

The complaint

Mr P complains that Scottish Widows Limited has failed to provide him with the data he's requested about his personal pension policy. He also complains about poor service.

What happened

Mr P has a personal pension policy with Scottish Widows. In February 2023 he requested and received a partial payment encashment ("PPE") from his policy. He says Scottish Widows refused to allow him to select the fund holdings to be cashed in to make the payment - but rather used an automated process to do this.

Mr P says he wanted to better understand the fund holdings which had been cashed in. On 6 April 2023, he made a data subject access request (DSAR) in which he asked for a unit history of his policy from 1 January 2021. He particularly requested that the data be provided in Excel format and that it include both the origin year and layer type data fields. The layer data fields he wanted to see were known as the "PEN" and "PE2" layers. Mr P says it's important for him to see this level of detail so that he can identify whether payments out of his pension are being made by disinvesting from the PEN or PE2 layer. He says the units in the PEN layer attract a loyalty bonus and different management charges. He's told us, by way of clarification, that units in the PEN layer have a lower effective fund management charge because of the addition of the loyalty bonus units to that layer.

Mr P said he'd previously been sent this level of detailed information on 1 February 2022 in respect of a request for information he'd raised at that time.

Scottish Widows informed Mr P that his request was outside the scope of the data subject access provisions in data protection legislation. But, it said it would pass his request to another part of its organisation as a "servicing request."

When Mr P hadn't received the information, despite several follow-up requests, he raised a complaint with Scottish Widows.

Scottish Widows investigated his complaint. It sent its final response letter, in September 2023, together with a spreadsheet setting out information about his unit holdings.

By way of summary Scottish Widows said:

- It acknowledged the information it had sent did not include the layer data Mr P had requested. It said its new IT system (which came online in August 2022) did not have the functionality to provide the layer data.
- There was no option to supply unit histories that explicitly showed the PEN/PE2 split.
- It could run a report that showed the current holdings at a given date per fund, per benefit, per benefit year, per legacy layer (PEN/PE2). But it said there was no useful way of constructing an explicit transaction history at layer level.
- It had now provided a spreadsheet setting out a unit history for Mr P's pension for the period from March 1998 to September 2023. This included details of each movement, the movement type, fund name and pricing details. It also included

details about who the contributor was and the policy benefit. There was a column on the spreadsheet for Premium Layer Number but this column was blank.

Scottish Widows said the output supported the unit history to confirm that its new IT system did continue to keep track of the PEN layer and he would continue to receive the bonus units he was entitled to.

Scottish Widows said the new IT system was applying the Loyalty Bonus correctly. It said that each of the funds was getting a monthly addition of loyalty bonus of $\frac{1}{12^{\text{th}}}$ of 0.875% of the holding and any switch applied to PEN units would retain the purchased units within the PEN layer. It said the Loyalty Bonus was “inherited” by the purchased units.

Scottish Widows acknowledged that in August 2022, when it introduced the new IT system, its technical team had carried out a unit history analysis prior to the system move and had found that the Loyalty Bonus was not being applied correctly by the old system. It said this error was corrected when the policy was migrated to the new system. Insofar as Mr P’s policy was concerned, the unit history analysis had found that the error had been in his favour. So, he hadn’t experienced any financial loss. It provided a copy of the analysis to confirm this. It sent Mr P a cheque for £150 for the upset and inconvenience he’d experienced.

Scottish Widows said it had provided its complete file in response to the DSAR request.

Mr P did not accept what Scottish Widows said. He returned the cheque it had sent to him.

Mr P says he requested and received a further partial payment encashment in January 2024. He asked Scottish Widows to provide him with the current holding “per fund, per benefit, per benefit year, per legacy layer (PEN/PE2)”. He subsequently requested this data for 7 January 2024, 19 January 2024 and 20 March 2024. He asked Scottish Widows to add this, to his complaint.

Mr P referred his complaint to our service.

Mr P subsequently raised a further complaint about the beneficiary information held.

Scottish Widows agreed that his complaint to our service would cover each of the following issues:

- Its final response dated 12 September 2023 to his complaint;
- Its response to his DSAR request for data in January and March 2024. Mr P said he needed the detailed information he’d requested to check that bonus rates were being correctly applied to his policy and to enable his understanding of the layering approach followed by Scottish Widows when disinvesting/switching. He said this information would provide clarity about how his money was being managed. He hadn’t been able to get the clarity he required; and
- the data held on Scottish Widows system in relation to his expression of wishes for nominated beneficiaries. Mr P said the information held was not correct.

Our investigator looked into his complaint. He said that when he’d spoken to Mr P he’d indicated that to help resolve the complaint he wanted to know:

- how did Scottish Widows cancel units to pay for charges;
- how did Scottish Widows cancel units to pay for withdrawals; and
- how did Scottish Widows apply the units to switches.

Scottish Widows told us Mr P had previously raised a complaint about the order of disinvestment of units which was being dealt with separately by a different dispute resolution service. That issue was not part of the complaint we were dealing with. It said it had already responded concerning the accumulation of loyalty bonuses – and Mr P hadn't suffered any loss because it had been applying the loyalty bonus incorrectly. That error had been corrected under its new system. Our investigator thought that £150 was fair and reasonable compensation for the error which Scottish Widows had acknowledged.

Our investigator also thought that Scottish Widows explanation of how it allocated the loyalty bonus was fair and reasonable. In the absence of evidence to the contrary, on balance, he said he accepted what Scottish Widows had said. Scottish Widows had explained why specific information he'd requested was not available. He also thought that if Mr P was unhappy with the response to his DSAR he could take that matter up with the Information Commissioners Office (ICO).

Mr P didn't agree. By way of summary he said:

- on 12 September 2023 Scottish Widows had told him more information could be made available to him - but had failed to provide that despite his requests;
- £150 for distress and inconvenience did not take into account the further distress and inconvenience he'd experienced subsequently;
- Scottish Widows had changed its systems in August 2022. He believed it had also changed the rules about disinvestment at that time. He wanted confirmation of these new rules. It was important for him to foresee the impact of disinvestment on the distribution of his remaining fund holdings;
- Scottish Widows should provide sample calculations of how it calculated loyalty bonuses; and
- His query about nominated beneficiaries had not been responded to.

Our investigator thought about what Mr P had said but he didn't change his view. Scottish Widows had set out the reasons why it could not provide the level of detail he'd requested.

As regards the nomination of beneficiaries our investigator said that Scottish Widows held information on its records dated February 2010. A further form had been issued to Mr P in May 2024 concerning any change he wanted to make. Mr P hadn't returned this form. So, our investigator didn't think Scottish Widows had done anything wrong.

Because Mr P didn't agree with what our investigator said, his complaint was passed to me to decide. I issued a provisional decision in which I said:

What I've provisionally 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.

At the outset I'd just point out that in this decision I'm only considering the complaints which Mr P raised with Scottish Widows which were dealt with in its final response letter dated September 2023. There has been subsequent correspondence between the parties concerning that response. In particular Mr P has amended/updated his request for information. So, I intend to take that into account when deciding how this complaint should be resolved.

Scottish Widows has also agreed that Mr P's complaint about the nomination of beneficiaries has been added to his complaint. So, I intend to deal with that issue also in this decision.

Data request made by Mr P

The crux of Mr P's complaint is about how Scottish Widows responded to his request for transaction data. He specifically wanted "layer data." He's explained he wants this data in order to satisfy himself about which layer (PEN/PE2) units are disinvested from, when, for example, he requests a partial payment encashment (PPE) or when he issues a switch instruction.

He's told us, and Scottish Widows has confirmed, that the layer data is relevant. If there is a disinvestment from the PEN layer, that impacts on the loyalty bonus paid to Mr P. He also says that the PEN layer has a lower administration charge. Disinvestments from the PE2 layer do not impact on the loyalty bonus. So when there is a disinvestment, such as when he requests a PPE, Mr P thinks the disinvestment should be from the PE2 layer first.

In February 2023 and again in January 2024 Mr P requested and received PPEs. Following the PPE in February 2023 he submitted a DSAR. After several attempts to get the information Scottish Widows did eventually provide data to him in a spreadsheet in September 2023. It did not include the layer data he'd requested.

I'd just comment that Mr P had initially made his request for information by making a DSAR. It is the case that the data protection legislation requires Scottish Widows to provide any personal data it holds about Mr P. Scottish Widows did subsequently confirm it had sent him its "complete file" in response to his DSAR. The reason for that was because it said its IT system didn't hold the layer data. A separate, bespoke, report would have to be constructed by interrogating the underlying data. But it agreed to deal with that part of his request which related to detailed transaction data as a servicing request. I think that was fair and reasonable. So, I've considered his complaint in the context that it was a servicing request.

As regards the fact that this information was not provided under the DSAR, I can see Mr P has already contacted the ICO. And if he remains dissatisfied or thinks there is more personal data he's entitled to see, the ICO should be able to provide him with further advice and guidance about how he should proceed.

I've looked at the information Scottish Widows did provide in response to his request. As I've said above it agreed to consider his request as a servicing request.

Scottish Widows provided a spreadsheet and further explanations and assurances to Mr P. The spreadsheet detailed each unit movement. So, it detailed "employee single investments" which were payments into the pension (for example in March 1998). It set out the fund name into which each payment was invested and the number of units that were purchased. It also set out details about a "transfer-in" benefit which had been paid into his pension in 2020.

Scottish Widows explained that it had assumed all of the employee single investments were in the PEN layer and all of the "transfer-in benefits" were in the PE2 layer. The reason for that was because the transfer-in benefits had been paid into the pension after the cut-off date for the loyalty bonus entitlement.

Scottish Widows also explained that any switch which applied to PEN layer units would retain the purchased units within the PEN layer. It said the new units “inherited” the PEN layer.

However, Mr P remained dissatisfied. He said the spreadsheet did not specifically provide the layer data which he’d requested.

Scottish Widows acknowledged this. It said its new IT system, introduced in August 2022, didn’t capture this data. But, in its final response letter in September 2023 it said:

“We can however run in the database environment that shows the current holdings at a given date per fund, per benefit, per benefit year, per legacy layer (PEN/PE2), but there is no useful way of constructing an explicit transaction history at layer level...”

Since receiving the final response letter, Mr P asked Scottish Widows to provide the report it had referred to. He said he wanted the information for certain given dates - 7 January 2024, 19 January 2024 and 20 March 2024. He’d requested a PPE in January 2024 and a fund switch in March 2024. He said these reports would assist him to understand how transactions were allocated between unit holdings and PEN and PE2 layers.

Scottish Widows hasn’t provided the reports he’s requested. It has offered assurances that it’s checked the loyalty bonus payments made to him and that although there was an error, in its old system, around how these were calculated, he hasn’t suffered any financial loss. It has also assured him that the new IT system is correctly calculating the loyalty bonus.

But Mr P wants to satisfy himself that what he’s been told is correct. And in order to do that he says he’s prepared to amend the data he’s asking Scottish Widows for. He’s willing to limit his request to three specific dates (7 January 2024, 19 January 2024 and 20 March 2024) and he’s willing to accept the level of detail that Scottish Widows itself told him, in its letter dated 12 September 2023, it could provide.

Mr P has reiterated that the purpose of all of his data requests is to enable him to understand how transactions are allocated between unit holdings and PEN and PE2 layers, the impact of all transactions on unit holding, particularly the larger transactions such as fund switches and PPE.

I asked Scottish Widows for further evidence about what happens when there is a fund switch and it has provided screenshots from its systems to show loyalty bonus allocations in February and April 2024. Scottish Widows says this demonstrates that loyalty bonus is inherited by the new fund following a switch

Mr P also requested information about how units were disinvested to pay administration charges. Scottish Widows has now also provided screenshots for charges applied in January 2025. I can see that the screenshots show that the administration charges are deducted from the “transfer-in benefit” which, as noted above, falls within the PE2 layer.

However, the screenshots Scottish Widows has now provided do not specifically show the layer data information Mr P has requested.

Scottish Widows hasn't provided any explanation why it has not, or cannot, provide the reports for the three dates which Mr P has requested. And, having considered everything, I don't think his request – which he has now restricted to three specific dates - is unreasonable, given that Scottish Widows has already told him it can produce this level of detail in a report.

So, I've provisionally decided that to resolve this complaint, it's fair and reasonable to require Scottish Widows to provide the reports, described above, for 7 January 2024, 19 January 2024 and 20 March 2024. That should enable Mr P to see the data he requires for both PPEs and fund switches. I don't intend to require Scottish Widows to provide anything further.

Nomination of Beneficiaries

Mr P says he logged into his account in May 2024 and noticed there was an error in the beneficiary information held online.

Scottish Widows said it had checked the request he'd made in February 2010. This set out who he nominated as beneficiary (the 'first beneficiary') and also who the beneficiaries should be in the event that the first beneficiary predeceased him ("the second beneficiaries").

It said it had correctly recorded the first beneficiary. And it said it held the record of his second beneficiaries in the event that the first beneficiary predeceased him. Scottish Widows has provided a copy of Mr P's request made in February 2010 which it holds on its records.

Mr P says he subsequently amended the percentage allocations between the second beneficiaries. Scottish Widows said it hadn't a record of this. It issued a nomination form to him on 1 May 2024 so that he could update his wishes - but he hadn't completed and returned it.

Having considered everything that's been provided, I'm satisfied, on balance, Scottish Widows has acted fairly and reasonably here. I'm satisfied it holds an accurate record of his wishes dated February 2010.

Although it's not clear why Scottish Widows hadn't a record of the amendments Mr P says he made to the percentage allocations between the second beneficiaries, it did provide a new form so that he could confirm the amendments he wanted it to record.

I'm satisfied, on balance, it's fair and reasonable to ask Mr P to complete Scottish Widows usual form where he wants to amend allocations between nominated beneficiaries. So, I don't intend to uphold this part of his complaint.

Distress and Inconvenience

Although Scottish Widows said that Mr P hadn't suffered any financial loss, it agreed to pay him £150 by way of compensation because his Loyalty Bonus had not been applied correctly by its old IT system.

Mr P says he's experienced further distress and inconvenience because he's had to be persistent about trying to get the information he's requested.

Scottish Widows did tell Mr P it could provide the reports I've referred to above – but it hasn't done so despite repeated requests from him, over several months. So, I

think it's fair and reasonable to require it to provide further compensation to Mr P for the distress and inconvenience he's experienced here. I've provisionally decided it should pay him an additional £150 (being £300 in total) by way of compensation for distress and inconvenience.

I don't intend to require Scottish Widows to do anything further.

My provisional decision

For the reasons given above I intend to uphold this complaint, in part, about Scottish Widows Limited.

I intend to require Scottish Widows Limited to take the following action to resolve this complaint:

- *Issue three reports to Mr P which show the current holdings at 7 January 2024, 19 January 2024 and 20 March 2024 per fund, per benefit, per benefit year, per legacy layer (PEN/PE2) for his pension account; and*
- *Pay Mr P £300 (in total) by way of compensation for the distress and inconvenience he experienced here.*

Scottish Widows responded to my provisional decision. By way of summary it said:

- It was willing to provide the three reports I thought it should provide for 7 January 2024, 19 January 2024 and 20 March 2024.
- It confirmed that any future withdrawals could be taken from the PE2 layer provided that Mr P gave Scottish Widows his explicit instructions to that effect.

Mr P also responded to my provisional decision. By way of summary he said:

- He clarified that units in the PEN layer have a lower effective fund management charge because of the addition of the loyalty bonus units to that layer.
- Following the PPE in 2023, Scottish Widows had initially told him that the automated process disinvested proportionally across fund holdings – this was incorrect. He'd received no apology from Scottish Widows for misleading him.
- In the spreadsheet which Scottish Widows had sent, it should not have "assumed" all of the employee single investments were in the PEN layer. He says the single investment from 1998 should have been allocated to the PEN layer in compliance with the policy conditions.
- The Screenshots which Scottish Widows had now provided were not in the most appropriate format – causing him additional work. Also there were no column headings.
- He accepts the screenshots show that PEN layer allocation is retained through fund switch. He says this data does not permit the loyalty bonus allocation to be checked. He would also need the related data of investment by PEN/PE2 layer data type.
- He accepts the screenshots show that administration charges were being taken from the PE2 layer – which he acknowledges is the correct approach. However he thinks that the use of rounding may be an attempt by Scottish Widows to mislead and he says he also wants clear information about allocation of policy administration charges for 2022/2023 and 2023/2024.
- He thinks Scottish Widows could have provided a single database query covering all transactions for a date range. Its failure to do so is unacceptable.

- He thinks Scottish Widows should be able to update his beneficiary details based on the email he sent it in April 2024 where he'd set out his expression of wishes. He thinks any further requirements put him to unnecessary inconvenience.
- He thinks he should get more compensation for distress and inconvenience given that the matter is still ongoing.
- He's taken a further PPE in 2025 and he wants Scottish Widows to provide him with comprehensive data about this which goes beyond the "per fund, per benefit, per benefit year, per legacy layer detail." This would enable him to check that Scottish Widows continues to disinvest in the same manner as that used for 2023 and 2024 and does not revert to unacceptable disinvestment "rules" followed under its previous system.

So, I now need to make my 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.

In this decision, I want to reassure both parties that I've considered the whole file - including all the information, and clarifications, provided by Mr P. If I haven't commented on a specific point, it's not because I haven't considered it but because I don't think I need to comment on it in order to reach the right outcome. My approach is in line with the rules our service operates under.

Data Request

As I said in my provisional decision, Mr P had initially made his request for information by making a DSAR. Scottish Widows told him it had sent him its "complete file" in response to his DSAR. The reason for that was because it said its IT system didn't hold the layer data. A separate, bespoke, report would have to be constructed by interrogating the underlying data. But it agreed to deal with that part of his request which related to detailed transaction data as a servicing request. So, when thinking about Mr P's complaint, I've considered whether Scottish Widows has acted fairly and reasonably when it responded to Mr P's servicing request.

Scottish Widows provided Mr P with a spreadsheet in September 2023 together with various explanations. Although the spreadsheet included detailed information about unit movements over the period since 1998 and also included information about how loyalty bonus had been calculated, it did not include the layer data Mr P had requested. Scottish Widows said its new IT system, introduced in August 2022, didn't capture this data. But, it said it could run a report in the database environment that shows the current holdings at a given date per fund, per benefit, per benefit year, per legacy layer (PEN/PE2). It said there was no useful way of constructing an explicit transaction history at layer level.

In response to what Scottish Widows said, Mr P asked for a report showing the "current holdings at a given date per fund, per benefit, per benefit year, per legacy layer (PEN/PE2)" for three specific dates. Scottish Widows didn't provide these reports to Mr P despite his repeated requests.

In my provisional decision, I said I thought it was fair and reasonable to require Scottish Widows to provide these three reports. Scottish Widows has now agreed to do that.

Scottish Widows also provided screenshots which were forwarded to Mr P along with my provisional decision. Although Mr P thinks this information could've been provided in a more

appropriate format, and he has raised comments about rounding, he accepts that the screenshots show that PEN layer allocation is retained through a fund switch. He also accepts the screenshots show that the approach for taking administration charges is, in his view, correct.

Mr P told us that the purpose of all of his data requests was to enable him to understand how transactions are allocated between unit holdings and PEN and PE2 layers, the impact of all transactions on unit holding, particularly the larger transactions such as fund switches and PPE. He has now received information relating to fund switches and administration charges – which he accepts show him that the approach taken is correct and in line with what he expected.

As mentioned above, in my provisional decision, I said that Scottish Widows should provide Mr P with three reports showing the current holdings at 7 January 2024, 19 January 2024 and 20 March 2024 per fund, per benefit, per benefit year, per legacy layer (PEN/PE2). Those dates related to the PPE he'd taken in 2024. I noted that Mr P wanted these reports so that he could understand how transactions were allocated between unit holdings and PEN/PE2 layers when he took a PPE. Scottish Widows has now agreed to provide these reports.

Having considered everything again, I think the information Scottish Widows has provided in response to Mr P's servicing request, together with the three reports it has now agreed to provide showing the current holdings at 7 January 2024, 19 January 2024 and 20 March 2024 per fund, per benefit, per benefit year, per legacy layer (PEN/PE2) is fair and reasonable in all the circumstances that apply here. So, I haven't changed my view about what I require Scottish Widows to do to resolve this part of Mr P's complaint.

I have noted that in response to my provisional decision, Mr P has indicated he wants further information:

- He wants information about the administration charges in 2022/2023 and 2023/2024. The screenshot provided was for administration charges applied in January 2025. However, it is the case that Scottish Widows changed its IT system in 2022. So, the information in the screenshot he was provided with did show him the approach taken for administration charges under that new system. He says he was satisfied with the approach. In these circumstances I don't think it's fair or reasonable to require Scottish Widows to provide him with the further information he's requested.
- He says he made a further PPE in January 2025. He wants reports for further specific dates relating to that PPE and he doesn't think that a report showing details "per fund, per benefit, per benefit year, per legacy layer detail" is comprehensive enough. He says he wants to check orders of disinvestment for more recent and future PPEs to satisfy himself that Scottish Widows continues to disinvest in the same manner as that used for 2023 and 2024. I'd just comment that the information Mr P is now seeking (relating to the 2025 PPE) is a new request. He will need to ask Scottish Widows to consider and respond to that request first. I won't be commenting further about that in this decision.

I have noted Scottish Widows, in its response to my provisional decision stated that provided Mr P gives it his explicit instructions, any future withdrawals could be taken from the PE2 layer. I think that's fair and reasonable and should give him further reassurance concerning how future withdrawals are dealt with.

So, I've not changed my view about how this part of Mr P's complaint should be resolved.

Nomination of Beneficiaries

In response to my provisional decision, Mr P stated that he thought Scottish Widows should be able to update its records, concerning nomination of beneficiaries, based on the correspondence he'd already had with it. He thought that any requirement to complete further forms or documentation served only to put him to extra and unnecessary inconvenience.

Although I can understand why Mr P doesn't think it should be necessary to complete the forms Scottish Widows sent to him in May 2024, I'm not persuaded, on balance, that it is unfair or unreasonable for Scottish Widows to require him to complete its usual paperwork – in line with its normal procedures which apply to all of its customers.

So, I haven't changed my view about how this part of his complaint should be resolved. Mr P will need to complete and return the forms that were sent to him concerning his nominated beneficiaries.

Distress and Inconvenience

When thinking about what is fair and reasonable compensation for the distress and inconvenience Mr P experienced here, I've taken into account everything he's told us. I've also taken into account our guidelines for awards for distress and inconvenience.

Although Scottish Widows told Mr P it had provided its complete file in response to his DSAR, it did agree to consider his request as a servicing request. I thought that was fair and reasonable.

Mr P has pointed out that Scottish Widows initially provided him with incorrect information when he telephoned it, following the PPE he took in 2023. However it did subsequently provide him with further, more detailed information. It sent him the spreadsheet referred to above together with various explanations and assurances. It also explained why the data he was requesting was not readily available.

However, as I said in my provisional decision it told him in September 2023:

"We can however run in the database environment that shows the current holdings at a given date per fund, per benefit, per benefit year, per legacy layer (PEN/PE2), but there is no useful way of constructing an explicit transaction history at layer level..."

When Mr P asked for such reports for three specific dates in 2024, he wasn't provided with them despite repeated requests. I can see that Mr P had to spend extra time and effort trying to get the additional information he'd asked Scottish Widows to provide. Mr P had to be persistent and had to refer his complaint to our service to seek a resolution to the matter. The delay here would've been frustrating for him.

Scottish Widows offered to pay Mr P £150 by way of compensation because it said his Loyalty Bonus had not been applied correctly by its old IT system – although he hadn't suffered any financial loss as a result of this error. I didn't think the offer of £150 which Scottish Widows had made was sufficient given everything that had happened. I thought it was fair and reasonable to require Scottish Widows to pay Mr P £300 (in total) by way of compensation here.

Having thought about everything again including our guidelines for awards for distress and inconvenience, although I know it will disappoint Mr P, I haven't changed my view that £300

(in total) is fair and reasonable compensation for the distress and inconvenience he's experienced as a result of what happened here.

My final decision

For the reasons set out above, I uphold this complaint, in part, about Scottish Widows Limited. I now require it to take the following action to resolve this complaint:

- Issue three reports to Mr P which show the current holdings at 7 January 2024, 19 January 2024 and 20 March 2024 per fund, per benefit, per benefit year, per legacy layer (PEN/PE2) for his pension account; and
- Pay Mr P £300 (in total) by way of compensation for the distress and inconvenience he experienced here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 9 April 2025.

Irene Martin
Ombudsman