

The complaint

Ms G complains that Wesleyan Assurance Society ("Wesleyan") has failed to administer her pension plan in a professional manner.

What happened

Ms G has held a pension plan with Wesleyan since August 2021. The plan was originally opened to receive monthly contributions from Ms G's employer. But following a change in her employment circumstances in late 2022 Ms G started to pay the monthly contributions herself. The change of payer, from the employer to Ms G, meant that from that point the contributions would be eligible to receive tax relief.

But Wesleyan failed to correctly reflect that change on its records, so the contributions Ms G paid to her pension did not benefit from tax relief. That error wasn't identified until April 2024 when Ms G decided to increase the amount of her monthly contribution. She asked Wesleyan to correct her pension records and add the additional tax relief to her savings.

When Ms G first raised the problem Wesleyan said it would put things right, and it said it would pay Ms G £50 for the inconvenience she'd been caused. But the repair activity didn't complete in a reasonable time, nor was the £50 received by Ms G. So she complained again to Wesleyan. Wesleyan apologised it had not done what it said it would. But it told Ms G that it had now corrected things and offered to increase its compensation offer for her inconvenience to £150. Unhappy with that response Ms G asked us to look at her complaint.

Ms G's complaint has been assessed by one of our investigators. He didn't think Wesleyan's communications to Ms G about what had happened and the corrections it had made had been sufficiently clear. So he asked Wesleyan to provide some more information about the corrections. And he told Wesleyan that he thought it should pay a total of £250 to reflect the inconvenience Ms G had been caused.

Wesleyan said it accepted the investigator's findings. It paid £250 to Ms G for her inconvenience and sent Ms G some more information showing the bulk corrections it had made to her pension plan. When Ms G said that detail was insufficient Wesleyan sent some further extracts from its systems showing the revisions to each of the contributions Ms G had made. And it said that it would be willing to increase its offer of compensation for Ms G's inconvenience to a total of £500.

But Ms G remained unhappy with how she had been treated by Wesleyan. 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. If Ms G accepts my decision it is legally binding on both parties.

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 Ms G and by Wesleyan. 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.

I think there are two aspects to this complaint that I need to reasonably consider. Wesleyan has accepted that it didn't correctly categorise the contributions that Ms G made between November 2022 and April 2024. So I need to be satisfied that it has now corrected its records to ensure that Ms G's pension savings are fairly valued. And then I will go on to consider how Wesleyan has treated Ms G since the error was discovered.

I entirely accept (and will discuss further later in this decision) that Wesleyan's communications to Ms G left a lot to be desired. And for that reason I can understand why Ms G has a degree of scepticism about whether her pension savings have been correctly revised. And, to a large extent, we are reliant on the information Wesleyan provides when considering whether things are now as they should be.

But I have no reason to doubt the information Wesleyan has provided, and its confirmation that things are now fully corrected. Wesleyan has provided extracts from its systems showing each individual contribution, plus the associated tax relief, being added to Ms G's pension plan. That information shows both the date the correction was made (25 May 2024) and the due date for each payment. Wesleyan says that the due date is what is used by its systems to determine the point at which any contribution starts to receive investment returns.

So I am satisfied that, from the information Wesleyan has given us, Ms G's pension savings now represent the correct value they would have held had nothing gone wrong. The applicable tax relief has been added to the incoming payments, and the payments have been backdated to when they should have been received. I understand that Ms G will still have a degree of concern but I cannot see what more Wesleyan can show us to reassure her that all the necessary remediation work has been completed correctly. So I don't intend to make any further directions to Wesleyan in respect of corrections it needs to make to Ms G's pension savings.

Ms G identified the error herself. And she reasonably asks when the error might have been found had she not decided to increase her monthly contributions in April 2024. Of course we cannot ever know the answer to that question. It is possible a routine audit by Wesleyan might have found the problem. It might have been noticed by Ms G's financial advisor when they were reviewing her finances. Or it might have continued undetected for an indefinite period. But fortunately the error was discovered, and so in this decision I can only consider what happened after that time. I cannot make awards on the basis of what might have happened.

It seems clear that Wesleyan did not handle the remediation activities as quickly, or as efficiently, as it might have. There was a period of around a month between the mistake being notified by Ms G, and remediation activities being undertaken. And it seems that Wesleyan failed to suppress the normal correspondence it would send whilst its remediation work was ongoing. That meant Ms G received a series of confusing and potentially upsetting letters about arrears on her pension plan, and incorrect information about when payments would be taken by direct debit, and what the amount of those payments would be.

So I think it fair and reasonable that Ms G should be paid some compensation for the distress and inconvenience she has been caused. There was a period of time when she didn't know whether Wesleyan would be correcting the error. During the correction process she received a number of letters that simply added to her concerns about what was happening with her pension savings. And for an extended period of time Wesleyan failed to provide Ms G with any meaningful evidence that the corrections have been completed successfully.

As I have said, Wesleyan has already paid £250 compensation to Ms G for the inconvenience she has been caused. And it has more recently offered a further payment of £250 making a total compensation payment of £500. I've thought carefully about what I would normally award in circumstances such as these. And having done so I think that a total compensation payment of £500 would be fair and reasonable. Whilst Ms G was undoubtedly caused some distress and inconvenience it was relatively short lived.

I have seen that Ms G has suspended her pension contributions whilst this complaint is being resolved. I am now satisfied that Wesleyan has corrected her account to fairly reflect the contributions that have been made, and the tax relief that should have been added. It will now be for Ms G to decide whether she wants to restart those contributions, or to transfer her pension savings to another provider.

Putting things right

Wesleyan should pay an additional sum of £250 to Ms G (making a total compensation payment of £500) for the distress and inconvenience she has been caused.

My final decision

My final decision is that I uphold Ms G's complaint and direct Wesleyan Assurance Society to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 19 March 2025.

Paul Reilly
Ombudsman