

The complaint

Mr D is unhappy with the service he received from Liverpool Victoria Life Company Limited (Liverpool Victoria) whilst he was trying to take his pension benefits.

What happened

Mr D had a protected retirement plan with Liverpool Victoria which was due to mature on 25 June 2023. On 13 March and 15 May 2023, Liverpool Victoria wrote to Mr D and the adviser that had been involved when the policy was taken out to let them know that the maturity date was approaching.

Mr D says he called Liverpool Victoria in the middle of June 2023 to discuss his options and was told he would receive a call back. On 30 June 2023 Mr D called Liverpool Victoria and expressed dissatisfaction that he had not heard from them. The call note sets out that Mr D said he had called Liverpool Victoria ten days before. Mr D says he was told what his options were for taking his fund at this point. Mr D went away to speak to other providers about the prospect of transferring his fund to them.

Liverpool Victoria received a fund request from another pension provider (Firm N) in July and then September 2023. These requests did not complete as Firm N said they wouldn't accept crystallised funds. On 26 October 2023 Liverpool Victoria received a request for funds from another pension provider (Firm V). The funds were sent to Firm V on 6 November 2023, but returned to Liverpool Victoria on 22 November 2023. Liverpool Victoria say that they shouldn't have sent the funds because Firm V had restrictions which meant they wouldn't accept the transfer.

On 29 November 2023 Mr D called Liverpool Victoria as he had been told the transfer to Firm V could not go ahead. He was advised that he could transfer his funds to a Flexible Transitions Account (FTA) with them if he had a meeting with pension wise. Mr D attended an appointment with pension wise on 6 December 2023. Mr D called back on 12 December 2023 following his meeting – but was told by Liverpool Victoria that due to his fund size he would not be able to transfer his funds to an FTA. Mr D was unhappy and so raised a complaint. Liverpool Victoria called Mr D back and let him know that he would need to get advice, or take his pension fund as a lump sum.

Mr D booked and attended an appointment with a financial adviser. He decided to take his fund as a lump sum. Mr D requested a lump sum on 16 January 2024. Liverpool Victoria received Mr D's completed form on 25 January 2024. A payment was issued to him on 9 February 2024.

Mr D chased for an update about his complaint on a number of occasions before it was logged.

Liverpool Victoria responded to Mr D's complaint within a final response letter on 12 February 2024. They said they had not caused any delays in respect of the two transfer attempts Mr D had made.

They offered £200 compensation by way of an apology for advising Mr D that he could invest his funds into an FTA, when this wasn't possible due to the size of his fund. This sum was also to include three weeks interest payments on Mr D's lump sum due to delays.

Mr D was not happy with this response and so referred his complaint to this service for consideration. He said that he had received incorrect and contradictory information over six months from Liverpool Victoria. And that this had resulted in two failed transfer attempts to other providers and an unnecessary appointment with pension wise.

An Investigator reviewed the complaint, they didn't uphold it as they felt what Liverpool Victoria had offered was fair. Mr D remained unhappy with this response and provided some additional information. Following a review of the information the Investigator issued a second assessment. They suggested Liverpool Victoria pay 15 days interest on Mr D's lump sum in addition to the £200 compensation they had offered.

Mr D requested that an Ombudsman consider his complaint. He agreed that Liverpool Victoria had not caused the delays associated with his attempts to transfer away from them. But, he explained he didn't think the compensation amount suggested was enough. He said he had been inconvenienced for a significant amount of time, and he had needed to put in extra effort to resolve things. He said he didn't think Liverpool Victoria had dealt with his complaint in an efficient way which had added to this.

The Investigator responded to Mr D to explain that this service can't consider how a firm has dealt with a complaint, as it is not a regulated activity.

The complaint has been passed to me for consideration, I issued my provisional findings on 28 October 2024. Both Mr D and Liverpool Victoria agreed with my findings and no further comments or evidence was provided to this service.

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 reconsidered everything my findings remain in line with my provisional decision. As such the below is largely the same as what I set out previously.

I don't think what Liverpool Victoria have offered Mr D is enough when taking everything into consideration. That is because they have offered £200 compensation which they say incorporates interest on Mr D's lump sum to reflect the loss of use of his funds. But, I think they should have offered the interest in addition to and increase the level of compensation. I will go on to explain why below.

Liverpool Victoria accept that they provided Mr D inaccurate information during the call they had with him on 29 November 2023. And Mr D says he accepts that Liverpool Victoria did not cause any delays in relation to the two transfer attempts he made between 30 June 2023 and 29 November 2023. So, whilst I have considered everything that has been provided to me by both parties in full, I have concentrated this decision on where I have seen that something went wrong.

Delays

I have considered the full timeline based on the evidence and have identified the following avoidable delays:

- From 6 November 2023, when Liverpool Victoria sent Mr D's funds to Firm V. To 22 November 2023 when the funds were returned to them.

I appreciate Mr D has said he is satisfied that Liverpool Victoria were not responsible for the delays he suffered due to the two transfer requests he made. However, Liverpool Victoria did make a mistake by sending his funds to Firm V. This meant that there was an unnecessary delay of 16 days. Had Liverpool Victoria marked Firm V's request correctly and not sent them Mr D's funds, he would have contacted them earlier than 29 November 2023. Which is when he discovered the transfer had failed. As such – they are responsible for this delay period, 16 days.

- From 29 November 2023, when Mr D was told he could transfer his funds to an FTA, to 12 December 2023 when Mr D called back following his appointment with pension wise and was correctly advised by Liverpool Victoria that would not be possible. A total of 13 days.

Liverpool Victoria have said that the call handler on 29 November 2023 hadn't considered the value of Mr D's fund as the fund value wasn't discussed during the call. But, I think it reasonable to expect the call handler to check Mr D's fund in order to be able to provide him with clear and accurate information about his options.

Due to the incorrect information Mr D received on 29 November 2023 he booked and attended a meeting with pension wise. Had he been given the correct advice on 29 November 2023 – as he was given on 12 December 2023 - he would not have spent time seeking guidance from pension wise. When he was told on 12 December 2023 that he would need to seek independent advice or take his fund as a lump sum, Mr D booked and attended an appointment with a financial adviser. So, I think had Liverpool Victoria correctly advised him on 29 November 2023, Mr D would have instead booked an appointment with an adviser at this point rather than seeking guidance from pension wise. This delayed Mr D in seeking financial advice and deciding to take his funds as a lump sum for 13 days.

- From 2 February 2024, when Mr D should have received his lump sum payment to 9 February 2024 when it was paid. This time period is working days only. That is because I would not expect Liverpool Victoria to move Mr D's application forward during non-working days.

It took Liverpool Victoria 11 working days to process Mr D's request to take his funds as a lump sum. I think it's reasonable to expect Liverpool Victoria to have reviewed the request and processed it within five working days. As such I will be awarding interest for six working days to reflect the loss of use of Mr D's funds.

Mr D has said he called Liverpool Victoria 10 days before he chased them on 30 June 2023. Liverpool Victoria don't have any record of a call prior to 30 June 2023. And in correspondence with this service Mr D has said he can't find record of it in his call logs. In the absence of any evidence this call occurred I'm not making an award for the period 10 days prior to 30 June 2023.

Complaint handling

This service can't consider every complaint that is referred to us. In order for us to be able to consider a complaint, among other things, it has to have been made about a regulated activity. Complaint handling isn't a regulated activity. So, I can't consider complaint handling in isolation as it falls outside of my remit.

Distress and inconvenience

Sometimes things go wrong, which can cause stress and inconvenience. When thinking about the compensation I am considering the impact the error has had on Mr D and how Liverpool Victoria acted in order to try and put things right.

Mr D wasn't aware that Liverpool Victoria had caused a delay during his requested transfer to Firm V. So, whilst he suffered a financial loss – which I am redressing, he didn't suffer any distress. And, Mr D hasn't said that he was in desperate need of the funds, in fact he says he didn't intend on taking the full amount as a lump sum. So, I don't think the delay of six days in receipt of the lump sum caused him significant distress.

Liverpool Victoria told Mr D incorrect information which meant that he thought he could take his benefits in the way he wanted to, temporarily. So, he suffered a loss of expectation when he was advised on 12 December 2023 that was not possible. I appreciate this caused Mr D distress and inconvenience. In addition, Mr D attended an appointment with pension wise which he otherwise wouldn't have. Which meant he had to make more effort than would have been necessary if things had gone as they should, to take his benefits. Considering these circumstances I am directing Liverpool Victoria to pay Mr D £300 compensation.

Putting things right

In order to put things right, and Mr D back in to as close to the position he would have been in but for the delays Liverpool Victoria caused him I am directing them to:

- Pay 8% simple interest per annum on Mr D's lump sum for 34 days. This is to account for the delays Liverpool Victoria caused to Mr D receiving his funds.
- Pay £300 to account for the distress, inconvenience and loss of expectation Liverpool Victoria caused Mr D.

If payment of compensation is not made within 28 days of this final decision, interest must be added to the compensation at the rate of 8% per year simple from the date of this final decision to the date of payment.

Income tax may be payable on any interest paid. If Liverpool Victoria deducts income tax from the interest, it should tell Mr D how much has been taken off. Liverpool Victoria should give Mr D a tax deduction certificate in respect of interest if Mr D asks for one, so he can reclaim the tax on interest from HMRC if appropriate.

My final decision

I uphold Mr D's complaint and direct Liverpool Victoria Life Company Limited to award compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 December 2024.

Cassie Lauder
Ombudsman