

## The complaint

Ms A complains that The Royal London Mutual Insurance Society Limited (RL) provided her with poor service. She said it failed to inform her that several retirement options were no longer available to her as an overseas customer. She also complains that RL provided her with incorrect information and that its communication has been poor.

Ms A eventually decided to take her pension as a taxed lump sum payment. But feels that RL delayed her claim as it didn't cancel her direct debit in time.

## What happened

Ms A had a pension with RL, which she took out in 2007 whilst she was still living in the UK. I understand that she moved overseas in September 2019.

Ms A said she informed RL of her overseas address around 18 to 24 months after her initial overseas move. She said that at this point, she checked the RL app and could see that her address had been updated to the country she'd moved to.

In October 2021, RL made a business decision to reduce the retirement options for overseas resident customers.

Ms A said that when she later moved to the country in which she now resides, she repeatedly tried to update her address again. But encountered ongoing issues. She said RL told her several times that it had changed her address, but it never updated in the app.

On 10 June 2024, I understand that Ms A got in touch with RL as she wanted to take her retirement benefits. RL explained its identification requirements. Ms A responded with change of address documents

RL wrote to Ms A on 2 July 2024 to confirm her change of address. The same day, Ms A called RL. She said she wanted to move her pension into its Non-Advised Drawdown, noting she was an overseas customer. RL incorrectly told her that her type of plan would be eligible.

RL then sent Ms A its digital link, which it passed to its Drawdown team the same day. As this wasn't an available option for Ms A as she lived overseas, that team referred this back to the retirements team. It wasn't until Ms A herself called RL on 8 July 2024 that it told her that she couldn't move to drawdown. Ms A wrote to RL on 8 July 2024 to complain. She said RL had told her on 2 July 2024 that as she had a UK registered bank account, she'd be able to take the drawdown option.

Ms A said it wasn't acceptable to her to take a taxed lump sum. She said the only other option she'd been given was to transfer to another pension provider in the hope it would allow her to drawdown. She explained that the incorrect information had left her annoyed and devastated, noting she might have to move back to the UK.

RL replied to Ms A on 11 July 2024 to apologise for not explaining during the 2 July 2024 call

that drawdown wasn't an option. It also acknowledged the complaint on 17 July 2024.

RL issued its final response to the complaint on 13 August 2024. It apologised for the incorrect information it'd given Ms A during the 2 July 2024 call. And for failing to communicate with her about that incorrect information until she'd called it on 8 July 2024.

RL explained why it'd taken the decision to reduce the options available to overseas resident customers. It said the changes brought its position in line with many of its competitors.

RL noted that Ms A had the following retirement options as an overseas resident:

- *Cash sum (Small Pot payment or UFPLS [Uncrystallised Funds Pension Lump Sum] - partial payment, the total of which is split 25% tax free and 75% taxable)*
- *It may be possible to transfer to another pension plan or Qualifying Recognised Overseas Pension Scheme (QROPS) which may offer more ways of taking the pension benefits.*

While RL said it hadn't done anything wrong in respect of the options available to Ms A, it offered her £50 compensation for the distress and inconvenience caused by the incorrect information and lack of communication around that.

Ms A wasn't happy with RL's response. She said she'd informed it about moving overseas. But it hadn't sent her any information about how that would affect her options. She felt it should've contacted her to explain her retirement options had changed.

Ms A felt that RL could suggest a reputable list of companies/financial advisers that dealt with QROPS. She said she'd had to take several costly actions, including paying for a financial adviser, which she felt wouldn't have been necessary if RL hadn't made its errors. She said she'd only accept compensation of £1,000 given what she'd had to pay out so far.

RL issued a further final response letter on 2 September 2024. It again acknowledged that Ms A had been given incorrect information on the 2 July 2024 call. And said she should've been given the correct information at that point. But felt that she'd been given correct information on all the calls she'd had with it on 8 July 2024.

RL explained that it couldn't personalise until a customer contacted it to discuss their options. It said when this happened, it would hold a detailed and personalised regulatory retirements call. It also said that a customer's current residency overseas didn't mean they would be based overseas when they took their benefits. And that it was also the case that some currently UK-based customers would move overseas later in life. It said that what mattered was whether a customer was overseas at the time they took their benefits.

RL said it always recommended that its customer spoke with a financial adviser, as it couldn't give advice. But it also said that its options team would be able to discuss Ms A's options in detail with her.

RL said it was sorry that Ms A's address change hadn't smoothly updated on her online portal. It said its systems held the correct address. It asked Ms A to let it know if there was still an issue, noting it would speak with Web Support if that was the case.

RL said that it couldn't increase the compensation to £1,000. But given its delays in updating her address fully, it increased its final offer to £150.

As Ms A was still unhappy, RL issued a further final response letter on 3 October 2024. It

repeated some of its earlier points. And explained that while it understood Ms A had changed her address some time ago, its option packs were generic. It said it had to complete a telephone conversation before it could proceed with a chosen option. And that it was at this point that it would discuss the options available to Ms A personally.

RL said that if Ms A wanted to explore her options further, she'd have to speak with its Retirements Team. It provided contact details for that team and offered to arrange someone to call Ms A if that would be helpful.

RL also said that it'd contacted its Web Support team which had confirmed that Ms A's address was up to date on its systems. It said that if this wasn't the case on her mobile app, it could be that her device app itself needed an update.

RL also said that it would only cease contributions if its policyholder or financial adviser asked it to.

RL said that due to the time it had taken to respond to Ms A it would increase its compensation offer to £250.

On 10 March 2025, Ms A wrote to RL to tell it she needed it to update her HMRC records. She said she'd need this done that day so she could inform her financial adviser.

Ms A still felt that RL should've paid her retirement funds into her UK bank account. She said her temporary residency was up for review. And felt that due to RL's incompetence she was on the verge of being kicked out of the country she lived in. She said this was causing her mental health to suffer.

RL issued a further final response letter on 10 March 2025. It said its previous offer of £250 compensation still stood. It said it'd explained in its 3 October 2024 letter that if Ms A wanted to explore her options further, she'd need to speak with its Retirements Team. It also said that it didn't understand her request for it to update HMRC. It said it would only send a notification to HMRC if it'd made a payment to Ms A, which it hadn't done. It said any tax reconciliation would only happen after a payment was made. As such, it said Ms A would need to liaise directly with HMRC if she needed any adjustments or of it needed notifications to her current circumstances.

Ms A still felt that her pension was in limbo because RL wouldn't release it into her UK bank account. She still wanted it to provide HMRC with a code. She also said she was trying to do a QROPS. But felt she couldn't as RL had refused to give HMRC any information. She asked it to tell her how to utilise this option.

RL said it didn't have a request under Ms A's plan to release her pension into her UK bank account.

In respect of the QROPS, it said it'd liaised with the appropriate area specific to that request. And that it had also never heard of this requirement from HMRC, noting it also currently didn't have any transfer request. It asked Ms A to ask her financial adviser to contact it directly so it could help her further.

Ms A said it was HMRC which had asked for the code, so felt there was nothing else her financial adviser could tell RL. She felt it would be better for it to liaise directly with HMRC to determine what was required. She also said she hadn't requested a payment into her UK bank account because RL had refused to do that. She said she couldn't accept taking a taxed lump sum. And that she felt forced into moving her pension overseas. Ms A felt RL was making this difficult.

Ms A said she hadn't been an overseas customer when she'd taken out the pension. She felt RL's revised policy was punishing her for her move.

Unhappy, Ms A brought her complaint to this service. She said she was extremely concerned that she was still paying into a pension which she had no way to access. She said she needed the pension for her long-term residency. Ms A said her stress levels were at an all-time high.

RL sent Ms A some information about how to arrange a QROPS transfer.

Ms A went through the required call with RL's retirement team to take her funds as an UFPLS on 24 March 2025. RL said it wrote to Ms A on 24 March 2025 to outline the identification requirements. And that she provided the required documentation the same day.

RL said it added these documents to its scanned records on 25 March 2025. And that it verified them on 26 March 2025. It then emailed Ms A on 28 March 2025 as it needed her to confirm which of the two separate bank statements she'd provided it should use for the UFPLS payment. Ms A replied by email on 28 March 2025. RL said it then added the details of this to its scanned records on 31 March 2025.

On 1 April 2025, Ms A called RL to check it had everything it needed for her withdrawal request. During the call, she asked it what would happen to her direct debit. She asked if it would be cancelled. RL said it would be.

On 2 April 2025, Ms A called RL to make a new complaint. Her direct debit hadn't been cancelled and her contribution was under collection. Ms A was unhappy that RL hadn't told her to cancel the direct debit given her request for a UFPLS. Ms A also emailed RL several times the same day about her complaint.

Ms A said RL had told her that her lump sum would take between seven and ten working days once it had all the documents. But RL had now told her that she wouldn't receive her lump sum until 12 April 2025. She said RL had told her that it had to wait until the direct debit payment had been returned to her. Ms A also said that her app still showed her pension as active, which was causing her concern and stress.

RL wrote to Ms A on 2 April 2025. It apologised and said it had incorrectly told her that she'd receive her funds on 12 April 2025. It said that wasn't a working day. RL confirmed that Ms A would receive her lump sum by close of business on 14 April 2025.

On 14 April 2025, RL wrote to Ms A to confirm that it'd made the lump sum payment to her bank account. It said the amount paid included the premium she'd made on 1 April 2025. And that she could now cancel her RL direct debit.

RL issued its final response to the complaint on 14 April 2025. It acknowledged it'd given Ms A incorrect information in the 1 April 2025 call. It said that the call agent hadn't checked to see if any payments were pending. And that if this had been done, she could've given Ms A correct information during the call. But RL said that as Ms A's contribution was due on the first of the month, it would've been in collection with the bank a few working days before.

RL said that in any event, it had ten working days after the date it received the last piece of required information to make the payment even if Ms A's contribution wasn't under collection, which meant it would've had until 15 April 2025. As it'd made the payment by then, it didn't think the payment had been delayed.

RL also acknowledged that it'd given Ms A an incorrect payment date during her call with it

on 2 April 2025. It apologised for this. RL offered Ms A £150 compensation for the unclear and incorrect information it had provided.

Ms A remained unhappy. She felt RL should offer to cover some of her out-of-pocket expenses of £1,000. She said she was concerned about the impact of RL's policy change and service on other customers.

RL felt it'd already responded in full to Ms A. It sent her an impasse letter and once again referred her to this service.

Ms A told this service that while she'd taken the £400 compensation RL had offered, she'd done this primarily to offset some of the out-of-pocket expenses she'd only incurred due to RL's mismanagement. She said that her primary reason for bringing her complaint to us – aside from the poor service – was RL's failure to inform overseas customers of critical policy limitations. She also said that RL shouldn't have taken her direct debit on 1 April 2025 as she'd submitted all documents to request her lump sum on 24 March 2025. She said her RL app showed her pension was locked at this point. So she'd felt that meant no further payments would be taken. Ms A felt that there was enough time for RL to have stopped the direct debit collection.

RL gave this service its consent to consider Ms A's complaints.

Our investigator felt that RL had acted fairly and reasonably when it'd made a business decision to change the retirement options for overseas customers from 11 October 2021. She noted that RL couldn't personalise its retirement option packs until its customers contacted it to discuss their options. And that RL had communicated its decision to not accept new business from overseas customers to advisers but not to consumers. She acknowledged why RL felt this was reasonable. But felt it could've provided some information in the retirement options pack or other communications to explain to overseas customers that not all the options listed may be available.

Our investigator acknowledged that Ms A said she might've transferred her pension before she'd moved overseas if RL had informed her before that move. But said that RL hadn't taken its decision to restrict options for overseas customers before Ms A had informed RL about her overseas address. As such, she felt RL couldn't have informed her before she moved. She therefore felt that the retirement options that RL had offered Ms A were the same retirement options that would've been available to her if it had informed her of the change at the time it made it.

Our investigator didn't think that RL had delayed Ms A's lump sum claim. She said RL had received the confirmation it needed from her on 28 March 2025. She noted that Ms A's direct debit for her pension contributions had a due date of the first of the month. And said that given how the direct debit process operated, the contribution RL collected on 1 April 2025 would've been in for collection with the bank a few business days before the due date. She didn't think RL had collected this contribution in error.

Our investigator felt that once RL had received this contribution on 1 April 2025, it would've had all it needed to proceed with the claim. She felt that it was reasonable for the claim to have completed within ten business days from when the final requirement was met. And noted this had been the case.

Our investigator acknowledged that RL hadn't communicated well with Ms A. She acknowledged it'd provided her with incorrect information about the options available. And that it'd failed to proactively contact her to let her know that the drawdown team had rejected the application. She also noted that RL had provided Ms A with additional incorrect

information during the 1 April 2025 call with it, when it had incorrectly told her that her direct debit would be cancelled. And during the 2 April 2025 call, when it had incorrectly told her that her claim would complete on 12 April 2025.

Our investigator acknowledged that RL had provided service below what should be expected. But she felt that the £300 it'd offered Ms A for the distress and inconvenience its errors had caused her was reasonable. And in line with what she would've otherwise recommended.

Our investigator also acknowledged that RL had offered Ms A an additional £100 in respect of the time taken to address the first complaint. She said that this service couldn't consider complaints about complaint handling, so this compensation hadn't formed part of her investigation.

Ms A disagreed with our investigator. She made the following points:

- She felt that RL had repeatedly provided her with incorrect information and that this amounted to more than simply "*small errors*." She therefore felt that the compensation RL had paid her for distress and inconvenience wasn't enough when measured against this service's own guidelines.
- Noting that our investigator had said RL: "*could have provided some information... to prompt overseas customers to call,*" Ms A felt that our investigator hadn't reflected this point in the outcome. She said she'd been an overseas customer since 2021. And that despite RL communicating with her many times after its October 2021 policy change, it didn't ever flag that it'd restricted her retirement options. She felt RL should've informed her of the change.
- Ms A also felt that although she'd moved abroad before RL changed its policy on the benefits available to overseas policyholders, it should still have informed her after it made the change. She said she'd provided it with her overseas address. She felt RL had over two years to communicate this significant change to her. She felt this omission had real consequences. She said she would've considered transferring the pension earlier if RL had told her.
- Regarding the incorrect information RL gave her about her direct debit, Ms A said that her April 2025 contribution had a direct impact on the claim timeline. She felt our investigator's reasoning hadn't fully reflected the distress caused or the fact that the incorrect information directly shaped her expectations.
- Ms A felt that our investigator had excluded communication problems as "complaint handling" when many had occurred before her formal complaint. She felt that the issues she'd faced weren't connected to complaint handling. But were the cause of her original complaint.

As agreement couldn't be reached, the complaint has come to me for a 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.

Having done so, I'm not going to uphold the complaint. I know my decision will be disappointing for Ms A. I'll explain my reasons for it.

I can see Ms A has made numerous points in support of her complaint. I'm very aware that I've summarised this complaint in far less detail and in my own words. But I'm not going to respond to every single point she's made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. I believe these are: Should RL have alerted Ms A to its policy change, and did it offer her the correct benefits options? And did it delay her claim due to its errors?

Our rules allow me to do this. This simply reflects the informal nature of our service. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I first considered whether RL should've alerted Ms A to its policy change once it knew she lived overseas.

*Should RL have alerted Ms A to its policy change, and did it offer her the correct benefits options?*

RL said that it'd decided not to alert its customers directly about the change when it made it. It said that its retirement option packs were generic as it couldn't be certain whether a customer's current residence status would stay the same up to the point they decided to take their retirement benefits. RL said that as its customers had to complete a telephone conversation with it before they could proceed with a chosen option, this was the point that it would discuss the specific options available.

Ms A felt that RL should've informed her about its policy change once it knew she lived overseas. She said that if it had alerted her about the change earlier she would've considered transferring the pension earlier. She agreed with our investigator that RL: "*could have provided some information... to prompt overseas customers to call.*" And felt that our investigator hadn't reflected this point in her view.

I've carefully considered all the points made. Having done so, it clearly would've been helpful if RL had informed Ms A about the policy change at some point before 2 July 2024. However, even if it had, I'm not persuaded the retirement outcome would've been any different.

I say this because I'm satisfied that although RL initially incorrectly provided Ms A with the full range of options available to UK residents, it quickly explained she only had two options available to her as an overseas resident. I agree with our investigator that the retirement options RL offered Ms A were the same retirement options that would've been available to her if it had informed her of the change at the time it made it.

I also say this because the evidence shows that although RL made Ms A aware of her option to transfer to another arrangement in early July 2024, she didn't take any significant steps to transfer her pension. I can see that she asked RL for help with how to access a QROPS. And I'm pleased to see that it did try to help her by providing the requested information quickly. But there's no evidence that she took further steps to arrange a transfer.

I can't know exactly what would've happened if RL had informed Ms A about her reduced retirement options soon after it made the change. But as she decided not to transfer her pension away from RL once she became aware of her options – despite the fact that there was time to do so, given it was a further nine months before she asked RL for a UFPLS - I'm satisfied that on balance of probabilities she wouldn't have transferred her pension to another provider if RL had informed her about the change sooner.

I can see that Ms A feels very strongly about what she sees as the lack of benefit options

available to her. I do empathise with that strength of feeling. She's had this pension for a long time and says she's seen nothing over the years which indicated her options would be limited as she lived overseas. But having reviewed the evidence, I'm satisfied the Ms A hasn't been caused any detriment by RL not telling her as soon as it could in 2021 that it had made the policy change. And I'm also satisfied that RL offered her the correct benefits options from 8 July 2024.

I went on to consider whether RL's errors delayed Ms A's claim.

*Did RL delay Ms A's claim due to its errors?*

Ms A felt that the fact that RL had taken a contribution from her on 1 April 2025 had delayed her claim. She felt RL shouldn't have taken that direct debit on 1 April 2025, given she felt she'd submitted all the required documents for her UFPLS request on 24 March 2025.

Ms A also said that as her RL app showed that her pension was locked at this point, she assumed this meant RL would take no further payments. In any event, she felt RL had enough time to stop the direct debit collection.

The evidence shows that Ms A didn't cancel her direct debit before submitting her UFPLS request on 24 March 2025. I understand why she felt she didn't need to. But note that RL has no power to stop direct debits without a direct instruction from a customer or their financial adviser.

The evidence also shows that it wasn't until 28 March 2025 that Ms A confirmed to RL which of the two separate bank statements she'd provided it should use for the UFPLS payment. The direct debit payment was due to be paid by 1 April 2025, two working days later. I'm therefore satisfied that even if RL had immediately acted on Ms A's 28 March 2025 confirmation, it didn't have time to cancel the direct debit. In any event, I'm satisfied it wasn't RL's responsibility to cancel that direct debit.

I acknowledge that Ms A felt RL would take no further payments given her app showed that her pension was locked at this point. But without her explicit instruction to cancel the direct debit, RL was obliged to take the 1 April 2025 payment.

It's clear that RL made two errors during Ms A's claim:

- On 1 April 2025, it told her that her direct debit would be cancelled. Ms A found out this was not the case either that day or one day later.
- On 2 April 2025, it told her she would receive her pension benefits on 12 April 2025. This wasn't correct as this date fell on a Saturday. The correct date by which the benefit had to be paid was 15 April 2025, ten working days after RL received its last requirement – in this case, that was the direct debit payment.

I'm satisfied that neither of these errors delayed Ms A's claim, although being told she would receive her pension benefits on 12 April 2025 did cause her a minor loss of expectation. I say this because the evidence shows that RL paid Ms A's claim within the ten working days available to it.

I therefore can't fairly say that RL's errors delayed Ms A's claim.

I finally considered the distress and inconvenience caused.

*Distress and inconvenience*

I can see that RL has paid Ms A total compensation of £400. This is broken down as follows:

For the first complaint and the follow-up points:

- £50 for the incorrect information provided on 2 July 2024 and the lack of communication about this. I note this error had been corrected six days later.
- £100 for RL's delay in fully updating Ms A's address on her app.
- £100 for the delayed complaint response.

For the second complaint:

- £150 for the incorrect information provided about the direct debit being cancelled on 1 April 2025 and for the wrong payment date being given on 2 April 2025. Both of these points were corrected within days.

Ms A told this service she'd taken the £400 compensation RL had offered to offset some of the out-of-pocket expenses she'd only incurred due to its mismanagement. She said her mental health had suffered and she'd been extremely stressed throughout the claims process.

Ms A didn't think the compensation was sufficient for the repeated incorrect information and for the costs she'd incurred. She felt £1,000 would be more reasonable. She also felt that our investigator should've considered the communication problems she'd had with RL. She didn't consider those issues were connected to "complaint handling".

I don't doubt that this has been a stressful time for Ms A. But I have to consider the impact on her of RL's errors. I can't fairly consider the impact on Ms A of RL's decision to reduce the retirement options of its overseas customers as that was a business decision it was entitled to make.

In respect of the incorrect information RL provided on 2 July 2024, while I can see this led to Ms A having the expectation for a six-day period that she'd be able to drawdown her benefits, this option was never really available to her. She was never entitled to the drawdown option given she lived overseas. So I can't reasonably say that the costs Ms A said she'd incurred were caused by RL's error.

In terms of the incorrect information RL provided on the 1 and 2 April 2024, I'm pleased to say that these errors were also quickly corrected. And I explained earlier in my decision why I was satisfied that these errors caused no delay to the payment of Ms A's benefits.

In summary, it's clear that RL didn't provide Ms A with a perfect service. It provided incorrect information on four occasions. And it had difficulty in ensuring Ms A's correct address appeared on her app. However, I'm not persuaded that any of these errors caused Ms A a financial loss. I therefore agree with our investigator that the total compensation of £300 RL has already paid Ms A in respect of these errors is fair and reasonable.

I can see that RL also paid Ms A £100 for its delayed complaint response. I agree with our investigator that it offered this in respect of its imperfect complaint handling. I also agree with our investigator that this service doesn't have the power to comment on this aspect of the redress RL has paid.

I acknowledge that Ms A is concerned about the impact of RL's policy change and service on other customers. But this service can only look at the impact of RL's errors on Ms A. If

other policy holders want to bring their own complaints to this service, we will review those on their own merits.

Overall, I don't require RL to take any further steps to put things right. 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 Ms A to accept or reject my decision before 5 February 2026.

Jo Occleshaw  
**Ombudsman**