

The complaint

Mr W has complained about the way Phoenix Life Limited, trading as Standard Life, handled his application for an Active Money Personal Pension (AMPP). There are three key elements to Mr W's complaint as follows:

1. Standard Life required him to verify his identity, which he found to be unnecessary and unfair because he was already an existing customer.
2. Standard Life incorrectly applied a £1 (net) pension contribution to his Standard Life stakeholder pension when it should have been applied to the AMPP.
3. Standard Life sent him emails to an e-mail address ending in '.com' rather than '.co.uk', which delayed his AMPP application, caused him inconvenience and impacted his retirement planning.

What happened

The investigator who considered this matter set out the background to the complaint in his assessment of the case. I'm broadly setting out the same background below, with some amendments for the purposes of this decision.

In April 2025, Mr W was thinking about his retirement options and wanted to undertake some retirement planning so that he could potentially make use of the 'small pot' pension rules as he phased into his retirement years. He viewed using the 'small pot' rules as the most tax efficient way of accumulating and decumulating funds from pensions without triggering the Money Purchase Annual Allowance (MPAA), which was important to him as he had an active final salary scheme with his employer.

As Mr W also had an active stakeholder pension with Standard Life, he called it on 10 April 2025 to discuss his options and spoke with several agents. The outcome of the calls was for him to apply to open an Active Money Personal Pension (AMPP), with the intention of initially making a £1 (net) contribution and then monthly contributions to be decided later. Standard Life told him that it would take 10–15 days for the AMPP to be set up, subject to relevant identity checks with reference agencies.

Standard Life provided him with its bank details for him to make the initial £1 (net) contribution and told him to use his national insurance number as a reference for the contribution while his AMPP was being set up. On 14 April 2025, Mr W instructed his bank to send Standard Life £1.

On 16 April 2025, Standard Life emailed Mr W to explain that he needed to send it additional information to continue his AMPP application, as it was unable to electronically verify his identity. However, this email was never received by Mr W as Standard Life mistakenly entered his email as ending in '.com' rather '.co.uk'.

On 25 April 2025, as Mr W hadn't heard anything from Standard Life regarding the AMPP application he contacted it to confirm receipt of the £1 (net) contribution. Standard Life

informed him that the monies hadn't been applied as it was waiting for him to send it relevant documents to verify his identity and that it had applied his £1 (net) payment incorrectly to his stakeholder pension.

Unhappy with having to provide identity verification documents, as he were an existing Standard Life customer, Mr W raised a formal complaint. On this call, Standard Life said it would also email Mr W the identity requirements again.

On 30 April 2025, Standard Life issued a final response letter to Mr W's complaint. Briefly, Standard Life said that to comply with money laundering regulations and protect him from potential fraud it did nothing wrong in asking him to verify his identity. Therefore, Standard Life didn't uphold the complaint.

On 9 May 2025, Mr W had a call with Standard Life to discuss his complaint. Standard Life acknowledged that it had made errors in dealing with him and changed the outcome of his complaint. Standard Life concluded that it made errors in emailing identity requirements to the wrong email address on two occasions (16 and again on 25 April 2025) and that it incorrectly applied the £1 (net) contribution to his stakeholder plan. Therefore, Standard Life offered to reverse the £1 contribution from his stakeholder plan as a refund or apply it to the AMPP once the identity verification checks were completed. However, Mr W decided to keep the contribution in the stakeholder plan. Further, Standard Life paid Mr W £100 to compensate him for any distress and inconvenience caused.

Standard Life emailed Mr W later that day to reiterate its document requirements for verifying his identity and explained that this information could be uploaded to Standard Life's online portal or sent in via the post. Standard Life also confirmed its email errors of April, that Mr W didn't want the £1 (net) contribution reversed and that he'd be receiving £100 in compensation.

On 28 May 2025, Mr W supplied Standard Life with copies of a bank statement and his driving licence via its online service.

On 29 May 2025, Standard Life confirmed receipt of those documents and informed Mr W that the documents had been sent to the relevant department for review.

On 4 June 2025, Standard Life emailed Mr W to explain the document he'd supplied didn't meet its requirements for the relevant identity checks. However, due to human error this wasn't sent to his email address, so was never received by him.

As Mr W hadn't heard anything further from Standard Life in response to the documents, he contacted it for an update.

On 11 June 2025, Standard Life emailed Mr W to explain that the identity documents he'd supplied were unable to be used as the driving licence address didn't match his current address, and he didn't send in all the pages of the bank statement. It also acknowledged that it failed to send this information on 4 June 2025 when it could have, which was due to an email error.

On 12 June 2025, Standard Life emailed Mr W to acknowledge and apologise for its further failings. Standard Life reopened Mr W's complaint and paid him an additional £200 in compensation for the further distress and inconvenience caused.

On 25 June 2025, having not heard from Mr W, Standard Life emailed him to say that if it didn't hear from him by 23 July 2025 then it would assume that he no longer wanted to

continue with his AMPP application. Mr W responded to say that he was still considering his options and was yet to make a decision.

On 30 July 2025, Mr W emailed Standard Life to reiterate his complaint issues and dissatisfaction with the service he'd received. He asked it to reconsider its findings and make him a further offer to resolve his complaint.

On 12 August 2025, Standard Life responded to Mr W's email. It said that, having reviewed the complaint events again, it was satisfied that its apology and the compensation totalling £300 paid was appropriate in the circumstances. Standard Life said that, if Mr W remained unhappy he could refer the complaint to our service.

On 12 September 2025, unhappy with the outcome of his complaint, Mr W referred his complaint to our service for consideration.

Having considered the matter, our investigator thought that Standard Life had done enough to resolve the complaint, saying the following in summary:

- With regard to the identity verification requirements, as Mr W was an existing customer of over 20 years with Standard Life, it was appreciated that he may have found it an unnecessary administrative burden and unfair to have to undertake identity verification checks to open the AMPP. However, regulated financial firms like Standard Life were subject to "Know Your Client (KYC)" requirements and Anti-Money-Laundering (AML) regulations.
- To this end, when customers established new financial products or carried out activities on existing plans (such as withdrawals), firms were entitled to carry out necessary and proportionate checks. And identity checks were something our service would expect to see firms undertaking as a part of meeting their regulatory obligations. The checks were also in place to protect consumers and firms from potential fraud. In the circumstances of Mr W's complaint, Standard Life's request for identification documents was reasonable given that it couldn't electronically verify Mr W with third party agencies and that Mr W had had an address change in recent years.
- Further, on Mr W's application call with Standard Life on 10 April 2025, Mr W was clearly informed that he'd be subject to identity checks with reference agencies and that it may need further information from him if the checks were unsuccessful. So, Standard Life didn't inappropriately set Mr W's expectations that his AMPP application would be guaranteed to proceed without any further action from Mr W following his first call with it.
- Ultimately, Standard Life's request was fair and reasonable and Mr W wasn't misled into believing that he wouldn't have to provide identity documents on his first call or at a later point in the application process.
- In terms of the misapplication of Mr W's £1 (net) pension contribution to his stakeholder pension, it was clear from the AMPP application call that Mr W's intention for the £1 (net) contribution was to be for the new AMPP and not his stakeholder plan. The potential of the £1 (net) being accidentally applied to his stakeholder plan was something he discussed with the agent who carried out his application call and he was given reassurance that notes would be left so that this didn't happen. So, it was understandable that Mr W was upset and frustrated that the money was applied incorrectly.

- It was good to see that Standard Life acknowledged its error in that respect and offered to remedy this by refunding Mr W the contribution or to apply it to the AMPP once opened. However, considering the amount and for administrative ease, Mr W decided to keep the £1 in his stakeholder plan. On that basis, Mr W hadn't suffered a financial loss in respect of this error.
- However, it was clear that this error caused Mr W distress and inconvenience, and made him lose confidence in Standard Life's ability to administer his pensions. Therefore, it was fair to say some compensation for non-financial loss would be warranted in the circumstances.
- With regard to the matter of emails being sent to an incorrect email address, again it was clear that Standard Life made errors here on three occasions by sending key information that Mr W needed to progress his AMPP application to an incorrect email address on 16 and 25 April 2025, and then on 4 June 2025.
- The initial email caused Mr W unnecessary uncertainty as to why he hadn't heard anything about his AMPP application, which in turn inconvenienced him by having to chase Standard Life, which he shouldn't have needed to do.
- It would have been further frustrating to have the same issue happen again when Mr W had to chase the application progress in mid-June 2025, so Mr W's frustration with Standard Life and his further loss of confidence in it was understood.
- But whilst not receiving emails delayed Mr W's AMPP application, he ultimately decided not to proceed with the application and made provisions with another pension provider - so it couldn't be concluded that he'd suffered a financial loss.
- However, it was clear that he was inconvenienced by having to chase Standard Life and evident that the process was frustrating. Therefore, it was fair to say that he should be compensated for the non-financial loss he'd experienced, namely the inconvenience of having to chase Standard Life for information he should have had earlier, had it not been for its email errors.
- Mr W hadn't been caused a financial loss by Standard Life's errors, but it was clear that there'd been repeated small errors requiring reasonable effort on Mr W's part to resolve, which he shouldn't have had to do. Ultimately, Standard Life's errors caused Mr W some distress, inconvenience, disappointment and loss of expectation, causing Mr W to make several calls and sending a number of chaser emails to it.
- Therefore, as noted above, it was only fair that Standard Life compensate Mr W for this non-financial loss. However, the £300 it had already paid Mr W was fair, reasonable and proportionate to the impact to the business errors Standard Life had made.

Mr W disagreed, however, saying the following in summary:

- Standard Life hadn't dealt with his complaint in a suitable manner and wasn't transparent and honest in its dealings with him.
- Due to the time which had elapsed since he first raised his concerns, some communication had gone awry, however he was looking for any pieces which may

further support his position and which, if suitable, he would forward for the investigator's reconsideration.

- The obstacles which had been created by Standard Life by providing a substandard service had caused him to not take out any further plan with it, and he was so angry with its handling of his complaint that he hadn't increased his contributions to the original stakeholder plan. He simply didn't trust it sufficiently to do so.
- There was no doubt that he'd been treated with some contempt during his dealings with Standard Life and this had also caused a lot of stress leading to loss of sleep and a stress related physical condition. This wouldn't have happened had he not had to endure the poor service from Standard Life.
- He was simply looking for recognition from both Standard life and this service that things had gone awry and, taking into account his stresses and losses, a modest payment in addition to the sum already received.

In a further discussion with the investigator, Mr W indicated that he'd be prepared to accept a further £200 from Standard Life to resolve the matter, but Standard Life maintained that the amount of £300 already paid was appropriate.

As agreement couldn't be reached on the matter, the investigator informed both parties that the matter would be referred to an ombudsman for review.

In response, Mr W added the following:

- His main reason for complaining was that, had Standard Life provided more accurate assistance with regard to his initial enquiry, he would have taken on the additional pension contract (AMPP) and had a far more complete pension fund to enable a small pot withdrawal in the near future.
- But due to Standard Life's errors and deliberately misleading statements, this hadn't happened.
- He was at least £900 down in value to where he would have been had the new pension been initiated, and the fact that Standard Life indirectly deprived him of that new pension was unacceptable. This was on the basis of his notional contributions, plus tax relief and growth.
- The fact that he was asking for £200 in compensation represented his tolerant nature of this situation in a bid to resolve the matter.
- The fact that this experience had also impacted his health, causing stress, should be recognised. He'd tried to make provision for his financial future, but Standard Life on this occasion had impeded that process.
- The fact that it didn't want to admit to its major failings summed up his poor experience.

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.

And having done so, I've reached broadly the same conclusions as the investigator, and for similar reasons.

I don't think it's disputed here that Standard Life made errors which have impacted Mr W, and impeded what he was trying to achieve by way of establishing the AMPP. But to firstly address Mr W's comments that he's been financially disadvantaged by Standard Life's errors, whilst there may have been a delay in establishing the AMPP, it was nevertheless then open to Mr W to decide whether to proceed with this. I also acknowledge what Mr W has said about being put off establishing the further policy by what had happened here, but it would also of course have been open to Mr W to establish a similar policy with another provider if he'd lost faith in Standard Life.

Further, the actual delay after Mr W paid £1 to establish the AMPP and him being informed that identity checks would be required was between 14 April 2025 (the date that the requirement was emailed to the wrong address) and 25 April 2025, when Mr W was informed verbally of the requirements. Mr W was unhappy with the identity requirements, which for the same reasons set out above by the investigator I consider to have been reasonable in the circumstances, and although the identity requirements were again emailed to the wrong address, Mr W had raised a complaint about this. And so I don't think it's more likely than not that he would in any case have swiftly submitted the requested documents.

It also seems to be the case that much of the delay thereafter was due to the time it took for the documents to be submitted to Standard Life, and in the correct format. The initial 11 day delay caused by the incorrect email address wouldn't therefore seem to have been significant in delaying what might otherwise have been a swiftly completed process. The raising of the complaint instead of submitting the identity documents was of course up to Mr W, but on the basis of what actually happened here I think it would be difficult to reasonably conclude that the 11 day initial delay caused by the incorrect email address would by itself have caused Mr W to lose out on fund growth on a contribution and the associated tax relief.

So overall I don't think it would be fair reasonable to hold Standard Life responsible for Mr W losing out on any fund growth and tax relief which he might have received had he made his pension contributions as planned.

But Mr W has undoubtedly been caused distress by this matter, and the errors made by Standard Life weren't restricted to one area – there was both the matter of the wrong email address and then the £1 initial contribution not being added to the correct policy. And Mr W has clearly also been distressed by what he considered to have been the poor handling of his complaint.

Complaint handling isn't a regulated activity and so wouldn't by itself be something which this service could consider, but we can consider the overall customer service which has been provided.

And in thinking about what's happened here, and the type of award which would be appropriate, I ought to have regard for the guidance contained on our website. That guidance says that if an error has caused the consumer more than the levels of frustration and annoyance that might reasonably be expected from day-to-day life, and the impact has been more than just minimal, then an apology wouldn't be enough to remedy the mistakes which had been made.

It adds that an award between £100 and £300 might be fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These might typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation.

And thinking about what's happened, I think this is broadly reflective of the situation here. There are have been several errors, which Mr W has needed to expend a reasonable amount of effort to resolve, and he's been caused not only distress and inconvenience (including the physical knock on), but also the loss of expectation – if not an actual financial loss for the reasons given above - in not having the AMPP established in a timely manner.

But as set out above, I don't think the requirement for the identity verification documents, which seems to have resulted in much of the delays and discussions around this, was unreasonable.

And so, overall, my view is that an amount at the top end of this band - £300 – is appropriate here. And as Standard Life has already paid this to Mr W, it wouldn't need to do anything further to resolve this matter.

My final decision

My final decision is that I don't uphold the complaint.

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

Philip Miller
Ombudsman