

## The complaint

Mr V is essentially unhappy that Phoenix Life Ltd, trading as Standard Life, internal systems prevent him from updating his account details.

## What happened

Mr V has a personal pension with Phoenix Life Ltd, trading as Standard Life (who I'll refer to as SL throughout his decision, for ease of reference).

In October 2023, realising that his account contained out-of-date personal bank details, Mr V phoned SL to ask them to update these. Over the course of two phone calls, Mr V was advised that SL will only be able to update his bank account details when he next wants to make a withdrawal from his policy – he can tell them on the phone his updated account details and the amendment will happen then.

Unhappy with this, and the fact that Mr V had various struggles getting through to speak to SL by phone, he suggested making a token £1 withdrawal – allowing him to update his account details there and then.

A member of SL's withdrawals team phoned Mr V a couple of days later. He explained the various options – proceed with the £1 withdrawal over the phone (which could take up to 20 minutes), or he'd send Mr V an online form for him to complete and send back, which would also allow the bank account details to be updated. Mr V was told the document would be available in his SL online account. Mr V agreed for SL to send him the form in this way.

It appears Mr V didn't proceed with the £1 withdrawal, and phoned SL again in February 2024, asking to withdraw funds – equivalent to £10,000 net of tax. He'd tried to do this online but was unable to change his bank details. SL again explained they can do the transfer online via his digital account, but they couldn't tell him how much he'd need to ask for to ensure he'd actually receive that amount net of tax (but could give him his tax code, as supplied by HMRC, which he could use on their website to do the calculations).

Mr V asked SL to send the online form again, allowing him to process the transfer again, but explained he won't be accessing the cash in the current tax year (2023/2024). SL explained that the form they'd send would be date-sensitive, and that he'd need to contact them again after the new tax year had started. Unhappy with this, Mr V advised he'd just close the account now, and asked for the online form to be sent to him.

In June 2024, Mr V again phoned SL, to discuss changing his account details. He explained SL's online account was telling him that he'd withdrawn £10,000, which wasn't something he'd asked to happen, and didn't want – he just wanted to change the account details for when he did eventually want to make a withdrawal. SL's agent confirmed the funds had left his account 30 minutes before he'd called them. There followed a conversation in which SL's agent gave some incorrect information (telling Mr V that he *should* have been able to change the details himself online as part of the withdrawal process). And upon Mr V advising her that the account the £10,000 had been 'sent' to no longer existed, SL's agent told Mr V that his funds would likely be returned and would be reinvested in his policy once received back.

Unhappy with what Mr V felt were SL's fundamental system failings, he raised a complaint with them. In response, SL confirmed their online system doesn't have the functionality to allow its' customers to update bank details in isolation. But, echoing what Mr V had been told

previously in the calls he'd had with them in 2023 and February 2024, the bank details could be updated if Mr V requested a withdrawal via phone, or via a completed form.

Turning to the issue of the June 2024 withdrawal, SL confirmed that Mr V would have seen various prompts during the withdrawal process that the payment would be sent to the account they had listed (the closed account). They also confirmed there was no sign of the payment being returned to them by the bank in question. But SL did acknowledge that their agent, in the June 2024 call, gave misleading information by advising Mr V that he could have updated the bank details online. Also, that if any payment was returned to them, it couldn't be added back to his policy, which was wrong because it would have needed to be sent to a different bank account. And because of the confusion caused by those mistakes, they offered to pay Mr V £100 compensation.

Unhappy with SL's response, Mr V brought his complaint to this Service. One of our Investigators considered what Mr V had said, but didn't uphold his complaint. And whilst our Investigator focussed on the circumstances of the £10,000 withdrawal (explaining it appeared clear that each step in that process contained sufficient warning the transaction would happen, which account the funds would be paid to, and that Mr V would be responsible for any tax implications following the withdrawal), he also acknowledged that SL's internal systems had limitations that prevented manual account updating unless a new payment instruction was made. He felt SL's offer of £100 compensation was fair.

Mr V responded, believing that our Investigator had misunderstood the fundamentals of his complaint. He reiterated his complaint was about the problems he'd had trying to change his bank details on SL's system. Secondly, he felt SL's customer services were unhelpful. And finally, he mentioned that the £10,000 withdrawal wasn't refunded within days, as SL had suggested it would have been, and it took them six weeks to locate it.

As Mr V remained unhappy with our Investigator's outcome, his complaint has been passed to me, an Ombudsman, to undertake a fresh review, and issue a Decision accordingly.

### **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 appreciate the strength of Mr V's frustration here, and have a degree of sympathy that he is unable to update his payment details himself, manually. However, I don't think SL have done anything wrong here, aside from providing incorrect information in one phone call. I know this will come as an extreme disappointment to Mr V, so I'll explain why.

Firstly, I need to explain the limits of what the Financial Ombudsman Service can and can't do. Essentially, we are set up to resolve complaints between a financial business and a consumer. We do that using an informal approach where possible. But there are things we can't so.

For instance, we can't tell a business what systems they need to introduce or tell them how to operate or change their existing systems. Those issues – how a business *operates* in other words, fall under the remit of the financial regulator, The Financial Conduct Authority (FCA). So, if a consumer has a complaint about what they felt were unfair internal processes, that's a matter they'd need to raise with the FCA.

Much of what Mr V is unhappy about here – SL's systems that can only process a bank account update at the time a withdrawal request is made, and even then, only if made by phone or via an online form – relates to SL's internal systems. That isn't a matter this service can consider. At its heart is a system and process issue, and it therefore remains open for Mr V to raise any concerns he has about these with the FCA. And for the avoidance of doubt, this isn't a complaint we can raise on his behalf.

But what we *can* consider is whether SL have misled Mr V in terms of explaining how their process works or if they haven't provided clear information about how to achieve what he fundamentally wanted – namely updating his bank account details on his account.

To understand if SL have done this, I've listened to the five phone calls I've referred to in the section above. And whilst it's clear that inconsistent and incorrect information was provided in the final (June 2024) call, I'm satisfied that SL were sufficiently clear in the other calls what was required. And I'm satisfied that Mr V would have finished those calls most likely being fully aware what he needed to do (and what he couldn't do) to achieve his goal of amending his bank details on his pension account.

In the second call on 30 October, I think SL's agent is very clear what Mr V needed to do, and Mr V acted on what the agent said. He asked to start an ad-hoc withdrawal process to withdraw £1, as he'd been told that would allow him to change his account details.

Further, in the next phone call on 1 November 2023, it was again clearly explained that an account change could be made via a full phone withdrawal process (lasting 20 minutes), or alternatively via the online function. Mr V chose the online function (seemingly as it was quicker). The SL agent advised Mr V where on his online account the relevant form could be found, and confirmed it was a PDF document that was capable of being filled in. The agent was also apologetic that SL's systems couldn't simply allow a manual update. Accordingly, I'm satisfied that Mr V most likely finished that call knowing what steps he needed to take to update his account details.

And I also think his next call with SL on 8 February 2024 is similarly clear. That call concludes with Mr V asking for SL to send him the necessary forms, via his digital account, to allow him to close the account there and then. Again, I think this shows that Mr V most likely knew what he had to do to access his pension funds and have them paid into whatever new account he wanted to use.

But I do agree, in the fifth call on 28 June 2024, Mr V was told incorrect information. It's not clear why, given what he'd been told in earlier calls about what he needed to do to ensure his funds went to a new account, Mr V didn't follow that advice, and instead tried to process an account change manually *without* contacting SL by phone. But, after Mr V had started that process (and already withdrawn £10,000), the SL agent in that call provided information that would have been confusing, and inconsistent with what he'd been told before. I'll address the issue of the distress and inconvenience that wrong information may have caused Mr V later in this decision.

Regardless, and to summarise, I'm satisfied SL clearly explained what Mr V needed to do to enable a bank account update to be recorded on his SL pension account. Mr V has told us that his old bank account is still listed on his SL account. That may be so, but I'm satisfied that SL has told him what he needs to do to allow that to be changed. Accordingly, I'm satisfied that SL has done everything they need to do here, and I don't uphold Mr V's complaint in this regard.

#### *The £10,000 withdrawal, and the tax implications*

Mr V, in his response to our Investigator, mentioned that it took SL six weeks to locate where the funds were paid. Clearly, following the misleading information provided in the June 2024 call by SL's agent – that the funds would be sent back and eventually reapplied to Mr V's pension – it's understandable that there was some confusion at the outset regarding where the net funds (£6,000) ended up. However, I'm aware those funds were effectively auto forwarded by the 'closed' bank to Mr V's new bank. And Mr V's new bank received these funds only a couple of days after the actual withdrawal request, and they were then transferred (presumably by Mr V) to a savings account almost immediately afterwards. As such, even though SL did provide confusing information regarding the anticipated receipt of these funds, I think it appears clear that Mr V knew of their whereabouts relatively quickly, and SL's incorrect information appears to have not caused him any inconvenience.

Finally, I appreciate that Mr V, in responding to our Investigator's View, said any tax reclaim in relation to the withdrawal wasn't a key part of his complaint. But, in his complaint form to us, Mr V does mention the tax issue, and as a resolution also asks for his funds to be recovered and the tax error to be corrected. That said, Mr V has since told us he's been refunded tax by HMRC, and quickly. Therefore, this isn't a matter I intend to comment on further here.

### *Distress and Inconvenience (D&I)*

Notwithstanding that I'm not upholding the substance of Mr V's complaint, I do recognise that the information provided by SL's agent in the June phone call was incorrect, and did appear to cause some confusion that was avoidable. For that, I think compensation is due to Mr V.

However, the amounts this Service awards for D&I are fairly modest in value. Our D&I awards are not designed to punish a business, but rather to put a monetary value on the distress a business' actions have caused. Guidelines setting out our approach to such awards can be found on our website.

SL have already offered to pay Mr V £100 compensation. I think, taking account of what I've said above, and having careful regard to our guidelines on this subject, this is a fair figure in the circumstances, and is the sort of amount I'd have been asking them to pay.

I understand SL originally offered to pay this sum using account details they held for Mr V – ironically the very ones that Mr V had previously advised were no longer valid. Mr V hasn't accepted this. Leaving aside that the above-mentioned withdrawal *did* manage to find its way to Mr V's new account, via the banking system, it's probably sensible for Mr V to advise SL of his new account details so that payment can now be made to him.

For clarity, however, I'm not saying that SL should use any newly provided bank details to update the account on Mr V's pension plan. Any D&I compensation will be paid by SL from a separate central source, unconnected to Mr V's pension account, and so such a payment can be made independently using any new bank details that Mr V provides.

### *Conclusion*

I don't uphold the Mr V's complaint against SL in respect of the way their systems operate, or generally in relation to the way in which they've communicated with him about what he needs to do to update his bank details on his pension account. But I do uphold his complaint in relation to the distress caused by the incorrect information they provided him with in their June 2024 call with him.

And in respect of that matter, I think their previous compensation offer of £100 fairly reflects the inconvenience their actions have caused and is the amount I require them to pay to Mr V (if not already paid).

### **My final decision**

Phoenix Life Ltd, trading as Standard Life, has already made an offer to put things right by paying Mr V compensation for the inconvenience their actions caused him, and I think that offer is fair in all the circumstances. So, I require Phoenix Life Ltd to put things right for Mr V by paying him the £100 they've previously offered, as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 20 June 2025.

Mark Evans  
**Ombudsman**