

The complaint

Mrs L has complained to The Royal London Mutual Insurance Society Limited (Royal London) that she was treated differently to her husband when she began accessing her pension benefits.

What happened

The investigator who considered this matter set out the background to the complaint in his assessment of the case. I'm broadly setting out the same background below, with some amendments for the purposes of this decision.

Mrs L held two personal pensions with Royal London. Both policies included a guaranteed annuity rate (GAR) that became applicable at age 65.

On 22 October 2024, Mrs L's husband contacted Royal London on her behalf to start the retirement process for her two pension plans. He also held a similar personal pension with Royal London and both retirement journeys were initiated around the same time.

On 23 October 2024, Royal London sent Mrs L a retirement pack for the first policy which showed an estimated value of approximately £66,000 and a proposed claim date of 25 November 2024. It sent the second retirement pack for the other policy with an estimated value of approximately £33,600 and a proposed claim date of 25 November 2024.

Following submission of Mrs L's applications to the new pension provider, Origo transfer requests were received by Royal London between 26 November and 5 December 2024. Royal London completed its checks on 9 December 2024 and the tax-free cash amounts were paid with the remaining funds transferred to Mrs L's new provider on 21 December 2024.

Mrs L raised a complaint after being informed that her husband's pension was revalued by around £500.

Royal London issued its final response on 14 February 2025 and didn't uphold the complaint. It explained that although Mrs L and her husband held similar pension products, the processing of the claims was managed by two different annuity teams within Royal London. This was due to the specific features and guarantees attached to each pension. It concluded that it hadn't done anything wrong whilst processing her pension.

Dissatisfied with the response, however, Mrs L referred the matter to this service.

Having considered the matter, our investigator didn't think that the complaint should be upheld, saying the following in summary:

- He was satisfied that Royal London processed Mrs L's pensions within a reasonable timeframe and that, even though the outcome in her case was different to her husband's, this wasn't the result of any unfair treatment or failings.

- The records showed that Mrs L's pension applications were submitted and processed in line with the product's terms and the normal procedures. The Origo requests were received between 26 November and 5 December 2024, and payments were made shortly after all required checks were completed on 21 December 2024. These timescales were broadly in line with expectations.
- While Mrs L's husband received an uplift to his pension, Royal London explained that his claim was handled by a different team due to a guarantee that was applicable at the point of retirement. However, the GAR on Mrs L's policies was only applicable from age 65 and the claims were therefore processed by a different annuity team with different operational processes.
- The available evidence didn't suggest that this difference in treatment was unfair or that Mrs L's claim was handled incorrectly as a result.
- It wouldn't be appropriate for our service to tell Royal London how to organise or operate its internal processes – including which teams handle which types of claims. That was a matter for Royal London itself and where appropriate, subject to oversight by its regulator, The Financial Conduct Authority (FCA).

Mrs L disagreed, however, saying the following in summary:

- Royal London made many errors in the process and she had to spend hours on the telephone chasing them.
- Although it was agreed that this service shouldn't tell a business how to operate, it was a different matter when its chosen processes impacted the end result for individuals (as demonstrated by this case).
- It was now a fact that, by dealing with her and her husband in different ways, her husband was materially better off. She acted promptly at all times, making appointments at the earliest dates and returning forms quickly. The difference was caused by Royal London, a company in whom she put her trust.
- Her policy valuations were requested on 22 October 2024 and then generated, based on a selected retirement date of 25 November 2024. As Royal London missed that date, starting on 27 December 2024, her policy should have been revalued to take account of this.

The investigator put these points to Royal London and requested its further comments, along with the retirement option packs which were issued to Mrs L.

It responded to say that the reason for Mr L's uplift was that he'd reached his selected retirement age (60) and his GARs were therefore applicable. These were guaranteed for a period of time, and if this was exceeded, a new guarantee was required.

However, Mrs L hadn't reached her selected retirement age (65) and therefore, as the GARs weren't applicable, no revised value or uplift was required.

It provided the retirement options packs which had been sent to Mrs L, but said that, with regard to the comments about delays in processing her claim and hours spent on the phone, these hadn't been raised as complaint points with it as yet. As such, this would need to be submitted as a new complaint for it to consider.

The parties agreed that this would be dealt with separately in another complaint. But as agreement hasn't been reached on the outcome of the matter of Mrs L's pension claim process being dealt differently to her husband's, it's been referred to me for 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 broadly the same conclusions as the investigator, and for similar reasons. There's in fact little which I think I can meaningfully add to what's already been said.

Royal London has confirmed that the reason Mrs L's claim was handled differently was that Mr L had reached the age at which certain guarantees attached to his pension would apply. His pension needed to be revalued due to those guarantees, which resulted in the uplift. However, Mrs L hadn't reached the age at which the guarantees attached to her policy would apply, and so there was no need to revalue her policy.

As such, I'm satisfied that Royal London has provided a credible explanation as to why the claims were handled differently.

My final decision

For the reasons given, my decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 6 January 2026.

Philip Miller
Ombudsman