DRN-5660284

The complaint

Mr R complains that Phoenix Life Limited trading as Standard Life (Standard Life) delayed his pension transfer as it had incorrectly already paid out the benefits from that pension as a death benefit to another person with the same name and date of birth. Mr R also complains about the poor service Standard Life provided him with.

What happened

Mr R had a pension plan with Standard Life, which had started in 2005. Standard Life sent Mr R a welcome pack dated 22 August 2005. It also sent him annual statements from 2006 to 2014. But in April 2015, Standard Life lost contact with Mr R as it couldn't trace an up-to-date address for him.

Standard Life said that as it'd lost contact with Mr R, it'd completed a trace in July 2023 which had found someone with the same name, date of birth and similar address to the one it'd last held for Mr R. That Mr R had died in 2018. Standard Life went on to pay his family the pension benefits of £16,657.17 in March 2024.

In September 2024, Mr R contacted Standard Life to update his details and transfer his pension to a new provider. Standard Life couldn't do this at the time as it'd already paid out the benefits from the pension. It also couldn't provide Mr R with any meaningful information about the status of his pension at this time. Mr R had to spend a significant time on hold. And Standard Life also failed to call him back as agreed during this time.

At the end of October 2024, Mr R again told Standard Life he wanted to transfer his pension. On 1 November 2024, Standard Life created a transfer out demand for Mr R. It also did this on 27 November 2024 and 2 December 2024. Each time the request was rejected.

On 29 January 2025, Mr R called Standard Life as he wanted to know why his requests had been turned down. His chosen new provider – provider A – had told him his Standard Life pension was no longer active and that it'd already settled the benefits from that pension. Standard Life told Mr R it would investigate and promised him it would call him back later in the week.

On 3 February 2025, after a long time on hold, Mr R called Standard Life. He wanted to know what had happened to his pension. Later that day, Mr R complained to Standard Life about missed call backs, his requested pension transfer to provider A and his concern that he may have been defrauded.

Standard Life's bereavements team called Mr R on 4 February 2025. He told it he'd had previous issues with another person with the same name and date of birth as him. He understood that the other person had died four or five years earlier.

On 11 February 2025, Mr R called Standard Life and spoke to the complaints team/bereavement team. Standard Life called him back the following day. It explained it was still investigating what had happened. And that it would call him once it'd got to the bottom of the issue. When Mr R asked if his pension had been paid out, Standard Life said that it couldn’t yet provide specific details.

On 24 February 2025, Mr R’s plan was reinstated. The following day, Standard Life called Mr R to explain that his pension had been terminated due to a processing error. It said it’d attached the details of a death claim to Mr R’s pension in error. Mr R wanted to know why Standard Life hadn’t used his National Insurance Number to verify the incorrect death claim. He also wanted to know if he’d lost out due to his delayed transfer to provider A.

Standard Life issued its final response to the complaint on 26 February 2025. It acknowledged it’d paid death benefits from Mr R’s pension in error. And that it’d provided him with a poor level of service when he’d contacted it from September 2024 onwards. It offered him £750 compensation for the distress and inconvenience caused.

Standard Life reinstated Mr R’s pension to the position it would’ve been in if the error hadn’t happened. But it didn’t initially consider that he’d suffered a financial loss as the transfer value it sent to his chosen provider on 28 April 2025 was higher than it would’ve been at the earlier transfer date.

Mr R had made a Data Subject Access Request (DSAR) to Standard Life. But he felt it hadn’t provided him with all the information it should have. He also wanted it to reconsider its original compensation offer as he felt it’d breached General Data Protection Regulation (GDPR). Standard Life issued a further complaint response on 20 March 2025.

Standard Life acknowledged that it hadn’t sent Mr R information relating to the pension plan’s closure in 2024. It said its Data Protection Office had confirmed that as the information associated with that closure related to third parties, rather than Mr R as the Data Subject, it couldn’t disclose that information to him as part of its DSAR response.

Standard Life felt that the £750 compensation it’d offered Mr R was in line with Financial Ombudsman Service guidelines. It said it’d made that offer in recognition of the error it’d made in closing Mr R’s pension, the time it’d taken to put his pension back into the correct financial position, and the associated distress and inconvenience caused. It also acknowledged that Mr R had noted there might be penalties for breaching GDPR. But said that its compensation offer wasn’t linked to any fine the Information Commissioners Office might impose. In any event, it said that such fines weren’t directly relevant to an individual, as they were related to the conduct of a company at a corporate level.

Unhappy, Mr R brought his complaint to this service. He said the whole process had been stressful. He said he’d rejected the £750 compensation Standard Life had offered him. He was very unhappy about the lack of customer service it’d provided over several months. He felt he’d had to chase it but had still got nowhere. This had been worrying. He was also concerned that Standard Life was withholding information about his pension despite his DSAR request. Mr R also said that Standard Life had breached GDPR as it’d clearly passed his personal details to a third party. He felt he should be compensated for this.

Mr R felt that he had been financially impacted by Standard Life’s error, even though his pension had been reinstated. He said it’d stopped him from transferring his pension to provider A, which might’ve had better performance.

Standard Life reconsidered its complaint response after the complaint had been brought to this service. It then revised the offer through this service as it realised it should’ve checked with provider A whether Mr R’s pension would’ve been worth more if it’d transferred it when he’d first requested the transfer.

Standard Life then asked Mr R’s new provider to determine what his pension would’ve been worth if it'd transferred a value of £24,870.22 on 1 November 2024, the date of the first Origo request. It said that if the current value would've been higher, it would pay the shortfall to that new provider to be added to Mr R's pension. But it also said it felt the £750 compensation it'd offered for distress and inconvenience was fair.

Mr R said he didn't accept the revised offer. He felt he'd been given very poor service. He said he'd been left on the phone for hours. He said Standard Life hadn't returned his calls. He also felt its error, including the sharing of his personal information to other parties, was scandalous and had breached GDPR. He didn't think it'd considered this. Mr R also wanted Standard Life to put other measures in place to ensure that something like this didn't happen again.

Standard Life said that provider A had confirmed that there was a loss as the lower transfer value in November 2024 would've now been worth more than the higher transfer value it'd sent in April 2025. Provider A said the loss was £854.24. It asked Standard Life to send it £939.66 to allow 10% for market movements to purchase the additional units Mr R had lost out on. Standard Life said it was arranging to send those funds to provider A that day.

Mr R didn't think this was fair redress. Our investigator felt that the offer was fair. He felt that while Standard Life had clearly made a mistake, Mr R would be back into the financial position he should've been in had no error occurred once the £939.66 reached his pension with provider A.

Our investigator also felt that the £750 Standard Life had offered Mr R for the distress and inconvenience it had caused him was fair. While he acknowledged that Mr R was still very unhappy about the data breach, when his personal details had been sent to other parties, he felt the offer was in line with what we would've otherwise have recommended for the considerable distress, upset and worry he'd been caused. Our investigator noted that this service couldn't in any event comment on the data breach itself, only the impact of that breach. He felt he hadn't seen any evidence of a material impact. But asked Mr R to provide evidence of any impact if he had any.

Our investigator also acknowledged that Mr R wanted this service to require Standard Life to ensure it had procedures in place to make sure this didn't happen again. But said that as we weren't that business's regulator, this wasn't a step we had the power to take.

Mr R was disappointed with our investigator's view. He made the following points:

- He couldn't understand why the investigator felt that £750 compensation was fair, given Standard Life had paid his pension to a third party and sent his personal details to a random individual. He felt the communication from Standard Life had been shockingly poor.

- He felt that Standard Life had breached GDPR. As such, he felt this service should take action against it.

As agreement couldn't be reached, the complaint has come to me for a review.

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 agree with our investigator that the financial redress I understand Standard Life has sent to provider A to ensure Mr R is back in the position he would've been in but for its error, and the compensation it has offered to pay him for the poor service it provided him with, is fair under the circumstances of this complaint. I know this will be disappointing. I'll explain the reasons for my decision.

It's not in dispute that Standard Life made a mistake when it paid Mr R's pension to another person with the same name and date of birth. I acknowledge Mr R's point that Standard Life should've had better procedures in place to prevent this, including the use of a National Insurance Number to check a person's identity before payment. But I agree with our investigator that this service doesn't have the power to require Standard Life to change its processes.

The evidence shows that the person whose family received the benefits from Mr R's pension as death benefits did have the same name and date of birth as Mr R. And that he lived in a similar region. Mr R himself told Standard Life that he'd had a previous issue in which he and the other Mr R had been mixed up. However, while it's clear that Standard Life made a significant error, I'm satisfied that this is a relatively unusual situation which is unlikely to be repeated. What I need to consider in this case is whether Standard Life's offer fairly compensates Mr R for its error, and the impact that error had on him.

I first considered whether Mr R has now been put back into the correct financial position.

Is Mr R in the correct financial position?

Standard Life acknowledged that it missed the opportunity to establish what had gone wrong when Mr R contacted it in September 2024. It also agreed that it'd caused Mr R frustration when it'd failed to call him back as promised. Standard Life further acknowledged Mr R had received poor service due to long hold times and because it hadn't been able to provide him with any meaningful information at this time.

Standard Life did identify its error after Mr R called it back at the end of January 2025. At this point it began to take steps to put things right. But it initially felt that Mr R hadn't lost out financially as his transfer value had grown between his initial transfer request and his actual transfer date.

This stance didn't consider whether Mr R would've been better off if a lower transfer value had been transferred earlier. But I'm pleased to see that Standard Life has now worked with provider A to check this. And, having done so, I understand it has paid the financial redress provider A calculated directly into Mr R's pension. I'm therefore satisfied that Mr R's pension does now have the value it would've had if Standard Life hadn't made an error.

I next considered the compensation Standard Life has offered Mr R and whether Standard Life should specifically compensate him for sending his personal data to a third party and therefore breaching GDPR.

Distress and inconvenience

Mr R has clearly suffered considerable distress and inconvenience due to Standard Life's errors and its poor service over the period between September 2024 and February 2025. This led to him thinking it was possible he'd been defrauded, which must've been extremely stressful.

It's also clear that Standard Life didn't provide Mr R with good customer service over several months. This led to him feeling that despite chasing it, he still hadn't got anywhere. Standard Life also rejected his transfer request on more than one occasion. I can understand how worrying this must've been without a full explanation about what had happened.

Mr R has also been left on hold when trying to get through to Standard Life. The evidence also shows that it didn't always make the call backs it'd promised to make.

Mr R told this service the £750 compensation isn't fair. He felt it should increase the compensation it'd offered as it'd breached GDPR with his personal details.

While I acknowledge Mr R's point here, I agree with our investigator, and for the same reasons, that without specific evidence that the data breach had a harmful impact on him, this service doesn't have the power to require compensation specifically in respect of the data breach. Instead, it's up to the Information Commissioner's Office to decide whether to fine Standard Life directly for the breach.

Overall, having considered the impact Standard Life's errors have had on Mr R, I'm satisfied that the £750 compensation it has offered to pay is fair and reasonable. And I agree with our investigator that it's in line with what I would've otherwise recommended for the considerable distress, upset and worry caused.

I do appreciate that Standard Life made a serious error when it paid out Mr R's pension in error. And that it compounded the impact this error had on Mr R by providing him with poor customer service and by delaying his desired transfer to provider A. But I'm satisfied that Standard Life has taken steps to put Mr R back into the correct financial position. And I'm also satisfied that £750 compensation is appropriate here for the impact of the errors and the poor service.

I uphold the complaint as it's not clear from the evidence whether or not Mr R has received the £750 compensation Standard Life offered to pay him. But I don't require it to take any additional steps to put things right.

Putting things right

The evidence shows that Phoenix Life Limited trading as Standard Life has worked with provider A to ensure that Mr R has been put back into the position he would likely have been in, had it not been for its error. Therefore, it doesn't need to take any further steps to address the financial redress needed here.

The evidence shows that Mr R rejected the £750 compensation Phoenix Life Limited trading as Standard Life offered him in respect of the distress and inconvenience caused. I therefore understand that it has yet to pay this compensation to him. As such, I require Phoenix Life Limited trading as Standard Life to pay Mr R £750 compensation. If it has already paid him this, it doesn't need to take any further steps to put things right.

My final decision

For the reasons set out above, I uphold Mr R's complaint. Phoenix Life Limited trading as Standard Life must take the action detailed in "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 16 December 2025.

Jo Occleshaw
Ombudsman