

## The complaint

Mr D is unhappy due to Scottish Widows Limited (SW) making the decision not to transfer his pension funds to his overseas bank account as he'd requested. In addition, he'd asked SW to allocate and pay approximately £700 from his pension fund to clear an overdraft debt with Lloyds Bank which is part of Lloyds Bank Group (LBG), as is SW.

## What happened

A large amount of information has been provided to us. I've just summarised what's central to Mr D's complaint about SW.

Mr D has a pension policy with SW. Mr D used to live in the UK but, in the circumstances he's explained, he moved abroad.

In 2025 Mr D contacted SW to request that the value of his pension plan be transferred to his overseas bank account. That didn't happen and Mr D complained to SW.

In its final response letter dated 7 January 2026, SW explained that it was unable to transfer the value of Mr D's pension plan to his overseas bank account. About transferring his pension fund away from SW and to complete an overseas pension transfer, SW must hold a verified current address for the policyholder and receive the standard overseas transfer requirements (as had been requested). Those checks were necessary to meet regulatory, scheme and anti-fraud obligations. As SW hadn't received the required address verification and documents, it was unable to proceed with the transfer.

SW acknowledged that Mr D had explained his circumstances and why he didn't want to provide his address. But SW reiterated that it was unable to proceed further until the requirements requested had been met.

Mr D disagreed with what SW had said and contacted this service.

One of our investigators looked into what had happened. He emailed his thoughts to Mr D on 5 February 2026 explaining why he didn't think SW needed to take any further action. The investigator's main points were:

- SW had to abide by UK pension legislation and regulations, industry guidance and best practice, HMRC's requirements and the rules of the pension scheme.
- Pension funds can normally be accessed from age 55 (increasing to age 57 from 6 April 2028). So the investigator agreed with SW that the pension funds couldn't be encashed and transferred to Mr D's overseas bank account.
- SW had confirmed Mr D could transfer his pension to another scheme which would most likely be an overseas scheme, a Qualifying Recognised Overseas Pension Scheme (QROPS). SW had said they'd provided the relevant overseas transfer forms but those hadn't been returned and were needed for the transfer to be considered.
- The Pensions Regulator (TPR) sets out the information required for the transfer to go ahead. When dealing with transfer requests to a QROPS, firms must request

evidence from the member to either establish an overseas residency or an employment link, depending on the type of scheme being transferred to. Checking residency for overseas transfers only applies where the transfer is being made to a QROPS.

- From what the investigator had seen, SW had only refused the transfer of funds to Mr D's overseas bank account and not to a receiving scheme as they haven't been provided with the transfer documents to start the process. Therefore, it's not clear the type of scheme the funds will go to or whether Mr D had another pension scheme in place.
- Although not part of the initial complaint raised, SW had found they'd failed to remove Mr D's UK address from their system and mail was sent out. SW had confirmed they'd since removed Mr D's address from the database to ensure there were no further data breaches. SW had offered £200 compensation for their error. The investigator said was fair as there wasn't any evidence that the data breach had a wider impact.

Mr D responded to the investigator's view but Mr D still felt unable to give SW the details it had requested. However, he put forward a suggestion to resolve matters: He'd accept the £200 offered by SW for data breaches with LBG to keep his pension fund (about £3,800) in its entirety and write off the £710 owed in relation to the overdraft facility. That would enable Mr D to cut all direct ties with LBG.

The investigator passed on Mr D's proposal to SW. The investigator told Mr D that had been done and asked if, SW declined the proposal, whether Mr D wanted his complaint to go to the final decision stage. Mr D confirmed that his overarching objective, for the reasons he cited, was to cut all ties with a number of individuals, businesses, organisations or institutions, including LBG. He confirmed that he did want a final decision.

SW responded to confirm that they were unable to consider Mr D's request. SW said he'd need to pay off the debt directly and SW was unable to write off his pension. The only option was a QROPS transfer to another pension plan but without a home address for Mr D that couldn't be completed.

Mr D was disappointed. He queried whether the data breach had been reported within 72 hours. The investigator said that SW had confirmed that the breach had been recorded and reported appropriately but hadn't said if that had been within 72 hours. The investigator maintained that the £200 offered was fair and in line with our approach. If Mr D still had concerns he might wish to speak to the Information Commissioners Office (ICO). The investigator said that Mr D's complaint would be reviewed by an ombudsman and invited any further comments.

In response, Mr D referred, amongst other things, to businesses' responsibilities in connection with personal data breaches. Mr D suggested that the data breaches warranted LBG being fined.

As agreement couldn't be reached the complaint was referred to me to decide.

### **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.

Mr D has shared a very considerable amount of information with this service about his personal and family circumstances and his dealings with various organisations and agencies. I'm very sorry to learn about all that's happened and what Mr D has been through.

However, I'm only considering his complaint about SW. So I'm just going to concentrate on what I see as directly relevant to that complaint.

I do understand Mr D's wish to cut ties with LBG and which includes moving his pension away from SW. But my views are the same as the investigator's. For the reasons he gave – which I've summarised above – I don't think SW needs to take any further action. I don't have much to add to what the investigator has said.

Pensions are a heavily regulated area and SW, as Mr D's pension provider, has to comply strictly with the legislation, regulations and rules that are in place. As the investigator has explained, the normal minimum age for accessing a pension is currently 55, rising to 57 in April 2028 (Mr D will reach age 57 in 2033). Earlier access is generally only permitted for serious ill health. It seems Mr D wants to use his pension fund to pay off a debt arising from an old overdraft facility. But the reason why someone might want to access their pension fund early isn't relevant. The normal minimum pension age is a strict requirement which is set by legislation and it isn't open to SW to allow Mr D to access his pension fund early.

As I've noted above, Mr D made a proposal to SW to try to resolve things and which would allow him to meet his objective of severing all ties with LBG. I do understand why Mr D made the suggestion he did. But, equally, I can understand why SW wasn't able to agree.

It seems that the only way forward would be for Mr D to deal with the debt separately and transfer his pension away from SW. As he's living abroad, the main route would appear to be to a QROPS, which can be expensive and complex. Although, even if he was transferring to a UK pension scheme, certain information would still be required from him, including details of the receiving scheme. He's explained why he feels unable to provide the details that SW requires, including his current address. So there's a stalemate and, without the information that's been requested, SW isn't able to transfer Mr D's pension fund. But, as I can't say that SW should proceed without the details requested, I don't see any immediate way round.

I'd hope that Mr D is at some stage able to achieve the result he wants – to pay off the overdraft related debt and get the value of his pension fund transferred – so he can sever his ties with LBG. But, as things currently stand, it's difficult to see how that's going to be achieved any time soon. If all else fails, and Mr D's pension remains with SW, things can be reviewed when he reaches age 57, although I appreciate that's some way off and Mr D is unlikely to regard that as acceptable. I'm sorry I can't offer any alternative solution.

There's also the data breach which came to light. I know Mr D remains concerned about that and, in particular, whether SW complied with its obligations in recording and reporting the data breach. As Mr D has pointed out, a personal data breach must be reported to the ICO within 72 hours of becoming aware of it, if it poses a risk to individuals' rights and freedoms. SW hasn't said if it did report the breach within that time frame, although I'm unsure if the breach met the threshold for reporting to the ICO. But, if Mr D wants to pursue the matter further, I think those are questions for the ICO. Although we can usually consider complaints about data breaches, the ICO regulates compliance with data protection laws in the UK so it's best placed to consider the breach.

The ICO's powers include fining businesses. However, the ICO can't award compensation to consumers who've suffered a financial loss or been caused distress and inconvenience by the way in which a business has handled their personal information. Whereas we can.

However, I haven't seen anything to suggest that the data breach caused any financial loss for Mr D – his pension fund continues to be securely held by SW. But finding out that information had been sent to an out of date address would've been worrying for Mr D. So an

award for distress and inconvenience is warranted. SW proactively offered £200 which the investigator said was fair and reasonable. In the absence of anything to suggest the data breach actually caused any issues for Mr D or had wider implications, I agree that £200 is in line with what we'd award. I'm unsure if it's been paid to Mr D or not – if it hasn't, I'll leave it up to Mr D to contact SW direct to say if he wants to accept it.

### **My final decision**

I'm not upholding the complaint and I'm not making any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 30 April 2026.

Lesley Stead  
**Ombudsman**