

The complaint

Ms H complains that Scottish Widows Administration Services Limited (“Scottish Widows”) failed to treat her fairly when she requested information about altering her pension investments in 2021.

What happened

Ms H has been assisted in her dealings with Scottish Widows, and in making this complaint, by her husband. But in this decision, for ease, I will generally refer to all communication as if it has been with, and from, Ms H herself.

Ms H holds pension savings with Scottish Widows that arose from some previous employment. In 2021 those pension savings were invested in a lifestyle fund. Ms H contacted Scottish Widows on a number of occasions in early 2021 to express concerns that the value of her pension savings was being eroded. She asked Scottish Widows for assistance in altering her investments to better protect their value.

On each of the calls Scottish Widows explained that it could not provide Ms H with any financial advice. But it provided her with details of the investments that were available for her pension savings. It told Ms H that she would need to decide for herself, or with the assistance of a financial advisor of her choosing, how her pension savings should be invested. It doesn’t appear that Ms H made any changes at that time to her pension investments.

Following further discussions with Scottish Widows in 2023 Ms H instructed that her pension savings be moved into a cash investment. She complained to Scottish Widows that it had told her in 2021 that investments of that nature were not available to her. Scottish Widows didn’t agree with Ms H’s complaint. But it said that it might have been better service if it had clearly told Ms H in 2021 of the availability of cash investments. So, without any admission of liability, it offered Ms H £300 in recognition that its service could have been better. Unhappy with that offer, Ms H brought her complaint to us.

Ms H’s complaint has been assessed by one of our investigators. At that time the recordings of the calls Ms H had with Scottish Widows in 2021 were not available, so he based his assessment on the written notes Scottish Widows had made of those calls. The investigator said he wasn’t persuaded that Scottish Widows had told Ms H she couldn’t hold her pension investments in cash. And whilst he noted the offer Scottish Widows had made to Ms H the investigator didn’t think that Scottish Widows was responsible for any fall in value of Ms H’s pension savings.

Ms H didn’t agree with that assessment. 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.

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 H and by Scottish Widows. 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.

In the time that has passed since our investigator issued his assessment Scottish Widows has been able to recover the recordings of the calls it had with Ms H in 2021. I have been able to listen to those calls and use them to help reach my decision.

I think it would be first helpful to set out my understanding of the relationship between Scottish Widows and Ms H. Scottish Widows was the administrator of Ms H's pension plan. But Scottish Widows did not offer Ms H any advice, or recommendations, about how she should operate her pension plan, or the investments into which her pension savings were placed. Those were essentially decisions that Ms H would need to take for herself or following advice from an independent financial advisor whose services she might choose to engage.

I have great sympathy for the position that Ms H found herself in when she spoke with Scottish Widows in 2021. But I am mindful that I have listened to those conversations with the benefit of hindsight, and the more recent testimony from Ms H about what she was trying to achieve. I have little doubt that Ms H had serious concerns in 2021 about the volatility of her pension investments and was seeking a way of reducing the investment risk she held.

But the requests Ms H made of Scottish Widows did not provide sufficient grounds on which I can reasonably conclude the firm did something wrong. As I have explained earlier, it would not have been appropriate for Scottish Widows to recommend specific investments to Ms H. And I think that even highlighting individual investments, chosen from more than a hundred that the firm offered at that time, could have reasonably been construed by Ms H to have been a recommendation that the investment was suitable for her needs and circumstances. So I think Scottish Widows acted entirely reasonably when it simply directed Ms H to the information it offered about the entire range of its investment choices and left it to Ms H to decide how to proceed.

The requests that Ms H made, for changes to her pension investments, included the use of ISAs and investment bonds. With the benefit of hindsight I think it would be reasonable to conclude that those alternatives were simply being used by Ms H as a proxy for very low risk investments such as cash. But I don't think that was made sufficiently clear at the time and instead led Scottish Widows to provide information about alternative investment products rather than alternative investments that could be held within the pension wrapper.

But the low-risk pension investments Ms H appears to have been seeking were contained within the information that Scottish Widows reasonably sent to her. I can't be sure why Ms H didn't interrogate that information in greater depth but think it possible that she was simply uncomfortable in making that decision for herself. But that doesn't mean Scottish Widows should have done it for her. Scottish Widows clearly explained that it didn't offer any investment advice and pointed Ms H towards the use of an independent financial advisor if she was in need of further support.

As I said, I've listened to the calls Ms H and her husband had with Scottish Widows in 2021. I am satisfied that Scottish Widows didn't tell Ms H that she couldn't hold her pension savings in cash. I accept that Scottish Widows didn't explicitly say that cash investments were available, but as I've said earlier, providing that specific information without a specific question from Ms H could well be considered to be advice.

I appreciate how disappointing this decision will be for Ms H. I accept that her preferred outcome in 2021 would have been for her pension investments to be moved into cash, as they were in 2023. But I don't think Scottish Widows fell short of its responsibilities to Ms H in 2021 in terms of the information and assistance it provided to her. So I don't think Scottish Widows is responsible for any falls in the value of Ms H's pension investments, that might have been avoided by them being changed to cash.

Scottish Widows has previously offered Ms H £300 as a gesture of goodwill in relation to this complaint. It confirmed to us when we started to consider the complaint that it remained willing to honour that offer, although without any admission of liability. So I leave it with Ms H to get back in touch with Scottish Widows if she now wants to accept that offer.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Scottish Widows Administration Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 23 July 2025.

Paul Reilly
Ombudsman