

The complaint

Ms B complains that Scottish Widows Limited has failed to add pension savings that have been transferred from an occupational pension scheme to a pension plan she held with the firm.

What happened

Ms B held pension savings with Scottish Widows. Those pension savings arose from a transfer that was made of defined pension benefits from Ms B's occupational pension scheme ("OPS") in 2007. Ms B received advice from a regulated financial advisor before that transfer was made.

It appears that the financial advisor that recommended the transfer to Ms B has ceased trading. And Ms B has been in discussions with the Financial Services Compensation Scheme ("FSCS") about what I would surmise to be compensation for any incorrect advice she was given about the benefits of the original transfer.

Scottish Widows says that it received a transfer from the OPS in 2007 of £23,996.44. It says those funds have been invested since that date in accordance with the instructions it received from Ms B and her financial advisor. When it responded to Ms B's complaint, in July 2025, Scottish Widows said Ms B's pension savings were valued at approximately £47,300.

Ms B complained to Scottish Widows that it should have received further funds from the OPS. She said that a revaluation of her pension benefits by the OPS should have resulted in an additional £2,000 being transferred. And she said another £10,800 had also be transferred to Scottish Widows by the OPS.

Scottish Widows didn't agree with Ms B's complaint. It said it had no records of receiving anything other than the transfer for £23,996.44. It provided Ms B with valuations of her pension benefits between 2015 and 2025 and reminded her that the value of her pension benefits can fluctuate due to the performance of her chosen investments. Unhappy with that response Ms B brought her complaint to us.

Ms B's complaint has been assessed by one of our investigators. She said there was no evidence that Scottish Widows had received the additional transferred benefits that Ms B was claiming were sent. And the investigator said there was no evidence that any withdrawals had been made from the plan. So, she thought that Scottish Widows had correctly reflected the value of Ms B's pension savings in the information it had provided.

Ms B didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Ms B and by Scottish Widows. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words, I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead, this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

Ms B has made a previous complaint to Scottish Widows about this pension plan that has been decided by another ombudsman. Whilst the subjects of the complaints are similar, there are sufficient differences to make it appropriate that a new final decision is issued here. But I want to be clear that, in this decision, I will not be making any further findings about the matters already considered by the other ombudsman. So, this complaint will solely consider whether Scottish Widows has correctly applied the transferred funds it received from Ms B's OPS, and whether it has permitted any withdrawals from the plan without Ms B's authority.

As I said earlier, it does seem that Ms B might have made a complaint about the advice she received to transfer her pension benefits in 2007 that has been looked at by the FSCS. I think it possible that the outcome of that complaint might have caused Ms B some confusion here so I will provide some general thoughts about what any FSCS findings might mean.

From the very limited information I have been given it seems possible that the advice Ms B received in 2007 to transfer her pension savings might have been unsuitable. If that were the case, given the financial advisor she used is no longer trading, any compensation would be paid by the FSCS. To calculate that compensation the FSCS would compare what Ms B's pension benefits would have been worth had she remained a member of the OPS to the current value of the pension benefits she holds with Scottish Widows.

But any shortfall in the value of the pension benefits Ms B holds with Scottish Widows wouldn't necessarily suggest that Scottish Widows had done something wrong. If the original transfer advice given to Ms B by the financial advisor was incorrect it would be likely that however the pension savings had been invested would have resulted in her losing out.

Scottish Widows doesn't provide Ms B with any advice, or recommendations, about her pension savings. So, the choices open to Ms B about how her pension savings are invested are essentially decisions she needs to make for herself (or with the assistance of a financial advisor). Scottish Widows is simply responsible for implementing any instructions that Ms B provides.

All the documentation I have seen suggests that the only money that was transferred to Scottish Widows in respect of Ms B's pension savings was the amount of £23,996.44 it received from the OPS in September 2007. There is no evidence that any additional funds were sent either as a result of a recalculation of Ms B's pension benefits by the OPS, or due to deductions made from her salary around that time. So, I think that Scottish Widows has fairly applied all the funds it has received on Ms B's behalf.

I have seen that the OPS did previously revise the pension benefits that Ms B held in that scheme. But the changes that it made were completed in November 2006 – almost a full year before the transfer took place. So, I'm satisfied that it is most likely those revisions to Ms B's benefits formed part of the calculation of the transfer value before the funds were sent to Scottish Widows in September 2007.

Scottish Widows has sent Ms B information about how the value of her pension savings has changed over the years. Ms B's pension savings are held in investments whose value will change from day to day in line with market movements. It isn't unsurprising that, from time to time, the overall value of the pension benefits may fall in line with falls in the value of specific investments. That isn't an indicator that funds are being withdrawn from the pension account, or that the account is being mismanaged. It is simply a normal reflection of how investments perform. Should Ms B be unhappy with the performance of her chosen pension investments she would be able to instruct Scottish Widows to transfer her pension savings into alternative investments of her choosing.

In summary I am satisfied that Scottish Widows has correctly reflected all the monies that it received from the OPS as a transfer of Ms B's pension benefits. I haven't seen any evidence to suggest that funds were sent by the OPS that haven't been applied to Ms B's pension savings. And I haven't seen any evidence to suggest that unauthorised withdrawals have been made from Ms B's pension savings, or that they have been mismanaged in any way by Scottish Widows.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Scottish Widows Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 7 January 2026.

Paul Reilly
Ombudsman