

The complaint

Mr W is unhappy with the service he received from Phoenix Life trading as Standard Life (Standard Life).

What happened

Mr W has two pensions with Standard Life, a personal pension plan (PPP) and a flexible retirement plan (FRP). He says he contacted Standard Life in September 2024 to start the process of taking a tax free lump sum from his FRP, prior to his 55th birthday that he was approaching. Residing abroad meant that there were some obstacles such as access to his online account and so he wanted to carry out anything necessary that he could prior to being able to withdraw the funds.

Mr W called back on the evening of his birthday in early October 2024 to finalise the process. I have been provided with the call recordings from this date. The call begins by Mr W expressing concern about the need to be passed to someone else as he thought he had been given a direct number. After being transferred the agent set Mr W's expectations that the call would last around 45 minutes. Mr W explained that he was unhappy as he had been on hold for over an hour and a half already and he had been told the process would be quick previously. But asked the agent to continue and get through things as quickly as possible.

I won't detail the call in full here as I understand both parties have a copy of it. In summary Mr W was asked questions around:

- The reason he wanted to access his tax-free cash, the implications of paying off his mortgage and the possibility of being scammed.
- His health.
- His financial situation - any benefits he was in receipt of, other UK pension plans, bankruptcy or courts orders.
- How he would like the remainder of the monies invested.

There was a discussion about the sustainability of Mr W's pension provisions over the long term and what would happen to the remaining funds in the event of Mr W's death. The agent gave information about the management fees on Mr W's plan. At this point in the call the agent expressed surprise that Mr W was not receiving a discount, there was a brief discussion about this and the agent was also not able to run a valuation to check things due to an IT issue during the call.

At the end of the call identification requirements were discussed, the agent tried to assist Mr W to access his account online. They said that whilst he can't carry out transactions, he should be able to log in and upload documents. But that wasn't the case, Mr W explained the ongoing issue he had with accessing his account online. He asked for a complaint to be referred in relation to the time the process was taking and his online access issues. Mr W gave his bank information for receipt of the tax-free cash. The agent explained that Standard Life was unable to make a payment to Mr W's account with firm W. The call ended.

The following day Mr W was able to log in and upload his identification documents online. Following some back and forth of communications Standard Life issued their first final response to Mr W on 18 October 2024. They said, in summary, that they don't routinely accept transaction requests to Electronic Money Institutions (EMI's). Because they aren't regulated by the Financial Conduct Authority (FCA) and are not covered by the Financial Services Compensation Scheme (FSCS). But they were considering a concession for Mr W and they would be in touch to let him know the outcome shortly. About access to Mr W's PPP online account, they said only manual calculations were available for the type of pension plan he has. And, if Mr W would like valuations, he would need to contact them to request these. £100 was offered by way of an apology for the frustration he had faced in trying to access his plan online.

Standard Life agreed for the funds to be transferred to Mr W's EMI account; they requested a statement from Firm W which Mr W initially refused to provide to them. I understand Mr W provided the statement on 24 October 2024 and the payment was made to him.

Mr W referred his complaint to this service. Since the initial complaint being raised during the call with Standard Life in early October 2024, Mr W had added that he was also unhappy that it appeared he had missed out on a discount and he felt that the questions he had been asked during the call were for the purpose of datamining.

On 6 December 2024 Standard Life issued an additional complaint response. They said, in summary, that they had agreed to pay the funds into Mr W's account with firm W. That they only use the data they gather for the purposes it is intended and they don't share personal data with third parties. They explained that Mr W would not be able to access his PPP online but he could ask them for a valuation. They set out that Mr W receives a 0.34% discount on the plan, an illustration would be sent which would confirm the charges and any discounts.

Mr W has provided his complaint points to this service in detail – which I have had sight of. These were considered by an investigator who didn't uphold his complaint. In summary the investigator set out:

- This service is an informal alternative to the courts, and we consider individual complaints on a fair and reasonable basis. We don't regulate firms and so can't consider wide ranging policy decisions that a firm makes.
- Standard Life have explained they don't routinely accept withdrawals to EMIs, instead they decide on a case-by-case basis. They did consider Mr W's request to withdraw his tax-free cash to an EMI and granted an exception. As this is how they treat all their consumers it was a fair and reasonable thing for them to have done.
- The questions asked during the telephone call were reasonable based on Standard Life's regulatory obligations.
- We can't consider a complaint made about data protection issues – those points would be better directed to the Information Commissioner's Office (ICO).
- The discount to the management fee has been applied to Mr W's plans – it just wasn't visible to the agent during the telephone call. Those discounts on his PPP are as follows:
 - 0.218% on Mr W's managed fund holding.
 - 0.043% on Mr W's with profits holding.
 - An additional 0.2% on both due to his plan value being over £50,000.
- Standard Life have explained that it's not possible for Mr W to access his PPP online due to the type of plan it is, which is common. Where this is the case, we expect Standard Life to provide an alternative way for Mr W to access information about his plan. Standard Life have said he can request information from them which they will provide.

- Due to the incorrect messaging around online access Standard Life offered Mr W £100 compensation which is fair and reasonable.

Mr W disagreed with the outcome, he asked for an ombudsman to review his complaint. He said, in summary:

- Standard Life attempted to prevent him from withdrawing his tax-free cash to his EMI, which is unlawful. Mr W's contract with Standard Life does not authorise them to choose which account they will accept, and no policy has been provided to substantiate the claim. This will continue to affect Mr W as he has funds still held with Standard Life which he will want to drawdown in the future.
- The questions asked during the call were intrusive and designed to harvest data beyond what was required. Mr W does not accept that the questions were relevant.
- Mr W was content with the discount explanation provided – that further information would be sent to him.
- Mr W explained access to his online account had resumed from October and so this issue had come to a satisfactory close in relation to this complaint.

The investigator confirmed that Standard Life had not provided written evidence of a specific policy they follow in respect of requests to send funds to an EMI. However, as Standard Life had agreed to send funds to Mr W's EMI in any case, it wasn't necessary for them to ask for that information. Mr W responded – he felt that there had been an over reliance on Standard Life's representations and no recognition of the ongoing impact on future payments.

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.

Whilst I have considered everything that has been provided to this service, I don't intend on commenting on each item. Instead, I will focus on what I have determined are the key aspects of the complaint.

When considering what's fair and reasonable in the circumstances, I need to take account of relevant law and regulations, Regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. This includes the Principles for Businesses ('PRIN') and the Conduct of Business Sourcebook ('COBS').

Mr W has provided his arguments to this service in detail – I have reviewed everything in full and thank him for doing so. I appreciate this will come as a disappointment to Mr W, but having considered everything I'm not upholding his complaint. I will go on to explain why.

The main crux of Mr W's complaint is Standard Life's decision to not routinely accept EMI details for withdrawal requests. Mr W has said this is unlawful, in breach of the contract he has with them and no policy has been produced to show this is the case. Mr W reiterates that this stance will impact his future withdrawals.

I think it's helpful to first explain the parameters of this service and my role in Mr W's complaint. As set out by the investigator we are an informal alternative to the courts. My role is to consider if a firm has made an error, and if they have how the consumer has been impacted by it. I'm not able to consider any hypothetical or possible future impact which may have or might in the future cause Mr W an issue. And I can't consider how a firm chooses to operate their business – that is a matter for the regulator, the FCA.

I appreciate Mr W feels very strongly that Standard Life should provide evidence of their policy in relation to EMIs, but I've not needed to see this to come to a fair conclusion in relation to the complaint he has referred. Which is about his request to withdraw funds in October 2024. I say that because Mr W asked for his tax-free cash to be sent to an EMI and Standard Life did send his funds to his chosen EMI. Standard Life are entitled to carry out due diligence to ensure they are compliant with FCA regulations and that there is no possible chance of consumer detriment. I think considering carefully if it was appropriate to send funds to an EMI was a reasonable thing for them to have done. And I think they came to a reasonable conclusion in allowing the withdrawal on this occasion. So, based on everything I can't agree Standard Life have acted unfairly on this point.

I have listened to the calls that took place in October 2024. Standard Life are required to obtain certain information from consumers, and they must provide consumers with information depending on their circumstances when accessing their pension benefits. Standard Life have explained that they ask the same questions of all of their consumers to ensure consistency and compliance with their regulatory obligations. I think this is a reasonable thing for them to do.

Having considered the questions asked during the call I don't find them excessive or unnecessary. Mr W was asked why he wanted to access his pension funds, if he had received advice and it was explained he could access free advice if needed. He was asked questions to establish if there were any risk factors which included Mr W's health, if he had a partner, whether he had shopped around, sustainability of income in retirement – so questions about his household income, benefit entitlement and tax implications. All of these questions were relevant for Standard Life to form an understanding of Mr W's circumstances and issue him with the relevant warnings and considerations prior to him going ahead with the withdrawal. So, I don't find Standard Life asked for excessive information during this call.

Mr W had an issue with accessing his online account, this appears to have been resolved since the call in October. Mr W has explained he now has access. And he was on hold for a long time before he was put through to the agent in early October 2024. Both of these things have caused Mr W inconvenience; I have considered the offer of £100 compensation and find it to be fair and reasonable considering the circumstances.

Mr W was told during the call that a discount had not been applied to his policy. Later, Standard Life explained that this was a display error during the call which meant that the discount had been being applied but it wasn't visible to their agent at the time. Mr W has told this service that he is satisfied with this aspect of his complaint. I understand Standard Life have now provided additional information to Mr W about the discount. So, I've not gone on to consider this point in any detail. Should Mr W want to refer a complaint about any new information he has received about the discount and its application he is free to do so.

My final decision

I don't uphold Mr W's complaint about Phoenix Life Limited trading as Standard Life.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 April 2026.

Cassie Lauder
Ombudsman