

The complaint

Ms E says The Royal London Mutual Insurance Society Limited ('Royal London') breached the privacy and confidentiality of her application to withdraw her pension as a lump sum. She refers to Royal London informing her previous employer – to whom the pension was connected – about the withdrawal and, for reasons she has explained, she objects to her previous employer having been made aware of it. She also says it was unnecessary for Royal London to disclose the withdrawal.

Royal London disputes the allegation. It says the enquiries it put to Ms E's former employer (and the information it shared in that respect) was part of the Anti-Money Laundering ('AML') and contributions/premium payments checks it conducted, and was obliged to conduct, in the process.

What happened

One of our investigators looked into the matter and concluded that the complaint should be upheld.

With some guidance from the Information Commissioner's Office's ('ICO's') website, he considered Ms E's allegation that Royal London's disclosure amounted to a breach of General Data Protection Regulations ('GDPR') that had caused her detriments. He noted the absence of a financial detriment, and that none of the non-financial consequences stated in Recital 85 of the GDPR applied to her case.

However, the investigator agreed that Royal London's disclosure of the withdrawal to Ms E's former employer was unnecessary, and that it caused her some distress. For this reason, he awarded her compensation of £75, to be paid by Royal London.

Royal London accepted this outcome, but Ms E did not.

She said she is appalled by the level of compensation awarded. She stressed the circumstances and reasons related to why she did not want her previous employer to be aware of the withdrawal and why it has been a significant detriment to her that the withdrawal was disclosed to them. She considered that Royal London had been dismissive of the matter and said – *"Royal London need to understand they cannot treat their client with such disregard. They will only understand this when they have to pay a significant sum in compensation."*

The investigator was not persuaded to change his view. He explained that the compensation he awarded is not intended to be punitive towards Royal London. He also did not consider that its disclosure compounded the circumstances she described (with regards to her previous employer). Ms E maintained her position and considered that the investigator had not understood the depth of the disclosure's impact upon her.

The matter was referred to an Ombudsman.

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 have reached the same conclusion expressed by the investigator. I uphold Ms E's complaint and award her £75 for the trouble and upset the matter has caused her.

Royal London's disclosure, to her former employer, of the withdrawal application is a fact, and it is undisputed, so I do not need to address this aspect any further.

I have considered the disclosure and the process in which it took place. I acknowledge the AML and contributions/premium payments checks Royal London was rightly conducting at the time. However, I am satisfied that the enquiries to Ms E's previous employer – as part of those checks – could have been put to them without going to the extent of stating that she had applied for a withdrawal from the pension.

In simple terms, the presentation could have been limited to the specific enquiries themselves. I have not seen reason why the withdrawal application had to be mentioned. Royal London might say it had no cause to know the disclosure would be an issue for Ms E and/or that it had no cause to foresee the impact she has described. However, the point is that it had a specific purpose for contacting her former employer, had it limited its enquiries to that purpose the disclosure would not have been necessary and would not have been made.

In terms of *impact*, I echo the investigator's finding that there has been no financial detriment to Ms E resulting from the disclosure. With regards to non-financial detriment, our service can consider awards for trouble, distress, inconvenience and/or upset caused to a complainant in a complaint. Guidance on how we approach these awards can be found on our website, at the following link – <https://www.financial-ombudsman.org.uk/businesses/resolving-complaint/understanding-compensation/compensation-for-distress-or-inconvenience>.

Under this guidance, awards up to £100 can be given in relation to a one-off incident/occurrence involving a mistake that has caused a minimal impact.

I consider this category applicable to Ms E's case and, in this context, I am satisfied that a £75 award to her is reasonable.

This decision will be published, and I do not wish to put her anonymity at risk, so I will not go into the details of the circumstances she has described. I understand and empathise with what she has described. However, I also consider that her objection to the disclosure is substantially, if not wholly, a matter of principle for her, as opposed to it being about a tangible harm that has been caused. I have not seen evidence of such harm. Instead, she is aggrieved that her previous employer knows something they did not need to know and that she would have preferred them not to know. I can understand this, but I do not have scope to consider an additional award on the grounds of *principle*, and I am satisfied that the real impact on her was relatively minimal.

I also do not have scope to consider an award on a punitive basis, which appears to be what Ms E seeks in the quote I used above. The award for trouble, distress, inconvenience and/or upset is intended to cater for the impact of such consequences, arising from a complaint, on a complainant. Its purpose is not to punish respondents to a complaint.

Putting things right

For the reasons given above, I order Royal London to pay Ms E £75 compensation for the trouble and upset the complaint matter has caused her.

My final decision

I uphold Ms E's complaint, and I order The Royal London Mutual Insurance Society Limited to pay her £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 8 December 2025.

Roy Kuku
Ombudsman