

The complaint

Mrs W complains about the service she received from Scottish Widows Limited (SWL) when transferring her pension.

What happened

Following a change in employment, Mrs W wanted to transfer her Additional Voluntary Contribution (AVC) pension with SWL to a new provider (referred to from now on as 'Provider B').

Provider B contacted SWL on 17 June 2022 to initiate the transfer process.

Unfortunately, this could not be actioned by SWL as Mrs W's AVC plan was still held in her maiden name, while the transfer request was made in her married name. SWL said it attempted to contact Provider B several times to query the name discrepancy but didn't receive a response. So, it closed the transfer request on 4 August 2022.

SWL ultimately updated Mrs W's surname on 11 November 2022. I understand this was subject of a separate complaint which will not be addressed here.

No further action was taken regarding the transfer request at this time.

On 28 June 2023 Provider B requested the transfer from SWL again. SWL backdated the transfer request to 17 June 2022, when it had received the original request. The transfer value was £25,541.88. And SWL said it would add an interest payment for the delay. In total, £26,273.10 (including £821.11 in interest) should have been transferred.

SWL wrote to Provider B on 11 July 2023 letting them know it would be transferring this amount.

On 7 September 2023 Provider B contacted SWL to query the transfer amount as only £25,541.88 had been sent. SWL incorrectly replied saying the correct amount had been transferred. It's unclear whether this response was received as Provider B sent a chase email on 17 October 2023, which SWL failed to respond to.

Provider B contacted SWL again on 15 July 2024 asking about the transferred amount. While SWL was looking into this, Mrs W complained to it about the missing £821.22.

On 21 October 2024, SWL issued its final response upholding Mrs W's complaint. It explained that the outstanding amount would be sent to Provider B shortly and SWL agreed to carry out necessary checks to establish whether Mrs W had been financially disadvantaged by this delay. SWL also offered Mrs W £500 for the trouble and upset its mistakes caused her.

Dissatisfied with this response, Mrs W brought her complaint to this service for an independent assessment. One of our investigators looked into her concerns and concluded

that although SWL had made mistakes, the offer it made to put things right was fair and reasonable. So, she didn't think SWL needed to do anything more.

Mrs W didn't agree. In response to the investigator's view she said that the only reason SWL finally admitted its mistakes was because of her persistence and the efforts of Provider B. She said that to date SWL have not completed the loss assessment as it said it would in October 2024 and has made little effort in obtaining the information it needs to conduct this assessment.

As an agreement couldn't be reached, the complaint has come to me for a final 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.

Having done so, I have reached the same conclusions as the investigator and for broadly the same reasons.

When considering what is fair and reasonable, I have taken into account relevant law and regulations; regulator's rules, guidance and codes of practice; and what I consider to have been good industry practice at the time.

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 industry regulator, the Financial Conduct Authority (FCA). Instead, this service looks to resolve individual complaints between a consumer and a business. In order to uphold a complaint I would need to find that something has gone wrong and that a consumer has lost out as a result. I would then 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.

There is no dispute here that SWL made a mistake that impacted Mrs W. Therefore, the only thing I need to decide is whether SWL has done enough to put things right.

SWL admit that Mrs W's pension should have transferred to Provider B in June 2022. So, although the transfer didn't take place until July 2023, SWL backdated the transfer request to the original request date and transferred the value of the fund as at that time. SWL also offered to pay interest on this amount because of the delay. I consider this a fair offer in the case.

Unfortunately, SWL made further mistakes when trying to put things right and failed to transfer the interest payment when the rest of the funds were sent to Provider B. And when the amount was queried, initially SWL incorrectly said the right amount had been sent.

It was only after Mrs W raised her complaint SWL came to realise that the interest payment might not have been made and so it agreed to do this in October 2024. I understand that this payment has now been made, but if not, SWL needs to pay to Mrs W's new provider £821.11 as it originally offered.

And SWL has recognised that because of the delay in making this payment for interest, Mrs W may still be financially worse off and has said it will conduct an assessment to see if Mrs W suffered a financial loss because of this delay. This is consistent with the approach this service takes in similar circumstances.

SWL has contacted Mrs W's new provider to find out if she has lost out but to date no evidence has been provided that demonstrates that a loss assessment has been completed by SWL. Therefore, SWL should immediately contact Mrs W's pension scheme for the information needed to determine if Mrs W has suffered a financial loss. And if this calculation shows a loss, SWL must make up this difference and put Mrs W in the position she would now be in if the £821.11 had been received in July 2023 instead of when it was actually received by the scheme.

Finally, SWL offered Mrs W £500 for the trouble and upset its actions caused her. I appreciate that Mrs W doesn't consider this sufficient. And I understand the repeated delays have been frustrating. But when making awards for non-financial loss our aim is to reflect the impact of a business's actions on an individual consumer. These awards are typically modest and are not designed to punish a business for their mistakes. In this case, Mrs W faced significant delays when transferring her pension benefits. I've taken this into consideration along with the amount of time and effort it took Mrs W to sort out the mistake. And having done so, I am not persuaded by the evidence available that a larger award is warranted here. I consider the £500 compensation offered for Mrs W's inconvenience is fair and reasonable.

For all these reasons, I am satisfied that SWL's offer is fair and reasonable. So outside of what is required to complete its loss calculation and pay any outstanding redress, SWL doesn't need to take any further action. I know this will be a disappointment for Mrs W as I can see that she feels very strongly that she has been let down. I hope my decision has helped to explain why SWL's actions to put things right are fair and reasonable.

My final decision

For the reasons given above, I do not consider that Scottish Widows Limited needs to do more than it has already offered, therefore I do not uphold this complaint.

But Scottish Widows Limited should take immediate steps to complete its loss assessment and pay any outstanding redress owed to Mrs W.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 24 June 2025.

Jennifer Wood
Ombudsman