

The complaint

Mr W complains that Scottish Widows Limited's pension projection provided to his adviser on 16 July 2023 incorrectly quoted an annual management charge (AMC) of 1% when in fact he was paying a discounted amount.

In addition, Scottish Widows took too long to provide the detailed history of all the transactions (including charges) on his policy that he'd requested. It only did so in the form of a spreadsheet when responding to his complaint.

What happened

In July 2023, Mr W was taking advice on transferring his Scottish Widows personal pension to St James's Place.

On a previous occasion, Scottish Widows had already mis-quoted to Mr W that the annual management charge on his policy was 1%pa. That was the charge levied on the assets in the funds he invested in, but Scottish Widows had omitted to mention that there was a discount applying to this charge, which was credited back to his policy by adding additional units in the funds the policy invested in. Scottish Widows had previously apologised for this mistake and paid Mr W compensation.

I've already considered a previous complaint from Mr W where I concluded that Scottish Widows had paid him adequate compensation for errors which included this misinformation about the charges.

Unfortunately Scottish Widows then repeated that error, in the projection it provided to his financial adviser, after Mr W had raised his original complaint with us. So there was a further instance of it giving out the wrong information, which I didn't consider in the Final Decision I've already issued on Mr W's first complaint in July 2024.

Mr W pointed out to this Service and Scottish Widows that it had made the error again. At the same time, he complained that Scottish Widows still hadn't provided him with full details of the transactions under his policy that he'd been asking about for several months.

In its final response on the new complaint, Scottish Widows apologised that *"the service you have received from us on this occasion has fallen below the expected level of customer service we aim to deliver"*. Scottish Widows explained that it had now issued all the transaction details in spreadsheet form, showing all the additions and deductions of units from his policy as well as fund switches. The spreadsheet shows that rebates of charges were being credited back to Mr W's policy, contrary to the wrong information it had given to his adviser. Scottish Widows said that it was sending Mr W a cheque for £75.00 to put right the inconvenience he'd experienced.

I've already issued a Provisional Decision on this new complaint. In that, I noted that Mr W remained concerned about two things:

- That even the spreadsheet he'd now received didn't adequately explain all the issues

with the poor performance of his policy in the run up to transferring away from Scottish Widows in 2023.

- That the wrong charges figure had been quoted to his adviser, contradicting the spreadsheet and calling into question whether the charges were in fact being applied correctly.

I explained that I had already considered the matter of how his policy had been performing in the Final Decision I issued in July 2024. As part of that decision I'd concluded that the lifestyle switching process had been operating correctly, the correct charges had been applied at that time, and (even though it was a result of Mr W raising this further complaint), he had now received all the information he was entitled to about his policy.

So, I explained that the only separate complaint point I could consider here was the quality of the service Scottish Widows had provided to Mr W and his adviser since referring his original complaint to us in June 2023. This included the wrong projection given to his adviser in July 2023. But for clarity I should add that it also incorporates Scottish Widows taking longer than necessary to provide the information on the spreadsheet. (Scottish Widows was apologising for that in its final response.)

I also explained why I didn't think such concerns about the poor service were time barred under the rule that gives Mr W six months to refer them to us. I note that Mr W still maintains that Scottish Widows *didn't* issue a proper final response. I've taken a contrary view, but in any event I've concluded that Mr W had exceptional circumstances that explained the delay in his referral.

As that outcome is in Mr W's favour and Scottish Widows hasn't disagreed with my view on the six month time limit, there is no need for me to cover it in any further detail in this Final Decision. I am able to consider the merits of the part of this complaint about the poor service Scottish Widows has provided since June 2023. Particularly, when it misinformed his adviser. And on that, I provisionally concluded that the £75 it had sent Mr W by cheque was reasonable compensation.

Scottish Widows hasn't responded to my Provisional Decision within the timescale provided but Mr W did respond. His comments reiterated that he didn't like the spreadsheet he'd received was adequate, as well as referring to the poor service he'd experienced. In summary, he said:

- The spreadsheet whilst providing some details doesn't provide the ability to undertake a full forensic analysis.
- Scottish Widows failed to supply any explanations as to the working of the spreadsheet and it doesn't comply with the FCA rules requiring firms to provide information that is clear, fair and not misleading.
- The data on the excel spreadsheet has been manipulated as adjustments have been made that cannot be accounted for.
- Scottish Widows should now be providing a *"copy of my account, showing all the account movements on a year-by-year basis, i.e., from one year's annual statement to the next annual statement, tracking the years opening valuation through the year to the years closing valuation, showing all the changes affecting the valuation, movement of funds to and from, whilst identifying the classification of the funds and the basis of the classification."*
- Mr W/his adviser hasn't just been 'misinformed' about the charges applying to his policy. The spreadsheet appears to show that the partial rebate of charges wasn't

applied and had to be corrected by Scottish Widows (this relates to a period before 2017).

- He hasn't complained about the amount of compensation already paid.
- I should clarify my statement that *"There does appear to be an issue with Scottish Widows' standard correspondence (in statements, or in this case in response to a policy enquiry from an adviser) mis-referencing the actual charges that are being applied to the policy. That would be a issue for Scottish Widows' regulator, the FCA..."*

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.

Most of Mr W's response to this complaint (summarised above) is arguing that he remains entitled to more information about his policy than Scottish Widows provided, via the spreadsheet in response to his second complaint.

My position on this hasn't changed. I issued a Final Decision in July 2024 which covered whether the fund switching and charges under his policy had been working as they should when it suffered a large fall in value in the years shortly prior to him transferring away. That decision also addressed whether Mr W was entitled to any more information, including as a result of the FCA's rules, than Scottish Widows had now provided.

Mr W doesn't agree with that decision. He didn't have to do so. But that doesn't change that these complaint points aren't separate from the complaint I already decided in July 2024. There is a significant overlap. As previously explained, I will be writing to Mr W under the separate reference he has open with us (ending 'S8') to explain whether all these overlapping points should be dismissed without consideration of their merits.

An Ombudsman Leader has also written to Mr W to explain that it was a matter for me to decide whether to include the information contained in the spreadsheet when reaching the Final Decision I made on July 2024. I'm not going to comment further on that.

Mr W says that there are adjustments made on the spreadsheet that he doesn't think can be accounted for. He has used the term 'manipulated'. But Scottish Widows is on record as having informed Mr W of some discrepancies in 2017. These related to it not altering the lifestyle switching process when his retirement age was deferred, and failing to add back the partial rebate in charges to his policy (for a period prior to 2017). It subsequently uplifted the number of units Mr W held in 2017 to rectify this. So, I don't deny what Mr W is saying that there wasn't just 'misinformation' about the charges *in the period before 2017*: evidently, the charges were being applied incorrectly at that time and Scottish Widows had to correct this.

But I wasn't referring to that time period in the Provisional Decision on this reference, because Mr W already has a separate complaint reference open with us (ending 'D1') on which I'm looking at whether I can consider a complaint about these historical policy corrections. I've already issued a separate Provisional Decision on that separate complaint and we are awaiting Mr W's response.

In terms of the service Mr W received from Scottish Widows after June 2023, he's now said that he hasn't complained about the amount of compensation already paid. The way our service operates is that if Mr W refers a final response to us, because he is unhappy with it – and that final response includes a payment of compensation – we will comment on whether the compensation is sufficient in the circumstances of the complaint.

That is what I did in my Provisional Decision. And despite what he says here, it seems Mr W does want to comment on whether he's received enough compensation. In response to my Provisional Decision he also said:

"Considering the elapsed time, combined with all the other factors, financial and health, feel it is fair and reasonable to expect Scottish Widows to also provide a good will gesture applicable to this complaint of £1,000."

So this is very much an open issue for Mr W. In my Provisional Decision I've already considered whether the payment Scottish Widows made of £75 was fair in all the circumstances. I noted that Mr W might well ask, if £100 was adequate compensation before June 2023 for errors which included misinforming him about the charges, why was only £75 payable when Scottish Widows continued to provide poor service after that point – including giving out the same wrong information to his adviser?

But it isn't the role of the Financial Ombudsman Service to punish or fine a business for each individual error it makes. What I'm required to consider is the impact this error has had on Mr W. And other than the issue with the charges on his policy prior to 2017 – which I'm not considering here – I remain of the view that Scottish Widows' error is confined to wrong information being provided. It also delayed sending Mr W the spreadsheet of the unit movements on his policy, having originally promised this at the time of making his first complaint.

As an informal dispute resolution service, we take an overall view of the level of upset caused by repeated errors. I didn't determine that the original amount of compensation on the first complaint should be £100; that amount was arrived at by Scottish Widows, but I considered it was reasonable in my Final Decision of July 2024. And I also think that the £75 Scottish Widows paid for the second complaint is reasonable taking into account that it delayed supplying Mr W with the spreadsheet, and repeated the same mistake misinforming his adviser about the charges.

Whilst I acknowledge that it was only after Mr W made a second complaint that he obtained information he'd already been promised, the purpose of an award for distress and inconvenience is not to compensate for the inconvenience of *having* to complain. Things don't always go right and that's why consumers have the right to complain and then approach our service, free of charge, if they remain dissatisfied. I've taken into account that by the time Mr W referred his second complaint to us he had received the spreadsheet, albeit after a delay, and Scottish Widows had apologised for the poor service it provided.

I appreciate that it would have been frustrating for Mr W to be taking advice on a transfer from Scottish Widows using details of charges that turned out to be incorrect. But in response to his first complaint, Scottish Widows had carried out a detailed check of Mr W's policy and told him in a specific reply – not a computer generated projection – that the charges were 0.45% on an ongoing basis. So I think the information then given to his adviser would, more likely than not, have been recognised as a repetition of the same error in how information was displayed on a projection, rather than how the charges were actually being applied at that time.

I can see why none of this would have been very reassuring for Mr W, given what now appears to have been historical errors (before 2017) when the wrong charges were actually applied. I can understand why he lost confidence in Scottish Widows as a result: he's brought a number of complaints to us and 'voted with his feet' in moving away from Scottish Widows.

Those are all understandable reactions. But as a result of referring his first complaint to us,

Mr W was already going to receive an independent opinion on whether anything was wrong with the recent charges on his policy. So in all the circumstances here I'm satisfied that Scottish Widows' payment of £75 is sufficient for the poor service it continued to provide him (and his adviser) after June 2023.

I said in my Provisional Decision that the issue appeared to be with the information displayed from Scottish Widows' computer system – this mis-referenced the actual charges being applied to the policy. Mr W asked me to explain why I said that would be an issue for Scottish Widows' regulator, the FCA.

If there is any ongoing problem with the way Scottish Widows' computer systems inform policyholders (or their advisers) about the level of charges being applied, and that is affecting policyholders who are still with Scottish Widows, it is open to those policyholders to raise complaints with us. But Mr W is no longer with Scottish Widows, so I have no way of telling in his particular case if Scottish Widows had fixed the reason that wrong information was being displayed, before he transferred away. And I currently have no knowledge of how widespread this issue is (or was). I don't need to know that to determine Mr W's individual complaint.

I commented about the FCA because, in the event that our service received a significant number of complaints from multiple policyholders about similar issues to those Mr W experienced, we might consider notifying the regulator. That's because we don't have the power to change the way a pension provider's systems operate; we can only make an award to the policyholder for the upset caused. My decision here is only about what compensation is appropriate in Mr W's case. I'm not in a position to speculate on what complaints we might receive from other policyholders and what action might be taken as a result, but I don't think it's appropriate to make any higher award of compensation to Mr W.

My final decision

I do not uphold Mr W's complaint about the delay in providing him with policy information and giving wrong information to his adviser after June 2023. I consider that Scottish Widows Limited has already paid Mr W adequate compensation by cheque

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 August 2025.

Gideon Moore
Ombudsman