

The complaint

Mr W complains that Phoenix Life Limited (Phoenix) mis administered his pension plans and delayed him taking benefits causing losses and inconvenience. He wants compensation for the losses and inconvenience caused.

Mr W is assisted in bringing his complaint by his wife (Mrs W), but I will just refer to Mr W in this decision unless necessary.

What happened

Mr W had four retirement annuity plans with Phoenix which he'd taken out in the 1980's. He says there were multiple problems in the run up to him accessing the plan benefits with issues around contributions, illustrations and delays. Mr W initially complained to Phoenix in February and March 2024 about two plans, numbered 080 and 086 and subsequently about plan number ending 958. He said it was sending reminder letters about unpaid contributions which it had failed to collect by direct debit despite repeatedly saying it would, and it hadn't returned calls as promised or provided details around the operation of the plans. Phoenix accepted these complaints and issued a final response letter on 21 August 2024. It paid Mr W £684.40 for the distress and inconvenience caused and some overpayments made.

Mr W then complained in respect of his other plan numbered 199 on 23 July 2024 that he hadn't received a retirement pack. During this call the pack was sent by email. Following this various annuity illustrations and documents were issued and returned in respect plan 199 and 958. But these contained errors, and Phoenix says it issued new forms on 28 August 2024. Mr W says he didn't receive these and he chased Phoenix on 17 September 2024 and further complained about the delays the next day. The forms were reissued and Mr W completed and returned these on 23 September 2024. Phoenix said the fund values had reduced by 5% and asked Mr W for instructions. He decided to defer taking the benefits for a year, which Phoenix confirmed on 8 October 2024.

Phoenix upheld Mr W's complaint on 24 December 2024. It offered him £610 for the distress and inconvenience he'd been caused and agreed to backdate the annuities and income payments to 30 July 2024. The annuities were set up in January 2025 and Phoenix said it would calculate the income arrears and interest for late payment. But there were further delays in completing this and Mr W referred his complaints to our service on 11 March 2025. On 24 March 2025, Phoenix paid Mr W £2,046.09, in respect of the income arrears, interest and an additional £100 in compensation for the inconvenience caused by the further delay. Mr W said there were still outstanding issues around confirming the details of the annuities and tax deductions, statements around the final contributions to the plans, and a tax discrepancy of £84.37.

Our investigator looked into the complaints. He said our service couldn't consider Mr W's first complaint which included some issues about plan 958, as he'd referred it to us more than six months after Phoenix had issued its final response, which meant it was time barred. But he said we could consider the second complaint about delays and administration problems around arranging the annuities under plans 199 and 958. Having done so, he thought Phoenix had fairly resolved these issues. Our investigator said Phoenix had

correctly backdated one annuity (for plan 958) and paid the income arrears with interest and had also paid interest on the late payment of tax-free cash. He said the value for plan 199 hadn't been backdated because a loss assessment showed Mr W was better off with the current value used rather than a backdated one, but income arrears and interest had still been paid.

Our investigator said the payments made by Phoenix for distress and inconvenience totalled £710 and this was in keeping with what our service would have awarded in similar circumstances. And whilst Mr W had been concerned about not being given the opportunity to accept or decline these payments, they were made on an ex-gratia basis and hadn't impacted his ability to refer his complaint to our service. He also said as the further issues Mr W had raised around contribution statements, confirmation letters, and the tax discrepancy weren't part of the original complaints made and referred to us, our service couldn't consider them unless first raised with Phoenix.

Mr W didn't agree. He said he remained "*aggrieved*" about the way Phoenix had handled things and there were still outstanding issues, and it was difficult to contact anyone to provide the outstanding information. He said he felt all the problems stemmed from the original complaint, which was primarily about the two other plans, to which the issues around plans 958 and 199 were subsequently added to by Phoenix.

As Mr W 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 understand the frustration and worry Mr W and Mrs W have been caused by what does appear to be a long running and wide range of errors. Phoenix has apologised for the problems and the issues Mr W had in contacting it to get things resolved. And I agree with our investigators assessment that the first complaint was referred to us outside the six-month time limit to do so. That means unless Phoenix consents, which it doesn't, we can't consider the issues raised.

Subsequently there were further errors and delays leading to Mr W making his second complaint. But it does appear that Phoenix was then proactive in trying to resolve matters and put into place what he wanted, which was to take his benefits. Unfortunately, there were then further frustrating delays in setting up the annuities, paying tax-free cash and then completing redress calculations which Phoenix accepts. I think it has fairly compensated Mr W for the delays and errors it caused. It used the best value in each case and backdated income payments to 30 July 2024 and added interest as I'd expect it to. And I think the £710 paid in compensation for the distress and inconvenience Mr W was caused is fair and is keeping with what our service would award in similar circumstances where considerable distress and inconvenience has been caused over many months.

Phoenix is required to deduct income tax on interest payments and says it has provided the tax deduction certificates necessary around this. It also says it has issued its standard documents confirming the payment of benefits and the establishment of the two annuities, and the copies it has provided to our service do seem typical.

Mr W has queried the net interest payment of £84.73 referred to on Phoenix's tax deduction certificate dated 24 January 2025, saying he never received this. Phoenix has confirmed that

this was part of the compensation for the late payment of his tax-free cash and was included with the tax-free cash payment of £6,059.55 itself, to give a total of £6,144.28, which was paid on 24 January 2025 in respect of plan 958. Subsequently further compensation for late payment of £187.44 was also made in respect of this, forming part of the payment of £2,046.09 Phoenix made on 25 March 2025.

Phoenix has said if Mr W wishes to raise any specific issues around the final contributions statements for the plans it will look into these for him. So, whilst it made errors, which it accepts, in terms of the complaints our service can consider I think Phoenix has fairly resolved these and put Mr W back into the position he should have been in. And as it has paid him fair compensation for the distress and inconvenience it caused, it needn't do any more than it 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 W to accept or reject my decision before 13 October 2025.

Nigel Bracken
Ombudsman