

The complaint

Mr P complains that Legal and General Assurance Society Limited (L&G) caused avoidable delays to the purchase of his annuity, leading to a rate reduction and a financial loss.

What happened

Mr P wanted to consolidate his six pension funds across four pension providers and then buy an annuity. In March 2024, he decided to ask a broker I'll refer to as broker A to help him with his annuity application. Mr P said it told him the process could last between four and six weeks.

Mr P had his first call with broker A on 8 March 2024. It carried out a fact find and completed a pension income report on 12 March 2024. This said it would be best to buy the annuity from L&G.

L&G issued a quote dated 3 April 2024 for an annuity of £13,394.52 each year. This was based on a purchase amount of £187,538.25. The annuity rate quoted was 7.14% before tax-free cash and 5.35% after it. The quote was for a single life, level annuity with no guarantee period but with 100% value protection. The annuity had been enhanced for Mr P's medical conditions and was guaranteed until 18 May 2024.

Mr P said he was happy to proceed with the quote. However, the application form only had space to provide information for three pension funds. Broker A told Mr P that he should include his other three pension funds on a separate piece of paper attached to the form.

Mr P completed the annuity application form on 4 April 2024. He included three of his six pensions in the main application form and added additional pages to the end of the form for his other three. Broker A received the completed form on 8 April 2024. It sent the documents to L&G on the same day by email. The following day, L&G contacted broker A to say it couldn't request funds until it received the outstanding lump sum allowance form.

On 1 May 2024, broker A requested an update from L&G. It said that L&G confirmed it hadn't processed the application and would escalate this.

On 2 May 2024, L&G's notes recorded that Mr P's application hadn't been signed or dated by broker A. They also recorded that L&G couldn't request any of the funds until it received a completed lump sum allowance form.

On 15 May 2024, Mr P called broker A as he hadn't heard from it since submitting his application. He said it told him that L&G hadn't noticed the three pension funds that he'd added to his application form on a separate piece of paper. He also called L&G who told him it hadn't yet requested the funds from his pension providers. And that the rate it'd offered had expired, leading to a reduction to his annual income. Broker A told Mr P that the rate wouldn't expire until 18 May 2024. It also carried out further research and subsequently provided an updated quote with a higher rate of £13,445.88, guaranteed until 29 June 2024.

Broker A contacted L&G on 15 May 2024. And then completed the required lump sum

allowance form. It contacted Mr P to update him.

On 22 May 2024, Mr P asked broker A for an update and timescale for his annuity. It said L&G had said there was a delay in emails being processed. But that it was due to request funds from the ceding providers within a few days. Broker A acknowledged Mr P's concerns about the rate expiring or funds reducing in value and said once L&G received the funds, it would conduct a loss assessment to ensure Mr P hadn't been financially disadvantaged by its delays.

L&G requested three funds through the Origo transfer system on 23 May 2024. It acknowledged there was a four working-day delay in requesting this.

Mr P emailed broker A for an update on 29 May 2024, as one of his pensions appeared to have moved. It then tried to get more information from Mr P's ceding schemes the following day. It told Mr P that two of the schemes said they had yet to receive a transfer request. And the other two had received transfer requests on 23 and 24 May 2024.

On 30 May 2024, L&G told broker A that Mr P's application form hadn't specified the funds from one of his providers. It also said it hadn't been able to find the ceding number for his funds with one of his other providers. Broker A replied the same day to say that the information relating to the first provider had been provided at the bottom of the application form. It sent L&G further copies of the additional pages. And confirmed it would contact the other provider to ask it if the funds needed to be requested differently.

Mr P then told broker A that the funds from one of his other two providers had moved. He also expressed his disappointment at the slow progress of his application.

Broker A then found out on 31 May 2024, after contacting one of Mr P's existing providers, that one of his pensions with it was part of a trust-based scheme which needed additional paperwork before the funds could be released. Both trustees would need to sign that additional documentation before the funds could be moved.

L&G received the first fund on 4 June 2024. And on 5 June 2024, it requested the remaining three funds it'd originally failed to pick up from the application form through Origo.

On 6 June 2024, L&G contacted broker A as it couldn't request the funds from Mr P's trust-based scheme electronically. Broker A told it that the existing provider had told it that it would send the transfer forms to L&G.

On 6 June 2024, broker A contacted Mr P's pension fund providers to ask them about his transfer requests. It also received the transfer paperwork from the provider Mr P held the trust-based scheme with. It issued that to Mr P. And contacted him on 7 June 2024 to update him. Mr P then completed the form and returned it to broker A on 10 June 2024. It sent the completed form to Mr P's existing provider on the same day. Mr P complained to broker A about the delays.

L&G received the second fund on 11 June 2024 and three of the other funds on 12 June 2024.

The provider that held Mr P's trust-based scheme confirmed receipt of Mr P's completed form to broker A on 21 June 2024. It then told broker A on 26 June 2024 that the forms hadn't been signed by both trustees. It therefore needed to issue a transfer declaration form to broker A. Mr P said he couldn't get the signature of the other trustee. So he decided to proceed with his annuity purchase without that pension fund.

On 27 June 2024, broker A told L&G that Mr P would proceed with only five of his six funds. L&G said it would produce Confirmation of Income documentation and provide a final quote. It also said it would backdate the payments to when the funds had been received. And would complete a review of Mr P's case if the rate had dropped. Broker A updated Mr P about this.

On 8 and 12 July 2024, broker A contacted L&G. L&G said it needed to issue the Confirmation of Income for approval before it could complete its review and produce the final quote.

Broker A contacted L&G again on 15 July 2024. L&G told it that it expected the Confirmation of Income to be issued within a few days. Broker A contacted L&G again on 17 July 2024, when it said Mr P's case was still being processed.

L&G said it issued an illustration quote to broker A on 18 July 2024. There were also further queries regarding the broker commission not showing correctly.

Mr P emailed broker A on 19 July 2024 as he felt his application wasn't being progressed.

Broker A emailed Mr P on 23 July 2024 to let him know that L&G was having systems issues which meant it wasn't able to provide a timescale of when his annuity would be completed. It then raised a complaint on Mr P's behalf with L&G.

On 29 July 2024, Mr P asked broker A for an update. He wanted to know what the technical issue was. He said he'd just received his final pay from his employer and was worried that his annuity wouldn't start for some time, despite L&G having held his pension funds since 12 June 2024. He questioned what was causing the delay. And said he felt let down by broker A. He wanted to know what it was doing to ensure his annuity started in August 2024. He wanted to discuss the delays with someone senior.

Broker A replied the same day with some information about the technical issue at L&G, which it said was affecting many customers. It said L&G had assured it that it was working to implement a fix, but it didn't know when this would happen. It said it could add Mr P to the ongoing complaint it'd logged with L&G about this.

Mr P felt that the technical issue was just another thing causing a delay, amongst others. He said this was unacceptable. And felt that he was losing around £280 each week. Mr P wanted to know who would compensate him for his losses and who would make sure he had an income for August.

On 2 August 2024, Mr P called L&G. It told him that his annuity had been authorised that morning, and that it would be backdated to 11 June 2024, which was when the last of the funds had transferred. This surprised Mr P. He said L&G had told him broker A should've explained this. Mr P said that when he emailed broker A about this, it said it had no information on it. It said there was a technical issue that prevented it from getting any information from L&G.

Broker A emailed Mr P on 6 August 2024 to confirm it was still waiting for an update from L&G.

On 7 August 2024, Mr P received his 25% tax-free lump sum. And on 8 August 2024, he received the first monthly annuity payment. This had been set up with an authorisation date of 12 June 2024, with the first payment due date of 12 July 2024 as the annuity was payable in arrears. He said he hadn't received any documentation about the annuity. He said the annuity was lower than he'd expected, so he'd contacted L&G. It'd then said that it'd sent a final quote by email to broker A on 12 July 2024. It also said it'd sent a "Change of Income

adjustment" to broker A on 17 July 2024. As broker A hadn't passed any of this onto Mr P, he raised a further complaint with it about this on 8 August 2024. Broker A passed this on to L&G. Mr P said he hadn't agreed to the rate reduction.

On 8 August 2024, Mr P wrote to broker A to add to his complaint. He said he'd called L&G about the rate it was paying him. And that it'd told him that it'd sent the final quote to broker A on 12 July 2024 and the Change of Income adjustment on 17 July 2024. He said broker A hadn't passed this information on to him. He said L&G had told him his final quote was based on an annuity rate of 5.17%, so it'd seen the adjustment as an increase. Mr P said he didn't see this as an increase, as the 3 April 2024 quote was based on an annuity rate of 5.35%. Mr P said he didn't agree with the rate reduction. He also said he wouldn't have agreed to it if he'd been made aware of it in July 2024.

Mr P also said that he'd decided not to try to include his sixth pension in his original annuity purchase because nine weeks had already passed before anything had happened. And because the process of moving that pension was going to be difficult due to the requirement for wet signatures. He felt he would've been able to include his sixth pension in his original annuity quote if the transfer process had started sooner.

Broker A spoke to Mr P the same day. He asked it to ask L&G to increase the rate to cover the shortfall. It said it hadn't received the Confirmation of Income or final quote documentation. It said it would let L&G know that Mr P wanted his complaint to include the reduction of the rate as well as the delays experienced.

On 30 August 2024, L&G issued a final response letter acknowledging the delays it'd caused. Broker A shared this response with Mr P on 2 September 2024.

L&G apologised for the delays it was responsible for and for the frustration those had caused. But it didn't think it'd caused all the delays. It said it'd had to wait for the lump sum allowance form before it could request funds. But acknowledged that once it'd received this, it didn't request all of the funds. It said there'd also been a subsequent authorisation delay.

L&G offered Mr P £400 compensation for the frustration it'd caused. And calculated that it also owed Mr P for missed income, and interest on a late first payment and the late payment of his tax-free cash. L&G said it hadn't carried out a financial review as the annuity rate had increased.

L&G paid Mr P £1,028.63 after tax for the compensation and the late/missed payments. It paid this directly into his bank account on 4 September 2024.

Mr P wasn't happy with this response. He said he'd never received the information contained in the email that L&G said it'd sent to broker A in July 2024 about rate changes. If he had, he wouldn't have agreed to the rate change as he felt L&G had caused delays.

L&G replied to Mr P's follow up. It said the April 2024 quote had become irrelevant when it'd had to re-quote for the updated medical information Mr P had provided. It said it'd also only received five funds instead of the six it'd originally quoted for. It said that Mr P's adviser would've been aware of the final basis and agreed to the revised figures on his behalf.

On 4 September 2024, L&G sent five letters to broker A with the Confirmation of Income paperwork for each of Mr P's five pension funds. It said the start date for the annuity was 12 June 2024 as the policy was already in force.

L&G emailed Mr P on 11 September 2024. It acknowledged his upset but confirmed he was receiving the correct payments. It said it'd factored in all delays and paid appropriate

compensation. L&G repeated its points about the April 2024 quote no longer being valid and the fact that it received fewer funds. It also said it'd had to apply value protection. It said these factors had made a difference to the payments.

On 11 September 2024, Mr P emailed L&G for a copy of the updated medical information that it said had affected the rate.

On 18 September 2024, Mr P wrote to broker A to say he held it partially responsible for the delays. He felt it hadn't monitored or managed his application as promised. And he felt it'd failed to notify him of the important emails from L&G confirming the annuity rate in July 2024. He felt this had denied him the chance to object or decline the reduced offer.

On 19 September 2024, L&G responded to Mr P. It confirmed there were changes to the annuity rate because of the medication/health issues which it outlined in the email. Mr P replied the same day to say there'd been an error, as he did take one of the medications it now felt he didn't take. He asked it how this affected his annuity.

On 20 September 2024, L&G emailed Mr P to review his health form and ask about his medication and to confirm whether he or broker A had completed the form originally. It said it would forward his answers to its underwriters to see if any policy amendments were needed.

After reviewing the form, Mr P said it was correct apart from the omission of one medication. He confirmed broker A had completed the form using the details he'd provided at the time of the original quote. And said while he'd reviewed and signed that form, he hadn't noticed the omission.

On 24 September 2024, L&G told Mr P that, having passed his updated information to its underwriters for their consideration, the underwriters had determined that it had been correctly underwritten. As such, no changes needed to be made to his annuity.

On 12 November 2024, broker A issued its final response to the complaint. It felt that L&G shouldn't have missed the three pension funds Mr P had included on additional pages at the end of his application form. It said he'd followed the process L&G had stipulated in the event of having more than three pension funds.

Broker A said that L&G had taken over six weeks to request the funds from two of Mr P's providers. And that it'd taken further time to request another transfer as it'd missed the additional information Mr P had provided. It felt the evidence showed that it'd regularly liaised with all the providers to progress the application as quickly as possible.

Broker A said that it hadn't received the paperwork L&G said it'd issued on 17 July 2024. It felt this hadn't been issued until 4 September 2024, after Mr P had received his tax-free cash and his first annuity payment on 8 August 2024.

Broker A also said L&G had experienced a technical issue which had led to it being unable to provide a timescale for the completion of Mr P's annuity. And that L&G hadn't asked it for approval before setting up Mr P's annuity.

Unhappy, Mr P brought his complaint to this service. He felt L&G's delays had caused him financial loss. He said this had been stressful during the time when he was approaching his retirement. To put things right, Mr P wanted L&G to accept some responsibility for the delays in the set-up of the annuity. He also felt that the payment L&G had made to his bank account without consulting him was unfair. He said his annuity rate had reduced as a result of L&G's delays. He wanted it to reinstate the original annuity rate and to give him reasonable compensation for the upset caused.

On 22 November 2024, Mr P wrote to L&G to ask it about the emails it said it'd sent broker A about the changes to his annuity on 12 and 17 July 2024. Mr P asked it to confirm it'd sent the emails and to send him a copy of those emails.

L&G said it couldn't provide copies of the emails it'd sent to broker A on 18 and 24 July 2024. But it provided the email address it'd used and said it hadn't received any bounce back notifications.

Our investigator asked broker A why it hadn't sent L&G the completed lump sum allowance form alongside the original application on 8 April 2024. It felt that the member of staff who'd submitted the application hadn't been aware that the lump sum allowance form was needed. Broker A said it'd uploaded a signed copy of the lump sum allowance form dated 15 May 2024 on that date. It said it then sent the completed form to L&G by email the same day.

Broker A said that L&G had sent it an email on 9 April 2024 to tell it that it needed the lump sum form. And that the email explained that L&G couldn't request the transfer of funds before it received the completed form. It said a blank copy of the required form had been attached to that email. While broker A couldn't explain why the form hadn't been completed and returned at that time, it said that its notes suggested that as of 1 May 2024, L&G had yet to upload the application to its systems, despite this being outside of its eight working day service level agreement to do so following submission. It therefore felt that even if it had sent the forms when it should, L&G wouldn't have been in a position to process the lump sum application form.

Our investigator felt that the complaint should be upheld. She didn't think that L&G was responsible for any delays before 15 May 2024, when it'd received the completed lump sum allowance form from broker A. But she felt it'd caused delays after that point. She noted L&G had acknowledged it'd caused delays once it'd received the forms by not requesting the funds from the ceding schemes sooner. She agreed it should've requested all the funds – not just the three included in the main body of the application form - by 17 May 2024.

Our investigator felt that L&G had realised its errors and delays, and agreed that the highest number of days to receive the funds was 13 working days. She therefore agreed that if L&G had requested all the funds at its earliest opportunity on 17 May 2024, it would've received them by 5 June 2024. But while she acknowledged that L&G had carried out a loss assessment, she felt that a new loss calculation needed to be carried out.

Our investigator also felt that although there were further delays in authorising the annuity from 12 June 2024, when the last fund had been received, to 2 August 2024, when the annuity was authorised, L&G had said if it'd received the funds on 5 June 2024, it could've authorised the annuity within ten working days, so by 19 June 2024. She said this would've allowed the first annuity payment to be made on 5 July 2024. She felt this was a fair and reasonable amount of time to authorise and commence the annuity.

Our investigator considered that L&G had fairly considered Mr P's financial loss for the period between 5 June 2024, when it should've been in receipt of all the funds had there been no delays, and 12 June 2024, when it did receive all the funds. She noted L&G had calculated there was missed income of £226.87 over that period. She also noted that L&G had paid interest on the delayed payments. She said the tax-free cash should've been paid on 19 June 2024. And the first monthly payment should've been paid on 5 July 2024. But our investigator felt that L&G still needed to consider the annuity commencement date.

Our investigator considered what L&G had said about the rate reduction. She couldn't say L&G had acted unfairly when it'd recalculated the annuity on the basis of Mr P's changed medical information and the fact that it only received five of the six funds. She also felt that

she couldn't reasonably hold L&G responsible for Mr P's decision to proceed without the funds from his trust-based scheme.

Our investigator felt that L&G and broker A should together carry out a loss calculation to ensure Mr P was not at a financial loss due to both business's actions. She felt that L&G and broker A should each pay 50% of any loss identified. But she agreed with L&G that the £400 compensation it'd paid Mr P for the distress and inconvenience it'd caused was fair.

L&G told our investigator that it'd considered the delays it'd caused and completed a financial review accordingly. It felt that the delays broker A had caused should be down to it to consider.

Our investigator still felt that the delays caused by both L&G and broker A had caused Mr P's annuity to be set up later than it should've been. And that both businesses should be held equally responsible for his financial loss, given this service aimed to put Mr P as close as possible back to the position he would've been in if there'd been no delays. She also noted that the evidence showed that the quotations were sent on 18 and 24 July and not on 12 and 17 July 2024.

L&G still felt that it'd already carried out a fair loss assessment for its part of the delays. It set out a corrected timeline about what it thought should've happened, without taking broker A's delays into consideration. This was as follows:

15 May 2024 – receipt of completed lump sum allowance form.

17 May 2024 – all funds requested.

5 June 2024 - all funds received.

13 June 2024 – annuity authorised.

L&G said it'd reviewed the annuity rate for 6 June 2024 based on its previous timeline as the fund receipt date determined the rate. It didn't think it was fair for our investigator to ask it to work with broker A to review further financial disadvantage as it felt it'd already considered the delays it'd caused.

Our investigator still felt that the delays caused by both businesses should be considered together and the financial loss shared equally. She felt this meant that the annuity could've been set up by 20 May 2024, had there been no delays.

Mr P said he hadn't been able to back out of the annuity application within the 30-day cooling off period. He said he'd been under a huge amount of stress and uncertainty at the time, with the worry of not having any sort of income following receipt of his last pay cheque. He said the uncertainty was causing him sleepless nights and worry during the days.

Mr P said that both L&G and broker A had been unable to complete the purchase of his annuity in good time. He said this led to him having no certainty about his future financial security. He said it had been such a relief to receive the first annuity payment and the 25% lump sum in August 2024, after weeks of uncertainty. And that he'd then fully expected that L&G would reinstate the original annuity rate. He said it was unclear exactly when his 30-day cooling off period would've ended, but it was around the time he'd been waiting for a response to his complaint. He said his fear at the time was of being put into an even more uncertain financial situation where his annuity payments would just stop. And that he'd then have to go through the whole arduous process again. He said it was for these reasons that he couldn't seriously consider cancelling his annuity application.

As agreement couldn't be reached, the complaint came to me for a review. I asked L&G for further information about the annuity quotes it provided to Mr P. It confirmed that the April 2024 quote had become obsolete after it'd had to requote based on updated medical information. It also confirmed that while it'd initially expected to receive six funds with a total value of £187,538.25 (after tax-free cash), it ended up only being able to request five funds with a total value of £171,810.75 (after tax-free cash). L&G said it'd made an error when it'd only requested three funds initially. And agreed that it'd only received five funds in the end after being informed about Mr P's decision to progress without the sixth. L&G said that Mr P had subsequently transferred the sixth fund and reapplied for a further annuity on different terms.

L&G confirmed that £171,810.75 had been used to buy a single life level annuity for £986.36 each month or £11,836.32 each year. And that this started to be paid on 7 August 2024 but had been set up with an authorisation date of 12 June 2024, with the first payment due date of 12 July 2024 as the annuity was payable in arrears. It also confirmed that value protection had been priced into all of the initial quotes provided, including the April 2024 quote.

I issued my provisional decision on 3 September 2025. It said:

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 don't intend to ask L&G to take any further steps to put things right. And I therefore don't intend to uphold the complaint. While I agree that L&G is responsible for some avoidable delays, I'm satisfied that the loss calculation it has already carried out fairly considers the impact of those delays on Mr P. And I don't agree with our investigator that L&G should carry out a further loss calculation which takes into account the delays caused by broker A. I'll explain the reasons for my decision.

I first considered whether the evidence shows that L&G successfully sent broker A the emails it said it sent on 18 and 24 July 2024 about Mr P's final annuity quote.

Did L&G send broker A the Final annuity quote and Confirmation of Income adjustment it said it sent in July 2024?

Mr P feels that broker A was negligent in its handling of important emails that were critical to his annuity. He said L&G had told him it'd sent two important emails about his final annuity to broker A on 12 and 17 July 2024. But broker A failed to action either of them. Mr P said this had led to him being unable to respond to the changes at the time.

Mr P also said that broker A had told him it hadn't received either of these emails. And that they could've been sent to another member of staff with a similar name, who was on holiday at that time, so had no access to her emails. Mr P felt that it would've been L&G's error if it'd emailed the wrong person at broker A.

Although broker A has confirmed that the email address L&G said it used for the emails it sent in July 2024 was correct, it hasn't been able to find any evidence that it received those emails. It said it didn't receive the Confirmation of Income letters until September 2024.

L&G has also been unable to send copies of those emails to either this service or Mr P, although it has provided a system screenshot of the letters being issued on 18 and 24 July 2024, but not to whom. So I've gone on to consider the evidence I do have to help me decide whether, on balance of probabilities, I'm satisfied that L&G did send the emails it said it sent to broker A in July 2024.

L&G told this service that it'd sent these emails to broker A on 18 and 24 July 2024. So, although I acknowledge that Mr P said it told him it'd sent them on 12 and 17 July 2024, I'm persuaded it tried to send them on 18 and 24 July 2024.

The evidence shows that on a call on 17 July 2024, L&G told broker A that Mr P's case was still being processed. It also shows that on 23 July 2023, broker A told Mr P that L&G's systems issues meant it couldn't provide a timescale of when his annuity would be completed.

I can also see that L&G sent broker A Confirmation of Income paperwork for each of Mr P's five pension funds on 4 September 2024.

Having carefully considered the evidence on this point, I consider that it's more likely than not that L&G didn't successfully send the Confirmation of Income or the final quote letters to broker A in July 2024. I say this because L&G hasn't been able to provide copies of those letters. And because the evidence shows that it effectively told broker A that it wasn't ready to send those letters on a date after the date it'd said it'd already sent one of them. I'm also persuaded that the 4 September 2024 Confirmation of Income letters were the first letters broker A received from L&G.

Overall, I'm not persuaded that L&G successfully sent broker A the emails it said it sent in July 2024.

Mr P said he only found out that his annuity had been authorised when he called L&G on 2 August 2024. So I've gone on to consider if the fact that Mr P wasn't told about his final annuity before it started to be paid has led to a financial loss.

I understand why Mr P is unhappy that he wasn't informed about the annuity rate change before his annuity was set up. He said he wouldn't have agreed to such a rate reduction if he'd been made aware of it earlier in July 2024.

Mr P said that the final quote was for an annuity rate of 5.17%, whereas the 3 April 2024 quote was for a rate of 5.35%. He felt this was clearly a rate reduction.

I acknowledge Mr P's strength of feeling about the 3 April 2024 annuity quote. He feels that L&G should honour it as he didn't receive that rate due to avoidable delays. I can also see that Mr P felt he couldn't cancel his annuity application within the 30-day cooling off period. I can see why the stress and uncertainty he was under at the time would've led to him being more concerned about first getting his annuity paid, especially as he'd fully expected L&G to reinstate the original annuity rate. But I can't agree that L&G acted unfairly here.

I say this because L&G told this service that the April 2024 quote became obsolete when it identified that some of the medical information provided wasn't correct. Its underwriters said that the annuity rate reduced when they reassessed the rate on the basis of the updated, correct information. Therefore I'm satisfied that the 3 April 2024 annuity rate isn't relevant, as Mr P wasn't eligible for it given the updated medical information he provided L&G.

I next considered whether L&G's loss calculation was fair and reasonable, given the delays it had caused.

Does L&G's loss calculation fairly return Mr P to the position he would most likely have been in, but for its delays?

I can understand why, given the delays L&G caused, Mr P felt that it would reinstate his original annuity rate, which was 7.14% excluding tax-free cash or 5.35% including it. But the

evidence shows that the rate shown in the April 2024 quote became obsolete when Mr P corrected the medical information he'd originally provided. The 15 May 2024 quote was also based on the same incorrect medical information and therefore can't fairly be used. Both of these quotes assumed that Mr P would transfer funds from six of his pension funds with a total value of £187,538.25 after tax-free cash. I understand that they both also assumed that he took 100% value protection.

The annuity L&G eventually authorised on 2 August 2024 and communicated on 4 September 2024 was based on different medical information. It was also based on the actual funds received from only five of Mr P's pension funds, with a total value of £171,810.75 after tax-free cash. This amount was used to buy a single life, level annuity payable monthly in arrears, with 100% value protection, for £986.36 each month or £11,836.32 each year. The implied annuity rate was 6.89% excluding tax-free cash or 5.17% including it.

I acknowledge that it seemed to Mr P that because of L&G's delay, he'd lost out on a better annuity rate. I say this because the April 2024 and May 2024 quotes clearly had a higher implied annuity rate than the annuity that L&G eventually set up for him. But I'm satisfied that the evidence shows that the 4 September 2024 letters showed the correct annuity, based on Mr P's actual medications. I say this because Mr P has clarified his medications with L&G. And, after its underwriters reconsidered that information, it confirmed the correct rate was being paid.

Therefore, while I understand why Mr P was unhappy to only find out that his annuity income had reduced after his annuity had already been set up, and without having the rate change explained to him, I'm not persuaded that the rate was incorrect. Nor am I persuaded that L&G should reinstate the April 2024 rate, as that rate was effectively incorrect as it was based on the wrong medications.

Given that, I'm not persuaded that L&G's delays caused Mr P to lose the better annuity rate shown in the April 2024 quote, as he was never entitled to it. However, I do acknowledge that L&G incorrectly told Mr P that one of the reasons that the annuity rate he received was lower than the original rate was because it included 100% value protection, as this had always been included in the quotes.

I went on to consider if the steps L&G has already taken to compensate Mr P for his financial losses due to the late payment of his annuity and his tax-free cash have put him back into the position he would've been in but for the delays it caused.

L&G felt that the delays broker A caused should be down to it to consider. It felt it'd already carried out a fair loss assessment for its part of the delays.

L&G told this service that if it had caused no delays, the following would've happened:

15 May 2024 – receipt of completed lump sum allowance form.

17 May 2024 – all funds requested.

5 June 2024 - all funds received.

13 June 2024 – annuity authorised.

19 June 2024 – payment due date.

5 July 2024 – first annuity payment date as annuity paid monthly in arrears.

I agree with this timeline.

I understand that the fund receipt date determines the annuity rate. And that L&G reviewed the annuity rate for 6 June 2024. As the annuity rate had increased, L&G didn't carry out a financial review. I think this is the correct position to take. I'm satisfied that the annuity rate Mr P is receiving is no worse than the rate he would've received but for L&G's delays.

L&G acknowledged that if it'd requested all the funds on 17 May 2024, it would've received them by 5 June 2024. But due to its delays, it only received the last fund on 12 June 2024.

L&G had made the first payment to Mr P using 12 June 2024, rather than 5 June 2024, as the basis for the first annuity payment. This meant that although Mr P's annuity should've started on 5 July 2024, but for L&G's delays, the backdating only allowed for it to be effectively paid from 12 July 2024. So L&G then carried out a calculation to assess the amount of annuity payments Mr P missed out on over the period from 5 July 2024 to 12 July 2024 because of its delays. I'm satisfied that this was the correct calculation to perform given L&G had already confirmed that Mr P was being paid the correct annuity rate.

L&G also acknowledged that Mr P should've received his tax-free cash payment on 19 June 2024. It assessed and paid Mr P interest which appears to be at 8% simple over the period Mr P was without his funds. It carried out the same calculation for the period of delay for Mr P's first annuity payment, and the seven days' worth of annuity payments he'd missed out on.

I can't see that L&G has considered whether the funds transferred would've had a different value but for the delays it caused. But I'm not persuaded that the situation here warrants going back to all four providers to ask them what each of the fund values would've been if they'd been requested on slightly different dates. I'm not persuaded that the fund values would've change materially if at all and I would expect it to be moderately difficult, if not impossible, to obtain the theoretically correct values.

Mr P said he wanted L&G to accept some responsibility for the delays in the set-up of the annuity. I'm satisfied that it has done this. And while I acknowledge that Mr P was unhappy that L&G paid its redress directly into his bank account without consulting him, I can't reasonably agree that this was unfair.

Based on everything I've seen, I'm satisfied that L&G has taken reasonable steps to put Mr P back into the position he would've been in but for the delays it caused. And that the delays broker A caused are its responsibility alone. I therefore don't intend to require L&G to carry out a different loss calculation.

I next considered whether Mr P could reasonably have cancelled the annuity that had been set up for him, given his dissatisfaction with the annuity rate he received.

Could Mr P have reasonably cancelled his annuity in August 2024?

Mr P felt he hadn't been able to back out of the annuity application within the cooling off period. He said he didn't know exactly when that period would've ended, but felt it was around the time he'd been waiting for a response to his complaint. Mr P said he was afraid that if he'd tried to cancel the annuity, he'd be in an even more uncertain financial situation where his annuity payments would just stop. So he couldn't seriously consider cancelling his annuity application.

Given Mr P's financial circumstances at the time of the annuity purchase, and the lack of clarity about when his cooling off period ended, I agree with Mr P that he couldn't reasonably

have been expected to cancel his annuity in August 2024.

I next considered the compensation L&G has paid Mr P for the distress and inconvenience caused by its errors and delays.

Distress and inconvenience

L&G apologised for its errors and paid Mr P £400 compensation for the frustration it'd caused.

I can see that L&G made the following errors:

- It delayed the request of funds once it'd received the lump sum allowance form.*
- It failed to see the additional three funds Mr. P had added to his application form, despite him following the correct process. This led to a delayed request for some of the funds.*
- It caused a delay to the authorisation of the annuity.*
- L&G appear to have had some issues with emails being processed and with broker commission not showing correctly. It also seems to have had systems issues which meant it couldn't provide a timescale for when Mr P's purchase would complete.*

As I noted earlier in this decision, I'm satisfied that L&G has taken reasonable steps to ensure that Mr P hasn't lost out financially because of its errors. But I've gone on to consider whether the £400 compensation it's paid Mr P in respect of the distress and inconvenience it caused him is fair.

I acknowledge that Mr P experienced delays, errors and poor communication that caused frustration and considerable concern about his financial future. I can see that this led to his annuity being set up later than it should have. But I'm satisfied that the £400 compensation L&G has paid Mr P to apologise is fair and reasonable in the circumstances of this complaint.

I don't intend to uphold the complaint. I don't intend to require L&G to take any further steps to put things right.

Response to my provisional decision

Mr P largely agreed with my provisional decision, although he was disappointed that I didn't consider that he should've received the annuity rate quoted on 3 April 2024. He felt that L&G had relied on a change in medical history to justify the reduction in rate, although he believed that his corrected medical details were no different from those he'd originally provided.

Mr P noted that I'd felt that it was more likely than not that "[L&G] didn't successfully send the Confirmation of Income or the final quote letters to broker A in July 2024". He therefore felt that L&G was responsible for him not knowing about the reduction in annuity rates a month earlier than he did. He felt that knowing about the reduced rate in July 2024 might've led to him declining the annuity rate then offered.

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.

I've carefully considered Mr P's points, but they don't change my opinion. I'll explain why.

Based on the evidence I've seen, L&G's underwriters have fairly assessed the rate it has offered him, based on his corrected medical history. And have confirmed that the 3 April 2024 annuity rate no longer applied to him, given that corrected medical history. I'm therefore not persuaded that Mr P should've received the 3 April 2024 rate.

While I did conclude that it was more likely than not that L&G hadn't successfully sent the Confirmation of Income or the final quote letters to broker A in July 2024, I am satisfied that it tried to send them. And although I acknowledge that Mr P felt he might've taken different actions if he'd found out about the rate change sooner, I'm not persuaded that he would. I say this because Mr P has himself explained why it was so important for him to receive his annuity income.

I remain of the view I set out in my provisional decision. And I don't uphold the complaint.

My final decision

For the reasons explained above, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 14 October 2025.

Jo Occleshaw
Ombudsman