

The complaint

Mr O complains that when his beneficiary SIPP (Self Invested Personal Pension) was set up in August 2022 following the death of his late partner, Phoenix Life Limited trading as Standard Life failed to record the beneficiary details he'd provided against the pension.

What happened

Mr O's complaint was considered by one of our investigators. He issued his assessment of it on 15 November 2024. The background and circumstances to the complaint were set out in that assessment and are known to both parties, so I won't repeat them all again here. But to briefly recap, when Mr O's late partner sadly passed away in July 2022, Mr O provided a list of the nominated beneficiaries for his beneficiary SIPP that was being set up (this was in August 2022). Mr O subsequently discovered that the nominated beneficiaries hadn't been recorded against his pension.

Mr O complained to Standard Life. Standard Life acknowledged its error. It updated its records a few days later. It said the omission would have been identified when making checks if Mr O had passed away in the meantime. Standard Life accepted that the matter would have caused some distress and inconvenience to Mr O, and so it offered Mr O £300 in light of this. Mr O didn't accept the offer and referred his complaint to us.

Our investigator thought that the £300 offered by Standard Life was fair and reasonable in the circumstances. He said he appreciated that it would have been distressing for Mr O finding several months after his late partner's death that he was still having to deal with related financial matters. However he said Mr O had to bear in mind that once Standard Life had identified its error it had swiftly acknowledged it, rectified the matter, and offered Mr O appropriate compensation.

Mr O had also said Standard Life's error may have caused a mess for his executors in the event of his death. The investigator said he understood Standard Life had uploaded his list of beneficiaries six days after Mr O had raised the issue. He said he didn't think Standard Life needed to increase its offer for a potential scenario that didn't happen, and the risk no longer existed.

Mr O didn't agree with the investigator's assessment. He said, in summary, that Standard Life hadn't used the information that he had provided which, given he had ten nominated beneficiaries, had taken him some time to collect. This led to a delay in setting up the SIPP, and he had lost out financially as a result (as the value of the investments had increased during a period when Standard Life had moved the original investments in Mr O's late partner's pension to cash following his passing).

The investigator responded to say that he thought Mr O would likely have provided the information about the beneficiaries as quickly as he could, and on receipt of the application Standard Life had processed it in a timely manner (as an Ombudsman had found in a previous final decision). He said when the firm then recorded the list of beneficiaries against the pension wouldn't cause a delay in setting it up.

Mr O didn't agree with the investigator's findings. He said, in summary, that given the size of the fund, it should have been clear to Standard Life that this was a special case, and it should have had a dedicated person to assist him in the application process. He said for example that he could have been told that he could complete some parts of the application later - such as the beneficiary form – and reduced the time the pension was 'out of the market'. He said even processing the application one day earlier would have significantly reduced his estimated losses.

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.

When considering what's fair and reasonable, I've taken into account relevant law and regulations; regulator's rules, guidance and what I consider to have been good industry practice at the time. And having done so I've come to the same conclusions as the investigator, and largely for the same reasons.

I recognise that finding out Standard Life had failed to record Mr O's nominations against the pension would have caused some distress for Mr O. It's obviously a sensitive time when dealing with these matters, and opening it up again would have brought some of the original emotions surrounding Mr O's partner's passing back to the fore.

However as the investigator said, Standard Life rectified the matter promptly. And like the investigator, I think the £300 offered is fair and reasonable for the degree of distress and inconvenience caused to Mr O in the particular circumstances.

Mr O has made a number of points linking Standard Life's failure to record his nominated beneficiaries against his pension to a previous complaint that he referred to this service. As explained by the investigator, another Ombudsman issued a final decision on that complaint. That was the end of our process for that particular complaint, and I cannot amend or change that decision.

I can only consider the circumstances of the particular complaint raised here, in regard to what subsequently came to light about the firm's failure to record the nominated beneficiaries against the pension. In my opinion that failure, in itself, didn't delay the process of Standard Life setting up the pension. It was set up – but without the nominated beneficiaries recorded against it – so no extra time was taken by Standard Life.

I think Mr O's main point is that it took him time to collect the information about the nominated beneficiaries, and if he'd known the pension could have been set up without that information he'd have saved some time. Mr O has said given the size of his fund Standard Life should have treated this as a special case.

Mr O raised the issue of treating his as a special case in his previous complaint, and I can't revisit that issue again. I don't think Standard Life had to alter its usual process, and ordinarily providing information about nominated beneficiaries would be a fairly straightforward matter and not likely to cause any material delays. What I'm considering here is whether the firm breached its obligations to Mr O and did something wrong, rather than whether it could otherwise, although not obliged, have done something differently.

In my opinion it wouldn't be fair to hold Standard Life responsible for the time taken by Mr O to complete his nominations/application. I note Mr O has said he believed even one day might have significantly reduced his losses. However he took a few days to complete and return the application in any event, and, as I've said, I'm not persuaded Standard Life is

responsible for that time taken.

I do appreciate the sensitivities around the matter, and I recognise that Mr O doesn't agree that Standard Life acted appropriately and therefore my decision will be disappointing to him. However in my view Standard Life's only error was to fail to record the nominated beneficiaries, and I'm not persuaded it acted inappropriately in as far as it was responsible for any delays in Mr O providing his nominated beneficiaries.. So taking all the above into account, like the investigator, I think the firm's offer is fair and reasonable in the particular circumstances of the case.

My final decision

Phoenix Life Limited trading as Standard Life has made an offer of £300 to Mr O for the distress and inconvenience caused to him. I think that offer is fair and reasonable in the particular circumstances. My final decision therefore is that Phoenix Life Limited should pay Mr O £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 25 June 2025.

David Ashley
Ombudsman