

## **The complaint**

Mr M complains that Phoenix Life Limited trading as Standard Life (Standard Life) incorrectly processed a withdrawal he wanted to make from his self-invested personal pension (SIPP) and then took over two months to correct his plan's position. He says the matter has caused him significant distress and inconvenience for which he would like appropriate compensation – especially as the same error was made the previous year.

## **What happened**

Mr M wanted to make his annual withdrawal of income and tax-free cash from his SIPP. He disinvested some of his investments into his cash account and contacted Standard Life to arrange a withdrawal from the now available cash within his plan. Unfortunately Standard Life disinvested further funds to make the income payment although the tax free cash was taken from the cash account.

Mr M subsequently realised that his cash account had a greater balance than it should have following the withdrawal, so he complained. He noted that the same thing had occurred the previous year. He wanted Standard Life to put him back into the position he should now be in had the withdrawal been processed correctly from the cash he had made available.

Standard Life did ultimately correct Mr M's position, but it took over two months and it made further errors in putting things right. It paid Mr M £500 for the trouble and upset it had caused him – which Mr M said included sending numerous emails for updates on the progress of the resolution, and then having to make Standard Life aware of further errors in its corrections.

But Mr M didn't think Standard Life had compensated him appropriately, especially as this was the second consecutive year that the same error had occurred. He brought his complaint to us where one of our investigators looked into the matter. They thought the evidence available showed that Mr M's plan was now back to the position that it ought to be, but noted that the whole resolution process had taken over two months to complete.

They considered the compensation payment that Standard Life had paid but thought it was fair and reasonable in the circumstances – and satisfactorily reflected the significant inconvenience that had been caused and the effort involved in sorting matters out.

Mr M didn't agree. He said the amount offered remained insufficient, so the complaint was referred to an ombudsman and has been passed to me to review.

## **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.

And having done so I've reached the same conclusion as the investigator. I imagine this isn't the outcome Mr M hoped for and I've seen the strength of his feelings about the experience he had with Standard Life through his various submissions. But I think the compensation that

has already been offered (and paid) is a fair and reasonable amount in the circumstances – so I'll explain my reasons.

I was pleased to see that after a significant delay from when he first registered his complaint Mr M's SIPP has now been corrected to reflect the position he should now be in had the withdrawal been completed in the way Mr M first requested. I've seen a copy of the corrected workings on the account, setting out the position before and after the withdrawal was made, and as of 16 July 2025 after the final reversals had been made. I'm satisfied, based on what I've seen, that Mr M's plan has been appropriately corrected and that there's no direct financial loss as a result of the withdrawal that now needs to be considered. I note that Mr M has also stated in an email to Standard Life on 26 June 2025 that this "*appears to put me in a position that more resembles what I would expect.*"

But the final corrections weren't completed until over two months after Mr M first questioned why the cash balance was greater than expected – and he has complained about the stress and frustration he experienced during this time as Standard Life failed to keep him updated following his requests and made further errors and caused delay in its remedial work. He also says that he experienced the same issue last year and was paid £400 compensation for that issue – so he thinks Standard Life should pay more compensation for the impact this error had on him. So my consideration here is whether the level of compensation paid is fair and reasonable and appropriate for the errors and delays that occurred.

Following Mr M's complaint around 16 April, I've seen that he asked for updates on the correction to his plan on 15, 21, 27 May and 2 June 2025. He was told his plan had been reinstated to its original position on 2 June 2025 but this proved to be incorrect. It was only on 26 June 2025, having contacted Standard Life the day before to confirm the SIPP composition was still incorrect, that Mr M was able to confirm it "*resembles what I would expect.*" I've seen through his communications with Standard Life that Mr M was, understandably, becoming more frustrated with each lack of a response and incorrect revision.

I don't take lightly the impact this had on Mr M – over a prolonged period of time, especially as the erroneous position of his SIPP showed a financial loss due to the growth the cash would have made during that time if invested as it should have been. I imagine Mr M will have seen his confidence eroded in whether he would see his plan restored to its correct position, as well as a general loss of trust in Standard Life's ability to carry out administrative tasks on his behalf.

It wouldn't be fair to include any impact to Mr M from the events of the previous year on any compensatory award for this year's errors, as that matter has been resolved. But I have considered how those events would have amplified the frustration he experienced when requesting a subsequent withdrawal the following year.

So I think the impact on Mr M was significant here. Standard Life's mistakes caused Mr M considerable "distress, upset and worry" – and significant inconvenience and disruption that needed a lot of extra effort to sort out over some months.

Our approach when recommending a compensatory payment for such an impact would be to consider awards of between £300 and £750. In this case Standard Life paid Mr M £500 which is within that range. Having carefully considered the matter I think that's a fair and reasonable payment. I know Mr M would like compensation of £750 as an appropriate award, but having considered the overall impact this matter had on him I think the £500 that's been paid – in recognition of the poor experience and service Standard Life provided – is a fair and reasonable payment.

Our role is not to punish a business for its mistakes but to make an award which recognises the impact they have on a consumer. In this case, although it failed to put things right over a prolonged period, Standard Life did accept it had made an error and said it would put things right – even if this did lead to further errors with its corrections. But in this case I think the payment of £500 does reasonably reflect the impact this matter had on Mr M.

Mr M has referred to the previous error Standard Life made – and the experience he had in trying to get that resolved. He says this points to a “systemic” failure on Standard Life’s part and he would like other customers not to have to experience the same issues. But we’re here to consider individual complaints and address any financial losses (or compensation) that might be required to correct a business’s errors. Wider concerns about business processes or systemic failures are something that would be a matter to consider for the regulator.

### **My final decision**

Phoenix Life Limited trading as Standard Life has made an offer to/paid Mr M £500 for the trouble and upset caused by its errors in making a payment and delay in correcting his SIPP’s composition. I think that’s a fair and reasonable resolution to Mr M’s complaint. So if it hasn’t already paid that compensation that’s what Phoenix Life Limited trading as Standard Life should do.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 10 December 2025.

Keith Lawrence  
**Ombudsman**