

## **complaint**

Mr W complains that he was mis-advised by Scottish Widows Plc to take a tax free lump sum and an annuity.

## **background**

In October 2006, Mr W contacted Scottish Widows to request a retirement pack. It sent him the pack in November 2006, providing annuity quotations and the retirement options available to him. Mr W spoke with Scottish Widows. He took out an annuity and a tax free lump sum.

Mr W complained to Scottish Widows in November 2014 about the advice he received. He was concerned about not being able to take his entire fund as a lump sum, which he said he would've been able to following a change in the law.

Scottish Widows rejected his complaint. It said

- Mr W had asked it for retirement quotes and options, which it had provided;
- when selecting the option he wanted to go with, he told it he had received independent financial advice; and
- it sent him the key features document which told him the annuity had no cash-in value at a later date.

One of our adjudicators investigated the complaint. She did not uphold it because she said:

- Mr W had requested a retirement pack;
- He signed the application form telling Scottish Widows he wanted to take a '*Tax free cash and reduced pension*';
- Scottish Widows had sent him information about his other options;
- The key features document Scottish Widows sent him said that the annuity could not be cancelled and had no cash-in value; and
- The change in legislation from April 2015 isn't retrospective and so doesn't apply to Mr W's annuity.

Mr W disagreed with the adjudicator and so his complaint has been passed to me.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I agree with the conclusion reached by the adjudicator, and for broadly the same reasons.

Looking at the paperwork sent to Mr W at the time I don't think that Scottish Widows advised him to take out an annuity and a tax free lump sum. I can't see that he was given advice about which option to choose. In the application form he completed, telling Scottish Widows he wanted to take a tax free lump sum and a reduced pension, he ticked the box to say he had received independent financial advice. So, Scottish Widows wasn't providing advice about the suitability of the annuity.

Scottish Widows did have to provide Mr W with information about his retirement options that was clear, fair and not misleading. I think that the paperwork Mr W was sent did this. It clearly set out his options. He was also sent a key features document which told him that

once he took out his annuity it couldn't be cancelled. Mr W circled the annuity option he wanted to take and signed and dated that page and returned it to Scottish Widows.

In April 2015 there was a change in the law relating to annuities. But this doesn't apply retrospectively, so it doesn't apply in Mr W's case. So, he can't cancel his annuity and take a lump sum.

**my final decision**

I do not uphold Mr W's complaint against Scottish Widows Plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 27 August 2015.

Kim Parsons  
**ombudsman**