

The complaint

Mr H complains that SCOTTISH WIDOWS LIMITED trading as Clerical Medical ('Clerical Medical') caused unreasonable delays in responding to requests, from his financial adviser, for information about his pension scheme. He considers that the delay caused him to suffer lost investment returns.

What happened

Mr H has a pension with Clerical Medical that he held from 1997. This pension was a section 32 Buy-Out pension and provided a Guaranteed Minimum Pension ('GMP').

Mr H engaged the services of an independent financial adviser ('IFA') who, in mid-2023, contacted Clerical Medical to obtain information about Mr R's pension.

In June 2023 Clerical Medical responded to Mr H's IFA to provide them with a statement which informed it that the fund value was then around £416,000. The pension was in a cash fund (Mr H had moved the fund to a cash account some time previously). The information Clerical Medical provided indicated that this pension had a GMP. Although it provided no information that would enable the IFA to determine the value of that.

Mr H's IFA made subsequent requests of Clerical Medical for detail of the GMP. But Clerical Medical's responses failed to provide the required information until March 2024.

Mr H, via his IFA, complained to Clerical Medical for the delays it caused in providing the information that was requested.

Clerical Medical agreed that its service had been poor and it had caused unreasonable delays. It apologised and sent Mr H a cheque for £200 for the distress and inconvenience that it considered that it had caused.

Mr H didn't think that Clerical Medical's response went far enough. He did not cash the cheque and referred his complaint to our service. Mr H considered that the delay had caused him to lose investment returns on his fund, which had remained in a cash fund. Clerical Medical responded further to explain that, given the time it had taken to respond fully to the IFA's request its offer of compensation should be increased to £500. But didn't agree that there was evidence of any financial loss because Mr H had not ended up requesting a transfer or switch of investment funds in his pension.

Our investigator considered Mr H's complaint and thought that the offer of compensation that Clerical Medical had made was a fair and reasonable way to compensate Mr H for the delay. As our investigator was unable to informally resolve Mr H's complaint it has now been referred for an ombudsman's 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.

I would like to reassure Mr H that I have considered all the information that has been provided. And I am grateful for the additional context that he has provided and for the information he received from his IFA. I am sorry for the difficult circumstances that he and his wife had to deal with, and I acknowledge the stresses that they experienced. So I understand that he will be disappointed that I do not think it is fair or reasonable to determine that the delays Clerical Medical caused resulted in the type of financial loss that Mr H claims. I hope my explanation helps Mr H understand why I think that the way that Clerical Medical have already offered to put things right is fair and reasonable in this case.

Having reviewed the information in this case, I think that Clerical Medical has acknowledged that it caused delays in providing the information that Mr H's IFA required. That information was related to a GMP which was likely to be a necessary piece of information for the IFA in determining how best to advise Mr H on this pension. There is, therefore, no obvious dispute between Mr H and Clerical Medical about whether or not Clerical Medical did something wrong. The issue in dispute, that our service is being asked to decide on, is what Clerical Medical should reasonably do to put things right.

In considering this, I need to make a determination about what would most likely have happened if Clerical Medical had responded to the information request in a timelier way. I need to make this determination on a balance of probability, using the evidence that I have in this case.

A key consideration in this case is that, since the information was provided and the IFA had what it needed, Mr H has taken no action with his pension. Having made a decision to move his pension fund to cash he has not chosen to reverse that decision. He had the opportunity to re-invest the fund the whole time that it was held with Clerical Medical. But has not. In this regard, I consider that the fact that his fund was disinvested is more a consequence of the choices that he made than of the delay that Clerical Medical caused.

I have considered whether there was evidence of what Mr H's intentions for the Clerical Medical pension were at the point the information was requested. Such evidence may provide a persuasive argument about what may have happened had Mr H not caused its delay. In this case Mr H's IFA did not provide any advice about an investment strategy for this pension. So I have asked about any other products that were being advised on at the same time. And there is no evidence of advice on any other investments either.

I note that our investigator asked the IFA what investments it may, notionally, have recommended. Whilst I appreciate its helpful response, like our investigator, I do not find its response to be particularly persuasive in this case. Whilst it has given a notional investment portfolio, I don't think it's fair or reasonable for me to say that Mr H's pension would therefore have been invested in that way sooner, without seeing a subsequent recommendation from it to do that when the information was obtained.

Mr H's IFA still does not appear to have provided any definitive recommendation. But Mr H has now provided me with its summary of his position letter from September 2024. At which time, the IFA was in possession of all the information it needed, and was aware the Clerical Medical pension remained in cash. This correspondence implies that Mr H's intention was planning for a guaranteed income. The Clerical Medical pension was being looked at from the point of view of taking income from it and potentially using the GMP as part of that. There was no recommendation or suggestion from the IFA at that time to transfer the Clerical Medical pension. Which would have meant the loss of the GMP. Neither was there any suggestion that the fund should be re-invested in order to benefit from investment gains. In light of this, I don't think it's fair or reasonable to suggest that having knowledge of the GMP details sooner would have made any difference.

I understand that Mr H's circumstances changed in the period in question. The health issues that his in-laws suffered and the care responsibility this placed on his wife must have been a strain. So I can understand that addressing his retirement planning may have taken a back seat because of that. I appreciate that his IFA should really have had the necessary information before their circumstances changed. But I still don't think that is enough for me to reasonably conclude that he would have transferred the Clerical Medical pension to invest it in a way that, even now, he has not chosen to do. Especially given the fact that his IFA has, instead, put forward the potential benefit of making use of the GMP that the Clerical Medical pension offers.

In addition to this I think that it would have been a relatively straightforward matter, in spite of the additional caring responsibilities that Mr H and his wife were experiencing, for Mr H to reverse the decision he'd made to put his pension into a cash fund. If it had been his intention to benefit from investment gains, I do not see why he could not have done this at any stage.

For the above reasons I do not think that it's fair or reasonable to conclude that the delay that Clerical Medical caused, meant that Mr H suffered any potential investment loss.

I think Clerical Medical's offer to pay Mr H £500 compensation for the distress and inconvenience that its mistake caused him, is a fair and reasonable way to put things right. In reaching this decision I am factoring in that much of the initial inconvenience was actually to the IFA who had to repeatedly request information that it should already have been given. But I can see that it would have inconvenienced Mr H as he was denied the advice he wanted on how to take a retirement income at the time he actually wanted that advice. The fact that he was not in as good a position to consider his retirement planning when the information was finally provided is why I think the increase from the initial offer of £200 is reasonable.

My final decision

For the above reasons, I uphold Mr H's complaint and direct SCOTTISH WIDOWS LIMITED trading as Clerical Medical to pay Mr H £500 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 December 2025.

Gary Lane
Ombudsman