

## The complaint

Mr A complains that Wesleyan Assurance Society (Wesleyan) delayed the payment of an income withdrawal from his Personal Pension Plan (PPP) and then provided incorrect valuations of his plan, dramatically reducing its value. He wants the higher value reinstated.

## What happened

Mr A has two plans with Wesleyan, the PPP and a Group Personal Pension (GPP), and has raised complaints about both, only the complaint about the PPP is being considered here.

Mr A's plan is principally invested in the with profits fund and he takes income withdrawals from it on an ad hoc basis. He called Wesleyan on 15 August 2024 to instruct a withdrawal of £37,000 and an illustration was sent to him on 23 August 2024. Mr A completed and returned the necessary form, which Wesleyan received on 3 September 2024. He called for an update on 9 September 2024, Wesleyan then carried out some checks over available benefits which were completed on 13 September 2024. Mr A asked for an update on 24 September 2024. Wesleyan says it tried to process the withdrawal the next day, but a problem was identified around pricing. It tried again on 1 October 2024, but the same problem occurred and was referred to another department. On 4 October 2024 it paid the tax-free cash with the income paid on 14 October 2024.

Mr A says the plan value shown on Wesleyan's online portal (the portal) on 25 September 2024 was around £757,000, increasing to around £785,000 the next day, but then fell to around £693,000 after the £27,000 withdrawal was paid. He complained to Wesleyan about the delay in paying the withdrawal, and the discrepancy in the value of his plan. Wesleyan accepted the complaints. It apologised that "*internal delays and system issues*" had delayed payment of the withdrawal and offered £150 in compensation for the inconvenience caused. It said the technical team was reviewing the plan to confirm the valuation and due to manual processes used in the past this was taking longer than normal. It issued a final response about the plan value complaint on 30 January 2025. It said the correct value was £596,010.17 and previously policy values had been overstated. It accepted this had caused a loss of expectation and offered Mr A £1,000 in compensation.

Mr A queried this saying a full explanation hadn't been provided. He said his own records included values downloaded from the portal and asked where the discrepancy had come from. And he said he'd based his retirement income strategy on the values Wesleyan was now saying were incorrect. Wesleyan said the error dated back to 2019 when two partial withdrawals of £25,000 each had been incorrectly processed resulting in the plan value being increased rather than reduced. It said as these additional funds never belonged to Mr A, it couldn't pay compensation into his pension fund in respect of the error. It repeated its compensation offer of £1,000 for the distress and inconvenience caused.

Mr A referred his complaint to our service and our investigator looked into it but he didn't uphold the complaint.

Our investigator said Wesleyan had made errors but now appeared to have put Mr A back into the position he should have been in and had offered him fair compensation. In terms of

the delay in paying the income withdrawal he said Wesleyan was required to make checks against the allowable benefits and the problem around the fund value had also impacted the processing of the withdrawal. But he said the compensation of £150 Wesleyan had already offered Mr A was fair. In terms of the plan value our investigator said Wesleyan had provided a spreadsheet showing daily valuations from 2015 to 2025. The starting plan value was around £667,000, with the current value around £596,000, and total withdrawals of over £300,000 in the period. When withdrawals had been made the number of fund units reduced by a corresponding amount, as would be expected. But Wesleyan had explained that in 2019 the two withdrawals of £25,000 had resulted in units incorrectly being added rather than reduced and this accounted for a discrepancy of around £100,000. And allowing for growth on this the fund value now confirmed appeared to be correct. He said it wasn't reasonable for Wesleyan to pay compensation to increase the fund value as well as for the distress and inconvenience the error had caused and the £1,000 offered was fair in the circumstances.

Mr A didn't agree, he said Wesleyan had made errors in the past and the spreadsheet it had provided was no more believable than the other statements and valuations it had also provided. He provided some documents about his GPP, where he said there were similar issues. Wesleyan said as this was a separate plan a new complaint would need to be raised if Mr A remained unhappy.

As Mr A doesn't agree it has come to me to decide.

### **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'm not upholding the complaint.

I think it is clear from the evidence available that Wesleyan, did as it accepts, make errors in administering Mr A's plan. There was a delay in processing the withdrawal requested in August 2024, in part due to the identification of the valuation problem, and I think it had offered fair compensation for this. The underlying error which delayed the withdrawal had led Wesleyan to overstating the number of fund units held and thus the value of the plan.

Mr A had made a series of withdrawals and from time to time he also switched out of the with profit fund and then back into it almost immediately, presumably to lock in any available final bonus, which wasn't otherwise guaranteed. Wesleyan say two errors were made processing withdrawals in 2019. I've considered the annual statements provided by Wesleyan to Mr A in 2018, 2019, and 2020, so both before and after the two withdrawals in question, and these do provide evidence that an error was made.

The statement to 5 April 2018 shows a fund value of £728,552.24, and withdrawals totalling £50,000 were then made before the next statement date. The value shown on the 5 April 2019 statement was £705,754.86, with the number of fund units then held having reduced in line with the value withdrawn as would be expected. In July and December 2019 withdrawals of £25,000 each were made. A full statement for 2020 isn't available as Wesleyan say the system was being updated, but a summary valuation was issued on 24 February 2020. This doesn't show the number of fund units but gave the plan value as £779,319.77. If correct that would mean the fund value had increased by around £51,000 in less than two years after £100,000 had been withdrawn from it. Before the next statement was issued on 5 April 2021 a further £75,000 in withdrawals were made, but the value shown on the statement was £748,785.68, with the number of fund units being higher than had been held in April

2018. The subsequent statements, whilst showing inflated fund values and unit holdings, show appropriate reductions based on the further withdrawals Mr A made.

Apart from there being errors the only other explanation for the higher values would have been extremely good investment returns on the with profit fund. Wesleyans published with profits performance figures for the five years to 1 August 2025, show an investment of £10,000 would have grown in value to £12,945, so a return of 29.45%, over ten years the return was 59.89%. It's an oversimplification to say that the return has been around 6% per year given the discretion Wesleyan has in awarding annual and final bonuses. But, it does appear that Mr A was withdrawing more funds than his plan achieved in growth during those years it isn't possible that it could have also increased in value other than there being an error. The reworked plan summarised on Wesleyan's schedule does show the expected reduction in fund units and overall value following the withdrawals that were paid, so it appears to be correct. As Mr A was never entitled to the higher fund value incorrectly shown, it isn't reasonable to expect Wesleyan to honour this.

However, I've thought carefully about the impact this error has had on Mr A. He says he based his income withdrawals on the valuations provided and presumably would have taken less had the valuations been correct. But he has had the benefit of those funds, and I think it is relevant, as Wesleyan has pointed out, that Mr A was formally a financial adviser with it. Because of that, I think it's reasonable to assume he would have a much greater understanding of both the withdrawal process and the operation and performance of the with profit fund than a typical customer. And he might reasonably have been aware that something wasn't right with the information he was receiving.

Wesleyan did make errors, which it accepts and has apologised for. It has offered Mr A £150 in respect of the delay in processing his withdrawal which I think is fair. It also offered him £1,000 in compensation for the inconvenience caused by the valuation error. Taking everything together, I think the compensation offered is fair and in keeping with what our service would award in similar circumstances. So, Wesleyan needn't do any more than it already has.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 October 2025.

Nigel Bracken  
**Ombudsman**