

## **The complaint**

Mr M complains that Scottish Widows Limited (“Scottish Widows”) have not managed the administration of his policy competently and as a result, he has been unable to access the tax free lump sum until he has confidence that the valuation of the policy showing on their system is correct.

Within his submissions to this service as part of this complaint, Mr M has also referenced incorrect classification of contributions that have been made to his pension. As incorrect classification was not part of this complaint to Scottish Widows I have not investigated this point further. I note that Mr M has another complaint with this service, which may include the payments he has referenced. If this is not the case, he should raise a complaint with Scottish Widows to allow them the opportunity to resolve the issue.

## **What happened**

Mr M holds a personal pension with Scottish Widows. In July 2024 he identified a discrepancy showing within the valuation of his pension when he logged into his account online. He noticed that on the login page it showed the value to be £32,247.36, however on the page titled “*View this pension*” it showed the value to be £27,730.49. Concerned by this, Mr M contacted Scottish Widows to understand why the valuations were showing differently.

Mr M did not receive a satisfactory response and subsequently received letters during July and August 2024 which also showed inconsistent valuations. In early September 2024 Mr M complained to Scottish Widows about the inconsistencies.

As Mr M had not had a satisfactory response to his complaint within eight weeks, he forwarded his complaint to this service, however on 13 November 2024, Scottish Widows issued their final response, upholding Mr M’s complaint. In their response, Scottish Widows confirmed that the differences in valuations resulted from an IT fault on Mr M’s pension which they were in the process of resolving. They stated that a manual calculation had been completed based on unit prices as of 29 September 2024, and confirmed that the value of the policy at that time was £31,614.81. They offered Mr M £300 by way of apology for the issues he had encountered (which they stated would arrive within the following five to 10 working days – Mr M has confirmed he received this), and confirmed that when the IT issue had been resolved they would contact Mr M again, and would pay further compensation to apologise for the delay in correcting the IT fault.

On 6 December 2024, our investigator provided her view to both parties. She agreed that Mr M's complaint should be upheld due to the issues experienced due to the IT fault within his policy. She also came to the conclusion that the interim payment, and offer to review the compensation once the issue was resolved made by Scottish Widows was fair and did not ask them to do anything further at that time.

On 16 December 2024, Mr M responded to the investigator's view. He stated that he had received a letter from Scottish Widows confirming that the IT issue was fixed, and quoting a valuation for his policy of £28,046.11. It is noted that the date of the letter sent by Scottish Widows referenced by Mr M was 26 November 2024. Mr M stated that this was incorrect, and that this provided evidence that the IT issue was not fixed. He was unhappy with the £300 compensation, which he believed was insufficient given the issues he had experienced, and the impact it had had on him being able to confidently access his pension funds. Mr M stated that he had also received a valuation letter showing what he understood to be the correct value of his pension £32,756.20, which had been confirmed by a manual calculation from Scottish Widows. Because Mr M remained dissatisfied, the complaint has been referred to me for a final decision.

### **Provisional findings**

I issued my provisional decision on 16 May 2025. It said;

*"I have considered all of the evidence and arguments provided to decide what's fair and reasonable in the circumstances of this complaint. Having done so I agree with the view of the investigator, and for the same reasons and uphold Mr M's complaint, however intend to add further detail in relation to the compensation to be paid to Mr M.*

*There is no dispute that an IT fault somewhere in Scottish Widow's systems caused the issues experienced by Mr M. Scottish Widows have acknowledged this, and it has now been confirmed that the errors have been rectified. Mr M has confirmed that as far as he can tell, the values shown are now correct (notwithstanding his other comments in relation to tax relief on contributions). If at any point Mr M has a lack of confidence in the valuations showing within the system, he can contact Scottish Widows for a manual calculation to be carried out.*

*Alongside their final response to Mr M's complaint, Scottish Widows sent Mr M a cheque for £300 to reflect the inconvenience caused by their errors. Within their response they acknowledged that the IT fault was yet to be fixed, and stated that they would "review the case once we know the issue is resolved and pay further compensation to apologise for the delay in correcting the IT fault". This interim payment was acknowledged in our investigator's view, alongside her opinion that it was fair that Scottish Widows would review the level of compensation when the fault was resolved.*

*It is my understanding that although Scottish Widows sent a letter to Mr M confirming that the IT fault had been resolved, they have not offered or paid any further compensation to Mr M. Although the £300 already paid to Mr M is in line what this service would award for issues*

*such as those experienced by Mr M, I believe that it is fair to expect Scottish Widows to honour the additional compensation they previously stated would be forthcoming. I therefore direct Scottish Widows to pay an additional £150 to Mr M to reflect the additional time taken to resolve the issue.*

*Mr M has stated that he has not been able to access his tax free cash because he has not been able to obtain a valuation due to the issues caused by the IT fault. As stated above, if Mr M wishes to validate the value of his pension showing within the Scottish Widows systems he can contact Scottish Widows for a manual valuation of his pension fund and tax free cash to be calculated.”*

## **Responses to my provisional decision**

I have received responses to my provisional decision from both parties. Scottish Widows have confirmed that they accept the provisional decision and are willing to pay an additional £150 to Mr M. They have not provided any further information or evidence for consideration.

In his response to my provisional decision, Mr M has confirmed that the IT problem previously experienced has now been resolved. However, within his response, Mr M has expressed his dissatisfaction that the provisional decision did not address his concerns relating to the classification and tax relief applied to contributions previously paid to his pension. I have revisited the complaint form and accompanying correspondence relating to this complaint, and am satisfied that I have addressed the points raised. I can understand Mr M's frustration that he remains dissatisfied with Scottish Widows for other issues, however it would not be fair or reasonable for me to respond to points that were not raised as part of this complaint with Scottish Widows, nor as part of a complaint to this service that have been previously resolved.

## **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.

As no new information has been provided by either Scottish Widows or Mr M, I see no reason to change my decision. So I remain of the view I set out in my provisional decision – my findings as set out above should be considered as part of my final decision. It follows that I uphold this complaint.

## **Putting things right**

Scottish Widows should pay an additional £150 to Mr M to reflect the additional time taken to resolve the issue.

## **My final decision**

I uphold the complaint. Scottish Widows Limited should pay an additional payment of £150 to Mr M to reflect the inconvenience caused.

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

Joanne Molloy  
**Ombudsman**