst Mr B has drawn down from his pension plan since he became aware of it, using Scottish Widows' "*Pathway 4*", Scottish Widows has said that his pension is in the fund that it uses for this "*Pathway*". I therefore don't think that the change in investment of Mr B's pension plan is a result of him, or his financial adviser, selecting his own funds to try and produce better returns. Instead, I think it more likely that the change in investment fund is a result of Mr B drawing from his pension plan and investing in the fund that Scottish Widows uses for his chosen "*Pathway*".

I haven't seen any evidence to show that Mr B would've changed the investment of his pension plan on advice from his financial adviser if he'd known about its existence earlier. I also don't think that even if Mr B had changed his investment earlier, there would have been any guarantee that any such changes would've produced better returns, as he's claimed. I've therefore not seen any evidence to show that Mr B suffered any financial or investment loss due to him not knowing about his Scottish Widows pension before early 2024.

I've also considered what actions Scottish Widows should have taken to try and find Mr B. Scottish Widows has said that it would run a trace two years before the recorded retirement date for Mr B's pension, which was 2033. This would have meant that Scottish Widows wouldn't ordinarily have started undertaking a trace to locate Mr B until 2031.

However, Scottish Widows has also said that it should have completed a trace for Mr B in 2020 when it had correspondence for him returned "*gone away*". I think it's reasonable to conclude that if Scottish Widows had completed a trace, then this should have enabled it to locate Mr B. For this omission Scottish Widows has offered Mr B compensation of £300.

I've therefore considered whether Scottish Widows was wholly responsible for Mr B not receiving any statements for his pension after 2020 or being aware of his pension. My conclusion is that it wouldn't be reasonable or fair to consider that Scottish Widows was wholly responsible for Mr B not receiving updates on his pension. Instead, I think it's reasonable that Mr B should also carry some responsibility for this as he'd mislaid his paperwork and forgotten about his Scottish Widows pension plan and therefore didn't maintain contact with it to ask for any information between 1995 and early 2024.

Scottish Widows has admitted that it made errors and could have provided Mr B with better service when he contacted it to ask for historic valuations in July 2024 and when it responded to his further concerns in August 2024. As I've said above, Scottish Widows has also said that it should have undertaken a trace for Mr B in 2020 when correspondence to him was returned marked "*gone away*". Scottish Widows has offered Mr B total compensation of £650 for any distress and inconvenience that its actions and omissions caused.

My conclusion, after taking all the above into account, is that on balance Scottish Widows offer of £650 in compensation for its omissions is fair and reasonable in this case. I've also not seen any evidence which shows that Mr B suffered a financial loss because of Scottish Widows omissions. Therefore, I am unable to uphold Mr B's complaint.

### **My final decision**

My final decision is that I don't uphold Mr B's complaint against Scottish Widows Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask to accept or reject my decision before 30 April 2025.

Ian Barton  
**Ombudsman**