

## **The complaint**

Ms G has complained that The Royal London Mutual Insurance Society Limited (Royal London) delayed the payment of her late partner's pension benefits to the extent that His Majesty's Revenue and Customs (HMRC) have made a 40% tax deduction to the payment.

Ms G would like Royal London to compensate her for this loss.

## **What happened**

I issued my provisional decision to this complaint in August 2025, parts of which are copied below and form part of this decision.

*I have reviewed all the evidence provided by both parties. I have not reproduced all of this in this decision but concentrated on what I believe to be the most relevant parts.*

*Ms G's partner held a personal pension with Royal London. He passed away on 29 June 2019. In the event of his death, he had nominated Ms G as the beneficiary of 50% of his pension funds, with the remaining 50% to be split between his two siblings.*

*Royal London was informed of the death on 22 July 2019. At that time, the family did not have a full death certificate, as the circumstances meant that a full death certificate could not be issued until after an inquest.*

*On 12 July 2021 Royal London contacted the partner's mother to confirm that it could not process the claim until it had a full death certificate. A follow up email was sent by Royal London on 27 July 2021 to confirm that it was waiting for the full death certificate.*

*A solicitor acting on behalf of the estate sent a copy of the full death certificate to Royal London 17 August 2021.*

*Royal London replied to the solicitor to confirm that Ms G and her partner's siblings were nominated as beneficiaries on 24 September 2021. This email also confirmed that the benefits of the pension plan lay outside of the estate and asked that the solicitor completed and returned a Bereavements information form (BIF) to confirm the details of the beneficiaries. This email also contained an error, incorrectly stating that the payments to the beneficiaries would be subject to an HMRC tax charge as the claim had not been settled within two years of the date of the death.*

*Royal London chased a response to this email from the solicitor on 16 November 2021, but did not receive the completed BIF from the solicitor until 30 May 2022. The form, however, listed the partners parents as the beneficiaries*

*On 6 June 2022 Royal London sent an email to Fishers Law and confirmed that the parents were the beneficiaries of the pension. It asked for asked them to complete forms indicating how they wanted to take the benefits and complete a payment form.*

*On 2 August 2022 the solicitor contacted Royal London to ask if the claim had been paid. Royal London responded on 4 August 2022 to confirm that it was unable to pay the benefits until the forms had been completed and returned.*

*On 1 March 2023 Royal London contacted the solicitor again, forwarding its email of the 6 June 2022 asking for the forms to be completed and returned so that the benefits could be paid. This email also confirmed that HMRC may apply a tax year charge two years from the date of Royal London receiving the full death certificate.*

*Royal London wrote to the solicitor again on 9 May 2023 confirming that it still required the completed forms to settle the claim.*

*The solicitor replied the same day to give details of a new contact at the firm, as the previous contact was no longer involved in the case.*

*Royal London sent its emails to the new contact at the solicitor on 17 May 2023 but unfortunately sent them to an incorrect email address. This was followed by another email sent to the incorrect address on 28 June 2023 to once more request the completed forms. Royal London sent a further email, this time to the correct email address on 14 September 2023, once more asking for the completed forms.*

*On 5 January 2024 Royal London sent an email to the solicitor confirming the beneficiaries as Ms G (50%) and her partners siblings (25% each) and that the previous identification of the parents as beneficiaries was incorrect. It also asked the solicitor if Ms G and her partner had been separated at the time of his death.*

*The solicitors replied to Royal London on 9 January 2024 to confirm that the beneficiaries were correct, but did not answer the query about whether Ms G and her partner had separated before his death. Royal London wrote back on 25 January 2024, repeating the question. Shortly after, Royal London sent a second BIF to the solicitor. This form was returned to Royal London on 27 February 2024 and confirmed that Ms G was a beneficiary of 50% of the benefits.*

*Following receipt of the BIF, on 19 March 2024 Royal London contacted the solicitors again to ask if Ms G had been financially dependent upon her partner. The solicitors replied on 27 March 2024 to state that although Ms G was not financially dependent on her partner, they remained engaged at the time of his death.*

*Royal London subsequently contacted the solicitors on 26 April 2024, incorrectly confirming that the beneficiaries were Ms G's partners parents. It sent options forms to each asking how they wished to take their share of the benefits.*

*On 24 June 2024 Royal London received completed options and payment forms from the parents.*

*On 1 August 2024, however, Royal London sent a further email to the solicitor confirming that the correct beneficiaries were, in fact, Ms G and her partners siblings and not the parents.*

*Ms G contacted Royal London on 4 September 2024 to ask why it had taken so long to process the death benefits claim and to ask why the parents had been identified as beneficiaries.*

*Royal London sent Ms G a timeline of events on 26 September 2024 and confirmed that an HMRC deduction would be applied to the benefits as the two year period since it had received the death certificate had elapsed on 17 August 2023.*

*Ms G complained to Royal London on 23 November 2024. Royal London responded to her complaint on 21 February 2025.*

*Royal London admitted it had made errors in processing the complaint, particularly in terms of identifying her partner's parents as beneficiaries but did not accept that Ms G had suffered a financial loss as a result of its mistakes. It said:*

*After reviewing the complaint, and despite the error made by Royal London, and the delays, I don't believe we would have been in a position to settle the claim on or before the 17th August 2023. I do fully appreciate your frustrations and the upset caused due to the tax deduction from your payment and particularly given the very sad circumstances. However, based on my findings, I would be unable to uphold your complaint.*

*Unhappy with this response from Royal London, Ms G brought his complaint to this service.*

*Our investigator reviewed all the evidence from both Ms G and Royal London, before forming the view that the errors Royal London had made errors meant that it should pay Ms G £200 compensation for the distress and inconvenience that its errors had caused.*

*Ms G remained unhappy and so the complaint has been passed to me to make a final decision.*

*Royal London responded to my provisional decision to say that it accepted it. Ms G did not reply and so I will now make my final decision.*

### **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 not changed my conclusion from my provisional decision and uphold Ms G's complaint.*

*I will explain now how I have reached my conclusions.*

*Firstly, I would like to extend my condolences to Ms G and appreciate that this must have been a very difficult time for her.*

*I also think it's important to reflect upon the role of this Service. Our role is to impartially review the circumstances of a complaint and make a decision on whether a business has made errors or treated a customer unfairly. Where it has, we expect a business to fairly compensate a customer for any financial loss and distress and inconvenience they have suffered a result.*

*In the circumstances of this complaint I think it is clear that there has been a significant delay in the payment of benefits from Ms G's partner's pension. This will result in a tax charge being levied on the benefits, as the payment has taken longer than the permitted two years after the death certificate was provided to Royal London. This means that Ms G will have undoubtedly suffered a financial loss, but I would need to be satisfied that this loss was the result of delays caused by Royal London. The key date in this instance is 17 August 2023.*

*The payment to beneficiaries had to have been completed by that date if a tax charge from HMRC was to be avoided.*

*There are two main parties that have been managing this process, Royal London and the solicitor. I can see that Ms G has also raised a complaint with the solicitor. I, however, can only look at the complaint that Ms G has raised about Royal London, as this service can only investigate complaints relating to organisations regulated by the Financial Conduct Authority. I have only seen the communication between Royal London and the Solicitor, so will only comment on that evidence.*

*I would also like to clarify that in this circumstance, Royal London act as the trustees of Ms G's partner's pension. In practice, this means that the benefits that the pension holds are held outside of her partner's estate and that Royal London has the ultimate discretion into who it makes payment to. It has the right to investigate the circumstances before deciding on who to decide should benefit from the pension assets.*

*From the evidence provided, I can see that Royal London initially identified Ms G and her partner's siblings as the people that Ms G's partner had nominated in his expression of wishes (EOW) form as beneficiaries from his pension in the event of his death. When it contacted the solicitor to complete the BIF form in September 2021, the solicitor responded by sending a completed form which excluded Ms G and the siblings but gave the details of her partner's parents. Royal London replied to the solicitor to say:*

*I confirm that Royal London deem Mr X and Mrs Y to be the beneficiaries of the above plan.*

*As Royal London have ultimate discretion in the payment of benefits, it was within its rights to identify the parents as beneficiaries. I would, however, have expected to see Royal London query why the solicitor had returned the forms to make the payments to beneficiaries that were different to those it had previously identified from the EOW form.*

*I can also see that these forms were not returned by the solicitor until early June 2022 – some eight months after they were sent. While I can't say that this delay was the responsibility of Royal London, I do consider that it could have taken more action to try and prompt a response from the solicitor during this period.*

*There was then a further nine month delay while Royal London waited for option and payment forms to be completed and returned by the solicitors, from 6 June 2022 until 9 May 2023. The forms were not completed at this point, but Royal London was informed that a new person was now dealing with the matter for the solicitor.*

*This email included a forwarded copy of Royal London's previous emails, so it shows that the solicitor had received the emails sent previously but hadn't taken actions it had been asked to.*

*I have also noted that Royal London sent two emails chasing the form completion to an incorrect dated email address on 17 May 2023 and 28 June 2023. I consider that the use of an incorrect email address would most likely have contributed to the delay in the forms being returned. Royal London has estimated that this may have caused a four month delay, which seems to be an appropriate estimate to me.*

*As the lack of response from the solicitor meant that the completed forms were not returned until January 2024, I can't see that Royal London was responsible for the majority of the delay to this point, which was by now about four months after the process would have needed to be completed in order to avoid the tax charge.*

*I have also considered that Royal London did not confirm the beneficiaries as being Ms G and her partner's siblings, rather than his parents, until 1 August 2024.*

*Consequently, I think that the responsibility for the majority of the delays in this process does not lie with Royal London. Even if it had queried the identification of the parents as beneficiaries and instead requested information about Ms G and her partner's siblings, I still think on balance that the process would not have been completed by 17 August 2023 and the tax charge would still apply.*

*In conclusion, I find it fair and reasonable to say that Royal London's errors did not delay the process by the extent that would have caused the application of the tax charge and any financial loss to Ms G. I agree with the investigator that the majority of the delay in the process was outside Royal London's control.*

*Having decided that Royal London's mistakes did not cause Ms G a financial loss, I can see that they will have caused her distress and inconvenience at a particularly difficult time for her. When considering awards for distress and inconvenience, I have to be mindful of the guidance published by this service to ensure consistency of awards across the complaints that are brought to it.*

*I have considered that although this process has taken an extremely long time, Ms G did not herself contact Royal London until August 2024. I have also noted that she was unhappy that Royal London did not communicate directly with her as a beneficiary. In cases involving the identification and payment of benefits to beneficiaries following a death, I have to reassure her it is quite usual for the pension provider to communicate with a single point of contact, either a solicitor or executor of the deceased. Although in the circumstances of this complaint this approach has resulted in a very significant delay, it is common industry practice for direct communication with beneficiaries to take place only at the very end of the process. Consequently, I can't see that Royal London did anything wrong by not communicating proactively with Ms G.*

*Having said that, I consider that Royal London has caused a significant amount of distress and inconvenience to Ms G through missed opportunities to try and expedite the process with more proactive chasing of the solicitor and including the acceptance without apparent scrutiny the nomination of the parents as beneficiaries, and the email error which it concedes added several months delay. I understand that the process is still not concluded and that Ms G has still not received her benefits under the plan, some four years after Royal London first received the full death certificate. Consequently, I find that an award of £500 in regard to Ms G's distress and inconvenience is appropriate in the circumstances of this complaint.*

### **Putting things right**

To compensate Ms G fairly, Royal London should pay Ms G the sum of £500 in respect of the distress and inconvenience she has suffered, if it has not already done so.

### **My final decision**

For the reasons given above, I uphold Ms G's complaint.

The Royal London Mutual Insurance Society Limited should take the actions outlined above to resolve this complaint.

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

Bill Catchpole  
**Ombudsman**