

## **The complaint**

Mr D complains about Scottish Friendly Assurance Society Limited and their handling of a Children's Savings Plan.

## **What happened**

Mr D had set up a Children's Savings Plan for his niece. He made all the payments due for this plan, and it was due to mature on her 21<sup>st</sup> birthday. He said he intended to surprise her with this as a present but Scottish Friendly contacted her prior to the birthday and ruined the surprise. He says he was not made aware they would be contacting her in advance. Unhappy with this he complained to them in June 2025.

In their final response letter on 24 July 2025, Scottish Friendly said it was standard practice for them to get in touch with the beneficiary of the bond once they became legal owners of this. They said they hadn't done anything wrong and didn't uphold his complaint. They also said he was not an eligible complainant as the bond was for the benefit of the niece.

An investigator here considered the complaint and said Mr D would be considered an eligible complainant and the complaint was one we could consider. He set out his findings and recommended outcome as follows:-

### **Did Scottish Friendly do what it should have done?**

I think it's important to highlight that the Financial Ombudsman Service is a complaints service. We aren't here to punish a business for wrongdoing. Primarily we look to put things right when a business causes a consumer a financial loss or has caused unfair inconvenience without looking to put things right.

My role is to informally weigh up whether, or not, something different should happen going forward. This includes whether I think the business has been fair and reasonable, and carried out its obligations to its customer as expected, maintaining the defined agreement between parties in a compliant way.

Scottish Friendly are correct, in that fundamentally this policy isn't designed to act as a surprise for the beneficiary. It isn't mentioned anywhere that the mechanics of this bond operate to ensure the beneficiary is, and remains, unaware it's set up on their behalf by someone else.

However, I can absolutely see Mr D's point. It could very well be this type of investment is aligned to represent as a 'gift' – the key features language would assume these are normally set up by relatives, for relatives.

I should point to the general key features of the bond and state there is no onward action the business should take in the shielding of this investment from the knowledge of its existence of his niece.

I'm not persuaded the mechanics of the bond make it so. I'm not in receipt of evidence Mr D would have been told this bond could be kept a secret by the business. Hypothetically, if all he ever saw were the key features, it can't be

determined from it that he was setting up a surprise bond for his niece that the business wouldn't communicate to her.

Scottish Friendly might not offer this type of product anymore, it could very well be it would consider this type of function going forward, but commercial decisions on what products to offer and the specific mechanics of how they function are very much up to the business. I'm unaware whether other products are structured to act as Mr D would have liked.

#### Who will be written to?

This isn't Mr D's only point. He contemplated whether the business told him it would write to his niece at all. He asks this as he has other bonds set up for other relatives and wants to know what will happen. I don't think it is unreasonable he receives a further comment from the business about that.

Scottish Friendly refer to maturity forms being sent directly to the policy holder when over the age of 18. It states (and as above) – 'The policy documents all confirm we consider the child the owner from 16 and at one point we wrote to children at 16 however, following feedback we changed this to 18.'

Mr D specifically picked up on that point and asked me whether I had evidence this is what's meant to happen. He wasn't aware this had happened in the past as Scottish Friendly only wrote to him and not his Niece, well after she was 18 – only writing to her with maturity forms.

I really can appreciate Mr D's considerations here. Scottish Friendly has alluded to it doing something, as if it were a process. But has in Mr D's view, not carried out that process. His ask that this is checked is valid as I appreciate the confusion it would cause.

Scottish Friendly have referred to a key feature term that explains the bond becomes the child's property at 16. Nowhere does it elaborate on this. It might make sense for Scottish Friendly to provide some insight on this point, as Mr D has unmaturing bonds for other family members and I'm sure he'd appreciate some insight into who will, or won't, be written to.

The real crux of the complaint here is maturity forms being sent to his Niece and therefore ruining the surprise from Mr D. Whether Scottish Friendly has implemented new processes, or whether these processes always existed, I think it'd be reasonable for it to be able to clear up what the expectations are going forward. Although I'm not upholding this complaint I do feel the considerations Mr D has are valid - and he does deserve to know what'll happen going forward with the administration of his remaining bonds. Especially when the only written document, expectation, is that the bond becomes the child's property at 16.

Perhaps there's been literature sent out historically that does assist with this. But Mr D is unconvinced that has been the case.

#### **Why I'm not asking Scottish Friendly to take any action**

On balance, I don't think the business has done something wrong. I think it has attempted to explain its processes for the bonds when I have asked it for information, but it has fallen short of providing full clarity.

I can't make the business change what it does going forward. But I do think it could add value by explaining what its processes are as Mr D wants to know. It certainly doesn't have to rebrand its existing products to act as gifts or surprises, to alleviate the potential for any disappointment going forward, experienced by its customers – but it may contemplate Mr D's complaint with the spirit it was intended.

The investigator didn't uphold Mr D's complaint stating Scottish Friendly had provided inaccurate information and raised a number of points in response:-

- Scottish Friendly said that he was "at one point the payer" when he had been the only payer of the policy,
- They say they wrote to the child at the age of 18, which he says was incorrect and that they'd provided no evidence of this,
- They didn't tell him they would be writing to his niece,
- They attempted to stop him from complaining to this service,
- This had caused him unfair inconvenience.

Scottish Friendly responded to the investigator with nothing further to add.

### **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 agree with the investigator's outcome and his reasons for it and have nothing material to add. I haven't seen anything which states Scottish Friendly would inform Mr D prior to contacting his niece or any evidence that they acted in a way that is not in line with the terms and conditions of the policy.

I appreciate Mr D feels Scottish Friendly tried to prevent him from complaining to this service, but they are entitled to question a consumer's eligibility to complain as part of this process. It is for this service to decide whether we can or cannot consider a complaint, as we have done here. Ultimately, I have found no evidence that Scottish Friendly have done anything wrong.

### **My final decision**

For the reasons given above, I do uphold this complaint against Scottish Friendly Assurance Society Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 April 2026.

Naima Abdul-Rasool  
**Ombudsman**