

The complaint

Mrs B's representative has complained, on her behalf, to Scottish Widows Limited (which owns Clerical Medical, and referred to in this decision as SW) about the delays caused to her pension transfer, breaches of confidentiality, and the general poor service provided.

What happened

The investigator who considered this matter set out the background to the complaint in her assessment of the case. I'm broadly setting out the same timeline and background below, with some amendments for the purposes of this decision.

24 May 2024 – Mrs B contacted SW to ask why her ex-employer was receiving letters about her pension policy.

20 June 2024 – Mrs B contacted SW to remove the trustee and enquire about accessing her pension funds.

5 July 2024 – SW wrote to her ex employer in error regarding the transfer request.

12 July 2024 – Mrs B filed a complaint in respect of her ex-employer still showing on the policy.

22 July 2024 – Mrs B spoke to a complaint manager at SW. She said she wanted compensation for the data breach and the fact that no one had returned her calls as promised.

23 July 2024 – SW issued its final response with regard to Mrs B's initial complaint. It apologised for the data breach and offered £620 compensation.

2 August 2024 – Mrs B wrote to SW to ask it to change her name on the policy. She provided all of the relevant documentation.

6 August 2024 – SW wrote to Mrs B to confirm her name had been amended.

12 August 2024 – SW sent transfer request letters to her ex employer in error again.

19 August 2024 – Mrs B contacted SW. It confirmed the data breach. A new complaint was logged.

13 September 2024 – SW called Mrs B to confirm her transfer forms would be sent out by a manager that afternoon.

16 September 2024 – A further transfer letter was sent to her ex employer in error.

18 September 2024 – A further transfer letter was sent to her ex employer in error.

30 September 2024 – SW wrote to Mrs B asking if she still wished to proceed with

the transfer as she would lose the protected tax free cash facility.

2 October 2024 – Mrs B called SW to confirm she was still happy to transfer.

3 October 2024 – The transfer completed. SW sent the pension transfer confirmation letter to Mrs B.

7 October 2024 – SW issued a further response in respect of Mrs B's complaint. It apologised for the delays in transferring her pension and also the further data breaches. It offered her £300 compensation. Mrs B rejected this, saying that it didn't reflect the level of distress she'd been caused.

31 October 2024 – SW issued a further response with regard to Mrs B's complaint. It agreed with her comments and offered to increase the £300 compensation to £500.

SW had therefore offered Mrs B a total of £1,120 to settle her complaint.

Having considered the matter, our investigator thought that the level of compensation offered was appropriate, saying the following in summary:

- SW had agreed that Mrs B didn't receive the level of service she was expecting, and admitted to causing three data breaches. Mrs B was inconvenienced in the following ways:
 - Three data breaches
 - Delays with her pension transfer
 - Having to make several phone calls/emails to chase SW for information
 - Having the police sent to her home when there was no need
- In terms of the data breaches, SW sent correspondence about Mrs B's pension plan to Mrs B's ex-employer on three separate occasions. There wasn't any evidence to show that there were any negative consequences to this, other than Mrs B not wanting her information being seen by the wrong person - which was completely understandable.
- In the first instance, SW offered Mrs B £500 compensation for the data breach plus £120 for the distress and inconvenience. This amount was fair and reflected the error.
- With regard to the second data breach, SW offered Mrs B £300 compensation for sending a further letter to her ex-employer about transferring the pension to a new provider. In its final response letter dated 7 October 2024, SW said that *"The mistakes made by sending policy information to your previous employer in error and also for the delay in sending you the pension discharge forms, which resulted in a delay in transferring your pension to your new provider, have regrettably been a result of human errors."*
- When it happened for a third time, SW awarded Mrs B a further £200. These errors were easily avoidable and shouldn't have happened as SW was already aware that Mrs B was no longer with her ex-employer.
- The Information Commissioner's Office (ICO) has a number of powers, including that to order businesses to comply with data protection laws and to fine them. But unlike this service, it didn't have the power to award compensation to consumers who had

suffered financial loss or had been caused distress and inconvenience by the way a financial business had handled their personal information.

- SW had agreed with Mrs B's comments that she incurred delays when changing her name and when having the discharge forms sent to her. Mrs B wrote to SW in June 2024 to ask that her surname be changed, but as of August 2024 this issue was still ongoing due to correspondence being sent incorrectly to her ex employer. The transfer itself was delayed from June 2024 to October 2024 due to correspondence being sent to the ex-employer, Mrs B's name not being changed in time, and by the delay in sending her the correct forms.
- These were errors that were easily avoidable and they ended up causing Mrs B a great deal of stress. SW had confirmed that Mrs B hadn't suffered any other financial loss and the investigator was satisfied from what she'd seen that this was the case. And neither side had provided anything to the contrary.
- Mrs B also mentioned that, on 11 September 2024 she made a fleeting comment to SW about what would happen to her pension should she take her own life. She said her comments had been misunderstood and that she was in no danger of harming herself.
- However, SW did take this comment seriously and sent the police and an ambulance to her home which caused Mrs B a lot of stress. Having read what Mrs B said about the incident, the investigator said that she understood the point she was trying to make, however, SW said it had a duty to act in such circumstances and was only abiding by its processes. So it couldn't be penalised for taking the action it did in this instance.
- It was clear that Mrs B wasn't provided with a high level of service and that she experienced delays in transferring her pension due to SW's errors. And for this reason she should be compensated. If no compensation had been awarded thus far, a high sum would be warranted due to the number of errors.
- SW had offered £1,120 to make up for the data breaches and delays. Having reviewed this offer, it was in line with what our service would recommend and would have been roughly what the investigator herself would have awarded.

Mrs B's representative disagreed, however, saying the following in summary:

- SW couldn't locate the "origination" papers and accepted that copies of annual statements were also unavailable. As it was unable to provide assurance that the investment was handled correctly, it needed to assess the investment and apply reasonable benchmarks to ensure the investment grew by a "fair and reasonable" amount.
- With the absence of paperwork, it was absurd to conclude that the current lowly performance was acceptable. This was a reputational issue for SW as providers and a responsibility matter for SW as Trustees.
- Disclosure was sought of the specific value of the fees deducted. With all of the previous errors there was a real concern that further problems occurred. The FCA Principles and Consumer Duty regulations required the pension providing industry to be open and transparent.

- It was wrong of Lloyds Bank plc employees to ignore the legally agreed Letter of Authority (LoA). Again, the FCA had strict rules regarding these. Breaching the LoA multiple times caused unnecessary distress and inconvenience, and jeopardized the corrections now required.
- The excessive time taken to reply to basic questions following the resubmission of the LoA hadn't been addressed. Taking twice as long as FCA guidelines caused unnecessary, and avoidable additional distress, inconvenience, anxiety and stress to Mrs B.

In response, the investigator said the following:

- SW provided a response on 28 March 2025 specifically addressing the investment growth and statements. It also outlined the charges and contribution history. Unless the complaint was that Mrs B considered the investment to have been unsuitable, this service couldn't comment on performance issues as market conditions fell outside of our remit.
- SW had apologised for not issuing annual statements to Mrs B and had said it would send them when its systems were fixed. This was obviously disappointing and shouldn't have happened, but Mrs B would have had other means of obtaining information on her plan. SW also said it carried out a growth calculation and discovered no financial loss.
- With regard to the LoA, SW had provided an apology and compensation, so it didn't need to do anything else in that respect. A donation to a charity wouldn't be possible as this wasn't how the redress system worked. Further, this service wasn't the regulator and we don't have the power to "punish" a business. We can only look into an individual consumer's complaint and award compensation if necessary. Our main aim was to put the consumer back into the position they would otherwise be, had the error not occurred. The ICO dealt with companies which had caused data breaches.

The representative replied as follows:

- The origination papers were required to ensure the investments were allocated correctly. Full fee disclosure was also warranted and requests must be complied with to satisfy FCA, good practice, and consumer duty rules. Focus should be given to unfulfilled trustee duties – Mrs B had been disadvantaged because of the shortfall in maintaining proper documentation and oversight.
- The apology and compensation offer made to date hadn't taken into account the issue with the letter of authority. This required a specific apology and a further payment of £750 for settlement.

The investigator put these comments to SW, which replied to say that it was unable to provide a summary of the fees and charges as a monetary amount, as the calculations used to establish this would be highly complex and likely inaccurate due to rounding errors and assumptions.

But it said that it had already provided the representative and Mrs B with a breakdown of the charging structure on several occasions, which was in percentage terms.

It added that it considered the amount already offered in respect of distress and inconvenience to be fair.

The investigator conveyed this to the representative and endorsed this position.

The representative responded to say that if SW wasn't able to undertake the calculations, then it couldn't be known with certainty that the charges had been correctly applied. The complaint therefore included a claim for Mrs B's loss, possibly as a result of inflated fees. As they appeared to be wrong, it was SW's responsibility to disclose them.

The representative added that SW needed to be open and transparent in such matters. The investigator's response also omitted comments regarding the GDPR breaches after the previous settlement, breaching the letter of authority, the lateness of the replies, not sharing the origination papers and data requests to the administrators and trustees.

As agreement couldn't be reached on the outcome, it's been referred to me for review.

At my request, the investigator has asked SW whether it can provide the original policy documents, but it's been unable to do so.

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.

And having done so, I've reached broadly the same conclusions as the investigator, and for the same reasons.

To firstly address the issue of any actual financial loss to Mrs B, our role is not to investigate speculative assumptions that a consumer might have been financially disadvantaged by a poorly performing, poorly managed, or unsuitable investment. And there being an absence of paperwork wouldn't meet the requirement to demonstrate that this was the case. For such a complaint to be upheld, there would need to be compelling evidence that this was the case, with the complaint articulated in such a way as to demonstrate how and why this was so, e.g. that Mrs B was a low risk investor, but had been invested in high risk funds.

I note in that particular regard that the investigator has enquired of the representative as to whether the claim was that the pension plan and/or the investments had been unsuitable for Mrs B, to which the representative hasn't specifically responded.

Similarly, it wouldn't be the case that, simply because there had been errors in handling Mrs B's confidential information, it would follow that the fees charged had also been too high. Again, for that complaint to be upheld, there would need to be evidence that a specific fee had been agreed and that the actual level had exceeded this.

I also don't think that the manner in which SW has presented the charges applied to the pension plan – in percentage terms – is inappropriate. And whilst I acknowledge SW's comments that calculating this historically in monetary terms wouldn't necessarily provide an accurate figure, it should be possible for Mrs B or her representative to apply the fairly straightforward 1% annual management charge to historical fund values to determine an approximate figure of what has been charged. And other than the speculation that there may have been a loss if the fees were too high, again I haven't seen any credible indication that this was the case. It's unfortunate that statements haven't been available to Mrs B, but once they are, if discrepancies are identified in the amount which should be deducted (1% pa), then this may be raised as a further, more specific issue.

It's also unfortunate that documentation from the time that the policy was established can't

be located, but again, it wouldn't be fair or reasonable to assume that, this being the case, the fees have been too high.

Further, allegations that "trustees' duties" have been unfulfilled are quite nebulous in nature, and other than the matters which have already been addressed, it's difficult to know what these further unfulfilled duties might be.

In closing, I've noted the representative's position that the compensation amount offered by SW predated the additional errors, but having thought about the amounts this service might typically award in similar situations, I think the total amount already offered would be appropriate in respect of everything that's happened here.

My final decision

My final decision is that the offer made by Scottish Widows Limited is appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 17 November 2025.

Philip Miller
Ombudsman