

The complaint

Ms B has complained that Scottish Widows Limited blocked access to online information on her pension plan and hasn't provided her with copies of annual statements from 2007 to date. Ms B has also claimed that Scottish Widows Limited has mis-managed the investment of her pension plan.

What happened

Ms B started a personal pension with Scottish Widows Limited (Scottish Widows) in September 2007. The pension plan was set up with a transfer value of £23,996.44 from another pension held by Ms B. No other transfer values or any pension contributions have been paid into Ms B's Scottish Widows pension plan since it started.

On 7 August 2024 Ms B complained to Scottish Widows. She said that she'd tried to access details about her pension plan online but was being blocked from obtaining any information. Ms B then emailed Scottish Widows on 12 August 2024 asking that it unblock her online access and to say that her pension plan investment had been mis-managed as its current and projected value was much less than she thought it should be. Ms B has also claimed that Scottish Widows hadn't been transparent about its fees and charges.

Ms B asked Scottish Widows to send her copies of all the annual statements it had issued for her pension plan since it had started in 2007. Scottish Widows initially wrote to Ms B in response to her complaint on 21 August 2024 to say that it had noted that she hadn't been able to access online information about her pension plan. Scottish Widows said that its online service wasn't working on 3, 4, and 5 August 2024, but its online service was now fully working and therefore Ms B should be able to successfully register online and log into her pension plan details.

Because of the problems Ms B had experienced with its online service, Scottish Widows upheld this part of Ms B's complaint and offered her compensation of £100 for the distress and inconvenience she'd suffered and £2 to cover the cost of the telephone call she had to make.

Scottish Widows then wrote to Ms B again on 18 September 2024 to note that she had also complained that she'd asked for copies of annual statements it had issued from 2007 to present but hadn't received these, and that she thought the current and projected value of her pension plan should be higher than that shown in her most recent annual statement.

In its response, Scottish Widows said that it had sent Ms B copies of the pension annual statements it had issued from 2013 to 2024 by email. Scottish Widows also said that it noted that Ms B had contacted it in the past to ask for the value of her pension plan and that each time Scottish Widows had sent the information she'd requested.

Scottish Widows added that Ms B had contacted it on 21 March 2020 to say that she no longer lived at the address it held for her and told it to stop posting her any information on her pension plan until advised otherwise. Therefore, in line with Ms B's instructions it hadn't posted any annual statements to her since 2020.

Scottish Widows also noted that Ms B had said that she expected her pension plan to be worth in the region of £100,000 and that Ms B claimed that the investment of her pension had been mis-managed. The value of Ms B's Scottish Widows pension plan on 18 September 2024 was £44,360.71.

Scottish Widows explained in its response that it was the responsibility of the plan holder, or their financial advisor, to choose and review the funds in which their pension plan was invested. Scottish Widows didn't uphold these further aspects of Ms B's complaint.

Ms B wasn't happy with Scottish Widows' response to her complaint, so she brought this to the Financial Ombudsman Service. One of our Investigators reviewed Ms B's complaint. Our Investigator's view was that Scottish Widows had met its regulatory and contractual obligations regarding Ms B's pension plan and had compensated her for the inconvenience she'd suffered because of the online access issues Scottish Widows had in early August 2024. Our Investigator also thought that Ms B's pension plan investment growth reflected market-based performance consistent with her plan investments. Our Investigator didn't uphold Ms B's complaint.

Ms B disagreed with our Investigator's view so asked for her complaint to be considered by an Ombudsman.

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.

I think that Ms B has raised several complaints against Scottish Widows so for ease of reference I will consider each of these in turn.

I will firstly consider Ms B's complaint that online access to her pension account was blocked by Scottish Widows in early August 2024.

Scottish Widows upheld Ms B complaint that she couldn't register for her online account in August 2024 and explained that this was because its online system wasn't working for three days in the early part of that month. Scottish Widows has paid Ms B total compensation of £102 for the inconvenience she suffered and the cost of making a telephone call.

Ms B subsequently confirmed that she was able to access her online account once Scottish Widows corrected its system error. Therefore, taking all the circumstances of Ms B's complaint about her loss of online access into account, I think that Scottish Widows compensation offer was fair and reasonable and therefore I won't be asking it to pay any further compensation to Ms B, or take any further action, in respect of this part of Ms B's complaint.

Ms B has further complained that Scottish Widows hasn't sent her copies of annual statements that it had issued for every year going back to when her pension plan started in 2007.

Following Ms B's request Scottish Widows says that it has sent her copies of the annual statements it had issued from 2013 to 2024 inclusive. Scottish Widows has also said that it's the responsibility of plan holders to keep copies of the original annual statements sent out each year for their own records. This Service has asked Ms B why she's asked for copies of statements going back to 2007 to be sent to her, but Ms B has replied to say that she won't explain her reasons for this.

Ms B has claimed that Scottish Widows has a responsibility to send her a copy of every annual statement it issued since her pension started in 2007. But I don't think this is right. I think that Scottish Widows sent Mrs B annual statements for her pension plan each year up until Ms B told it to stop sending her anything in the post, and therefore I don't think it would be fair or reasonable for Scottish Widows to be responsible for her no longer retaining a copy of each statement that was sent to her.

Ms B contacted Scottish Widows in March 2020 to tell it to stop posting correspondence to her. Scottish Widows then told Ms B on 18 April 2020 how she could update her address records to show her new address, but it didn't receive any response from her. Therefore, Scottish Widows was unable to post out annual statements to Ms B from 2020 until she gave it her new address, which she has only done recently.

I also think that Scottish Widows has taken reasonable steps to help Ms B in her request. Scottish Widows has sent Ms B copies of the annual statements for her pension plan for the period from 2020, as well as all other annual statements going back to 2013. I think that Scottish Widows's actions are fair and reasonable and therefore I won't be asking Scottish Widows to do anything further in relation to this part of Ms B's complaint.

Ms B has complained that Scottish Widows hasn't been open about the fees and charges applying to her pension plan.

Scottish Widows has sent this Service copies of some of the annual statements it's now sent to Ms B after she'd updated her address records. The annual statements for September 2020, 2021 and 2022 say: *"We apply charges for managing and administering your plan. The charges are based on the fund(s) you invest in and may depend on the type of payments paid. For more details, please call us on (phone number)".*

I think that in these statements Scottish Widows is telling Ms B that there are charges applying to her pension plan. I think it would have been reasonable for Ms B to have contacted Scottish Widows on the telephone number given in the annual statement if she'd wanted to find out more information on the charges applying to her pension, but I haven't seen any evidence to show that Ms B has done this.

I've also seen the annual statements for 2023 and 2024. Under the section headed *"Charges"* each of these statements say: *"Charges deducted during this statement period 1.41% Yearly Fund Charges"*. Later in the annual statement the yearly fund charge applying to each of the four funds that Ms B's pension plan invests in is given.

My conclusion from this information is that Ms B was given detail in these statements of the percentage charge that has been applied to her pension plan. I also think that in the earlier annual statements I've seen Scottish Widows told Ms B that an annual charge was being applied to her pension and what she needed to do to get further detail on this.

I've therefore not seen any evidence to show that Scottish Widows wasn't being open about fees and charges applying to Ms B's pension plan and because of this I'm unable to uphold this part of Ms B's complaint.

Ms B has claimed that Scottish Widows mis-managed the investment of her pension plan and that the value of her pension plan should be more than it is.

Ms B claims that the value of her pension plan should be approximately £100,000. On 18 September 2024 the value of Ms B's pension plan was £44,360.71, so less than 45% of the value that Ms B thinks it should be.

Ms B has said that "*average growth in the UK is 7%*" but hasn't submitted any evidence or information to support this claim or to show how she's calculated that her pension plan should be worth approximately £100,000. Her Scottish Widows pension plan started in September 2007, so had been running for approximately 17 years when Ms B raised her complaint with Scottish Widows. The pension plan was started with a transfer value of £23,996.44. Ms B hasn't paid any further contributions into her pension plan since it started.

I think that for Ms B's transfer value of £23,996.44 to have increased in value to £100,000 over a 17-year period, an annual compound rate of investment return of approximately 8.8% would be needed ($£23,996.44(1.088)^{17} = £100,655.62$). Scottish Widows is the administrator of Ms B's pension plan. It's therefore not Ms B's financial or investment adviser, so hasn't given her any advice or recommendations on how her pension plan is invested.

Ms B did have a financial adviser recorded against her Scottish Widows pension, but on 10 September 2024 she asked that Scottish Widows remove this financial adviser from her pension plan records. Scottish Widows followed Ms B's instruction.

As I've said above, Scottish Widows only administered Ms B's pension plan. Therefore, I think investment instructions for Ms B's pension plan needed to come from either Ms B herself or from her financial adviser. Scottish Widows will have invested Ms B's pension plan in line with these instructions. I also think that the responsibility for monitoring the investment of Ms B's pension plan and for making any changes to how the pension plan was invested, would also have rested with Ms B or her financial adviser and not Scottish Widows.

As I've also said, I've not seen any evidence to show why Ms B thought that her pension plan should have increased in value from £23,996.44 to £100,000 over a 17-year period, aside from her statement that the "*average growth in the UK is 7%*". But regardless of this, as Scottish Widows has not provided Ms B with any investment advice or recommendations, I don't think it would be fair or reasonable for Scottish Widows to be responsible for Ms B's pension plan not achieving the level of investment return that she thinks it should. I've therefore not seen any evidence to support Ms B's claim that Scottish Widows has mis-managed the investment of her pension plan and as a result I don't uphold this element of Ms B's complaint.

Ms B has also complained that the projection of her pension plan value to 2045 is less than she thinks it should be. Ms B has added that she thinks that the projection should show that her pension plan will be worth in the region of £250,000 to £350,000 by 2045. Ms B hasn't provided any evidence or explanation of why she thinks her plan should be projected to reach this range of values by 2045.

I've seen a pension illustration prepared by Scottish Widows for Ms B dated 19 August 2024, which shows that the value of the pension plan on that date was £44,245.84. The illustration also gives projections for the value of Ms B's pension plan to 2043, not 2045. The projected value for Ms B's pension plan, using the "*Higher Growth Rate*", is £100,000, so significantly less than what Ms B says it should be.

I think it's reasonable to assume that as Ms B thinks that the current value of her pension plan should be approximately £100,000, then she will also have based her projected value of between £250,000 to £350,000 on this figure. But Ms B's Scottish Widows pension plan isn't currently worth £100,000, so Scottish Widows wouldn't have based its projection on this value. Instead, I think that Scottish Widows will have based its projected on the actual value of Ms B's pension, which in August 2024 was £44,245.84. I think that this approach from Scottish Widows would be reasonable.

I've therefore not seen any evidence to support Ms B's claim that her projected pension plan value should be in the region of £250,000 to £350,000 and as a result I'm unable to uphold this element of her complaint.

Summary

As set out above, having carefully considered the complaints and claims raised by Ms B, I've not seen any evidence to show that Scottish Widows has done anything wrong, or that it has mismanaged the investment of Ms B's pension plan. I am therefore unable to uphold the complaint that Ms B has made against Scottish Widows.

My final decision

My final decision is that I don't uphold Ms B's complaint against Scottish Widows Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 28 May 2025.

Ian Barton
Ombudsman