

## **The complaint**

Mr A has complained that St. James's Place UK PLC didn't update the value of his pension plan to include and account for his pension withdrawals in valuations it sent to him.

## **What happened**

Mr A holds a pension plan with St. James's Place UK PLC (SJP). In May 2023 Mr A started to take regular monthly withdrawals of £1,500 from his pension plan. In October 2023 Mr A also withdrew an additional single payment of £30,000.

In December 2023 Mr A's regular monthly payment of £1,500 wasn't paid to him on time. Mr A's regular payment of £1,500 for January 2024 was also delayed. To resolve this issue SJP set up manual monthly payments for Mr A.

Mr A took some further single withdrawals from his pension. In May 2024 Mr A withdrew a single sum of £40,000 and in October 2024 he withdrew another single sum of £40,000. Mr A then took an extra payment of £2,000 in December 2024, followed by another single payment of £40,000 in January 2025. During this time Mr A continued taking his regular monthly withdrawals of £1,500.

Mr A has said that he's regularly monitored the value of his pension plan online after he'd started to take his regular withdrawals. SJP also sent Mr A quarterly and annual valuations for his pension plan.

In February 2025 Mr A logged into his online SJP pension account and saw that the value of his pension plan had dropped significantly. Mr A contacted SJP to find out why this had happened and was told that IT work, which was needed to allow automated regular withdrawals to be paid to him from his pension plan, had been completed. SJP went on to tell Mr A that because it had finished this work, his online valuations now accounted for withdrawals he'd taken from his pension plan.

SJP also explained that because it had previously set up a manual process to pay Mr A's pension withdrawals, these pension withdrawals hadn't been accounted for in the valuations it had sent to him. This meant that the valuations that SJP had sent to Mr A were wrong because they showed the value of his pension without deducting the sum of the withdrawals he'd taken. The valuations therefore showed the value of Mr A's pension as higher than its true value. This wrong information was included in the online valuations available to Mr A, as well as the quarterly and annual valuations SJP sent to him.

On 26 February 2025 Mr A complained to SJP. He said that he'd never been told by SJP that his pension withdrawals hadn't been included in his plan valuations. Mr A also said that if he'd known this then he wouldn't have withdrawn so much money out of his pension plan. He went on to say: *"Had we had correct figures, certainly the last two withdrawals totalling £80,000 wouldn't have been actioned."*

SJP responded to Mr A's complaint on 9 April 2025. In its response, SJP said: *"I would like to start by apologising for the position you are in. It is clear the time it took to update your Account following an IT issue was unacceptable and as a result, has impacted the decisions you have made regarding withdrawals and your confidence in the balance of your Account"*.

SJP also acknowledged that it had delayed the payment of Mr A's December 2023 and January 2024 withdrawals. To compensate Mr A for these delays SJP paid him interest calculated at 8% for the period that these payments had been delayed by. SJP calculated that these interest payments, net of tax, totalled £11.04.

SJP went on to say that because corrective IT work was needed on Mr A's pension account, it should have stopped the Annual Wealth Reports and Quarterly Valuation Reports being automatically sent to him whilst this work was being completed, but this hadn't happened. Because of the delays in updating Mr A's pension account, and for sending him incorrect valuations, SJP offered to pay £2,500 to Mr A to compensate him for the upset and inconvenience its actions had caused.

Mr A wasn't happy with SJP's response to his complaint. He thought that SJP should refund the withdrawals he'd taken from his pension plan, which he said totalled £137,000, together with interest calculated at 8%. Mr A didn't accept SJP's compensation offer of £2,500.

SJP wrote to Mr A again on 24 June 2025. SJP said that it thought the compensation offer it had set out in its letter of 9 April 2025 was fair and that it wouldn't pay Mr A the amount of compensation he'd asked for. However, SJP said that if Mr A wanted to return any of the money he'd withdrawn from his pension, it would reinvest this back into his pension plan and backdate any payments to the pricing date on which they were withdrawn to ensure that Mr A hadn't been financially disadvantaged. However, Mr A has said that he's not able to return any money to SJP as he's already spent the proceeds from his withdrawals on a new car, some home improvements and holidays to visit his daughter. Mr A therefore rejected this offer from SJP.

Mr A still wasn't happy with SJP's response to his complaint, so he brought this to the Financial Ombudsman Service. One of our Investigators reviewed Mr A's complaint. Their view was that they wouldn't expect SJP to reimburse Mr A for the withdrawals he'd made as he'd already had the benefit of this money available to him. Our Investigator also thought that SJP's offer of £2,500 to compensate Mr A for the upset and inconvenience he'd suffered was fair.

Mr A disagreed with our Investigator's view so asked for his complaint to be considered by an Ombudsman.

### **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 its response of 9 April 2025 to Mr A's complaint, SJP admitted that it had sent incorrect Annual Wealth Reports and Quarterly Valuation Reports to Mr A. SJP has also admitted that the online valuations it provided for Mr A's pension plan were wrong. SJP explained that because it was completing corrective IT work on Mr A's pension account then the valuations it provided didn't account for the pension withdrawals that he'd made. This meant that the valuations overvalued Mr A's pension.

SJP has also admitted that it didn't tell Mr A about the corrective IT work it was completing on his pension account and the impact this work was having on his pension plan valuations. I therefore don't think that there's any dispute between the parties in this complaint that SJP made an error.

However, Mr A has said that to compensate him for its error, SJP should repay to him the sum of the withdrawals he's taken from his pension plan for the period during which his pension plan valuations were wrong. Mr A says that these withdrawals total £137,000, and therefore this is the amount of compensation that SJP should pay to him. Mr A has also said that SJP should add interest calculated at 8% to this sum and that the total compensation should be paid into his bank account and not his SJP pension plan.

In response to Mr A's claim, SJP has said that it won't pay him the amount of compensation he wants. Instead, SJP has said that if Mr A wants to return any of the withdrawal payments he received it will pay these back into his pension plan at no loss to him. SJP has also said it will pay Mr A £2,500 to compensate him for the upset and inconvenience its error caused.

I think it would be useful here to reflect on the role of this Service. This Service isn't intended to regulate or punish businesses for their conduct. 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.

I've therefore carefully considered Mr A's compensation claim, which as I've said above is that SJP should pay him £137,000, plus interest, to be paid into his bank account. I think that if Mr A was to receive the compensation that he's seeking from SJP, then he would be receiving this compensation payment in addition to the withdrawal payments that he's already received from his SJP pension plan.

I therefore think it's reasonable to conclude that if Mr A is compensated as he wants, he wouldn't be put back into the financial position that he would've been in if it hadn't been for SJP's error. Instead, I think that Mr A would be put into a much better financial position. I say this because Mr A would be receiving a compensation sum equal to the pension withdrawals he's made, in addition to the pension withdrawals that he's already financially benefited from. I don't think this would be fair or reasonable outcome in this case, as Mr A would receive the financial benefit of the withdrawals he's taken from his pension plan twice.

SJP has told Mr A that he can return any of the money that he's withdrawn and it will then credit this money back into his pension plan. SJP has also said that it will backdate unit prices to when Mr A made his withdrawals so that he won't be financially disadvantaged. I think that if Mr A can return the withdrawals he's taken from his SJP pension, then Mr A would be put back into the position he would have been in if SJP hadn't made its error. I think this would be a fair and reasonable outcome for Mr A.

However, Mr A has said that he's not able to return any of the money he's withdrawn to SJP as he no longer has any of this. Mr A has said that this is because he's spent the money on a new car, home improvements and holidays and therefore he thinks that SJP's offer isn't reasonable. But I think that it was Mr A's decision to spend the money he withdrew from his pension plan as he did. I therefore don't think it would be reasonable to conclude that SJP is responsible for Mr A not being able to return any of the money that he withdrew from his pension plan and thereby isn't able to take up SJP's offer. Instead, as I've said above, I think that SJP's offer is reasonable.

Mr A has however said that if he'd received correct valuations from SJP then he wouldn't have withdrawn the monies he did from his pension plan. As I've said above Mr A has said: *"Had we had correct figures, certainly the last two withdrawals totalling £80,000 wouldn't have been actioned."*

I've therefore considered the online valuations that Mr A would have seen on his SJP online account. As I've said above SJP has admitted that these valuations overvalued Mr A's pension plan. I've seen screenshots of valuations for Mr A's pension. As Mr A has said, when he saw his valuation in late February 2025, he noted that the value of his pension plan had fallen significantly from previous valuations he'd seen.

The screenshot of the valuation I've seen dated 6 February 2025 shows the *"Current encashment value"* of Mr A's pension as *"£1,133,142"*. Under the heading *"Changes since 31 Dec 2023"* the valuation also shows *"Withdrawals and income paid"* of *"£1,501"*. However, Mr A had taken a much higher amount of withdrawals and income from his pension plan than *"£1,501"* since 31 December 2023.

I've also seen the screenshot for the valuation dated 25 February 2025, which was the day before Mr A contacted SJP to raise his complaint. This valuation shows the *"Current encashment value"* of Mr A's pension as *"£970,086"*. Under the heading *"Changes since 31 Dec 2023"* the valuation shows *"Withdrawals and income paid"* of *"£136,507"*. SJP has said that by the date this valuation was produced IT work on Mr A's account had been completed.

I've also seen screenshots of earlier valuations for Mr A's pension plan which also incorrectly show the withdrawals and income paid since 31 December 2023, as well as the wrong encashment value. As an example, the valuation dated 31 July 2024 shows the withdrawals and income paid since 31 December 2023 figure as £3,001.

I therefore think that the online valuations available to Mr A before SJP completed its IT work were showing the wrong figure for the withdrawals and income that he'd taken from his pension plan since 31 December 2023, as well as incorrect encashment values. I think that if Mr A had queried with SJP why the online valuations were not showing the full amount of income and withdrawals he'd taken from his pension since December 2023 it's reasonable to assume that he would have been told that it was because IT work was being completed and the valuations were not correct. However, I've not seen any evidence to show that Mr A did contact SJP to question his valuations until February 2025.

SJP has sent to this Service details of all withdrawals made by Mr A from his pension plan, since he started taking these in 2023. This information shows that Mr A has continued taking his regular monthly withdrawals. It also shows that Mr A took the first of his single withdrawals in October 2023 when he withdrew £30,000, followed by a further single withdrawal of £40,000 in May 2024, then in October 2024 he withdrew a further £40,000, followed by another single withdrawal of £40,000 in January 2025.

As I've said above, Mr A has said that if he'd received correct valuations from SJP then he wouldn't have withdrawn the money he did from his pension plan and "*Had we had correct figures, certainly the last two withdrawals totalling £80,000 wouldn't have been actioned.*" I think that here Mr A is referring to the single withdrawals that he completed in October 2024 and January 2025, which totalled £80,000. However, Mr A has said that he should receive compensation of £137,000, and not just this figure of £80,000.

As part of the feedback that Mr A provided to this Service after he received our Investigator's view, he attached a screenshot from a third-party investment provider. In this decision I will refer to this third party as Firm A. I've therefore considered all the feedback that Mr A has provided to this Service following our Investigator's view.

The Firm A screenshot sent by Mr A is titled "*Withdrawing cash – the pros and cons*". Mr A has highlighted a section of the screenshot. This highlighted section says:

*"But do you really need it right now? Money had certain tax advantages within a pension, and doesn't have to form part of your estate for Inheritance Tax (although this is due to change on 6 April 2027). So if the answer's no, then you should consider leaving your pension savings invested. That gives it the potential to grow, and the bigger tax-free lump sum you take out later could potentially be bigger."*

In his response to our Investigator's view Mr A went on to say about this screenshot: "*All pension providers advise the same thing if you do not need the money then leave it invested. The large lump sum amounts I chose to take from my pension with St James Place were for specific reasons, such as buying my car, choosing to have a holiday to (XXX) to visit my daughter(twice) and some home improvements. All these financial decisions were based on the amount that St James Place said my pension was worth*". Mr A has added "*if you do not need the money then leave it invested*".

I think it's reasonable to conclude that this feedback from Mr A, following our Investigator's view, is saying that money should be drawn from a pension plan if it's needed at that time, and that if it's not needed, then it should be left invested.

However, as Mr A has said, he took the withdrawals to buy a car, visit his daughter twice and complete some home improvements. Mr A has also said that his financial decisions were based on the valuations he received from SJP. But I think that when Mr A received the valuations from SJP he didn't have to make the withdrawals he did. Instead, Mr A could have kept the money in his pension if he'd wanted.

Mr A was able to start drawing from his pension at his age 55. Mr A was only slightly older than this age when he started to draw money from his pension plan in 2023. I therefore don't think it would have been unreasonable if he, on seeing his valuations, had decided to leave the money invested to keep in his pension plan to support him through the remainder of his retirement. However, I think that it was Mr A's decision not to do this and instead took the money from his SJP pension plan. I therefore think it's reasonable to conclude that Mr A decided to draw from his pension, rather than leave monies invested, because he wanted the money to pay for the specific items detailed above.

I therefore think that Mr A decided to draw money out of his pension as he did, instead of leaving the money invested in his pension, from which he received the financial benefit. I therefore conclude that it wouldn't be fair or reasonable to ask SJP to pay Mr A an amount of compensation equal to the value of the withdrawals he decided to take and from which he has already financially benefitted, as he's asked for.

Finally, Mr A has claimed that he's suffered financial harm because of SJP's error. Mr A says this is because the value of his pension plan is now lower than it would be if he hadn't taken his withdrawals. Mr A says that he should be put back in the position he would have been in had he not made his withdrawals. I've therefore also considered this element of Mr A's complaint.

Mr A has also said that if SJP hadn't made its error then he wouldn't have completed his pension withdrawals, and these withdrawals have caused him financial loss and harm. But I don't think that because Mr A withdrew money from his pension this means that he's lost that money.

Instead, I think it's reasonable to conclude that Mr A has still benefitted from the money he withdrew as he was able to use and spend it as he chose. I therefore don't think it would be reasonable to conclude that Mr A has lost money because of SJP's error, as he was still able to financially benefit from that money.

My conclusion is therefore that I don't think it would be fair and reasonable for SJP to pay Mr A the compensation that he wants as I think that he's already had the financial benefit of the money he withdrew from his pension plan. I also think that Mr A chose to draw money out of his pension, and not leave it invested, to spend on the items he chose.

I further think that if SJP paid Mr A the amount of compensation he wants this would mean that in addition to having had money from his pension plan to spend he would then also have the same amount paid to him for a second time as compensation. I don't conclude that this would be a fair or reasonable outcome, and therefore I'm not asking SJP to pay to Mr A the compensation that he's asking for.

Mr A has said that he should be put back in the position he would have been in had he not made his withdrawals. But as I've said above, SJP has offered to add money into his pension plan at no loss if he returns his withdrawals. I think that this would put Mr A back in the position he would've been in had he not made his withdrawals.

However, I think that SJP's did make an error and this error will have caused Mr A upset, distress and inconvenience and I think it's reasonable that SJP should compensate Mr A for this. I'm therefore upholding Mr A's complaint that SJP didn't update the value of his pension plan to include and account for his pension withdrawals in the valuations it sent to him. I will therefore now consider what compensation SJP should now pay to Mr A for its error.

### **Putting things right**

SJP has offered Mr A compensation of £2,500 for the distress and inconvenience its error caused him. Mr A has however rejected this offer and says that the compensation for this should be considerably more. SJP has told this Service that its compensation offer of £2,500 has not been paid to Mr A.

I think that SJP's error will have caused Mr A to suffer distress and inconvenience. I've therefore considered the level of distress and inconvenience SJP's error will likely have caused him, and in doing so have also considered whether SJP's compensation offer of £2,500 is reasonable in this case.

I think that an award of £2,500 would be appropriate where SJP's mistakes caused Mr A sustained distress, potentially affecting his health, or severe disruption to his daily life typically lasting more than a year. I also think that a mistake that has an extremely serious short-term impact could also warrant this amount of compensation, but usually I'd also expect SJP's mistake to have resulted in some acute ongoing effects on Mr A.

I think it's reasonable to conclude that SJP's error would have had a serious short-term impact on Mr A, together with some ongoing effects. I therefore think that SJP's offer of £2,500 compensation for the distress and inconvenience its error caused Mr A is fair and reasonable.

As I've said above, SJP has said that if Mr A wants to return any of the money he withdrew from his pension plan, it will add this money back into his pension at no loss for him. I think that if any money returned is added back into Mr A's pension plan without any tax or unauthorised payment charges arising and at no loss to him, then this offer is fair and reasonable. Mr A can therefore take up this offer from SJP if he decides to.

Mr A has however told this Service that as he's spent the money he withdrew from his pension plan he won't be taking SJP up on its offer and returning any of his pension withdrawals.

As I've said above, SJP hasn't yet paid any compensation to Mr A for its error. I therefore think that SJP should now pay Mr A compensation of £2,500 for the distress and inconvenience its error caused.

### **My final decision**

My final decision is that I uphold Mr A's complaint and St. James's Place UK PLC should now compensate Mr A as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 March 2026.

Ian Barton  
**Ombudsman**