

Ombudsman's Determination

Applicant	Mrs N
Scheme	Eagle Star Staff Pension Scheme, now Zurich Financial Services UK Pension Scheme (the Scheme)
Respondents	Zurich Financial Services UK Pension Trustee Limited (the Trustee)

Outcome

1. I do not uphold Mrs N's complaint and no further action is required by the Trustee.

Complaint summary

2. Mrs N complained that she had not been addressed correctly in correspondence from the Scheme. Mrs N was concerned that this would allow another person to falsely claim her benefits, particularly in the event of her death. Mrs N has also complained that she received correspondence from 'ZPen' but it was not clear if this related to the Scheme.

Background information, including submissions from the parties

3. Mrs N was employed by Eagle Star in August 1981 and became a member of the Scheme. The Scheme comprises of a number of tiers as a result of acquisitions by Zurich Group, including Eagle Star. In recent years, the Scheme has been generally branded as 'ZPen' which is an umbrella term that includes various tiers.
4. Mrs N left the Scheme in January 1998 and is now in receipt of her correct retirement benefits.
5. In February 2019, Mrs N complained to the Scheme administrator about a delay in receiving her retirement benefits. She was also concerned that someone else could claim her pension benefits using her name.
6. On 1 April 2019, the Scheme administrator wrote to Mrs N to confirm some changes to her retirement benefits. The letter was addressed using initials and surname only. There was also an erroneous hyphen in Mrs N's surname.

7. On 5 July 2019, Mrs N complained to the Scheme administrator. She said that by using only her initials, and wrongly including a hyphen rather than an apostrophe in her surname, someone else could sign using her name. Mrs N was concerned that payments would be made “fraudulently” to her ex-husband’s new partner. Mrs N also complained that her staff number had been written incorrectly, with two zeros added to the beginning.
8. On 10 July 2019, the Scheme administrator responded as follows: -
 - It apologised for using a hyphen when addressing Mrs N. It confirmed that it had updated its records accordingly.
 - Mrs N’s pension benefits were being paid correctly and no one else was able to claim payment.
 - Mrs N’s staff number had been changed to include two zeros at the front, but this did not change her entitlement. The computer system in use required staff numbers to be in an eight-digit format. The two zeros were added in line with this system requirement, but her account remained the same in all other aspects.
9. On 4 October 2019, the Trustee responded to Mrs N’s complaint as follows:-
 - It apologised for the delay in providing a response, and for any distress caused by communications not being issued using a name and staff number that Mrs N has expressly asked for.
 - All further communications would be issued in the manner requested.
10. On 13 October 2019, Mrs N responded to the Trustee and said:-
 - She was uncertain of the Trustee’s connection to the Scheme as she had not seen the Trustee’s name on any previous correspondence. She also asked for clarification of the Scheme’s relationship to ‘ZPen’.
 - Mrs N was “suspicious” about the Scheme and was concerned that her ex-husband’s partner could access her retirement benefits.
 - Mrs N asked for her full name and original staff number containing no zeros to be used at all times.
11. On 27 March 2020, the Trustee provided its final response. It said:-
 - The Scheme had been branded as ‘ZPen’ for a number of years. The Scheme is made up of a number of tiers following acquisitions over the years by Zurich Group.
 - Once retirement benefits were put into payment, the payroll system generated automated letters. This was due to the volume of members within the Scheme. Mrs N’s full name and original staff number was not used for this reason.

- It had arranged for all letters to be manually amended to include Mrs N's full name and old staff number. However, some documents might refer to the new staff number as this could not be easily amended on the payroll system.
 - It has a "robust system in place to ensure that payments cannot be made to anyone else". On Mrs N's death, the Trustee would consider whether or not any further benefits were due under the Scheme rules. This only allowed for payment of retirement benefits where there was somebody who could prove financial dependency on the deceased. As there would appear to be no financial dependency between Mrs N and her ex-husbands new partner, there would be no benefit payable to her.
 - It confirmed that there is only one record held for Mrs N.
12. Mrs N doubted the Trustee's involvement with the Scheme and was "not convinced" by the Trustee response. Mrs N remains concerned that due to the "errors" contained in correspondence issued to her that someone else would be able to make a claim on her retirement benefits on her behalf.

Adjudicator's Opinion

13. Mrs N's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustee. The Adjudicator's findings are summarised below:-
- The Scheme administrator has apologised to Mrs N for its initial error in spelling her name incorrectly in its letter of 1 April 2019, and has confirmed that its records have been updated to reflect the correct spelling.
 - The Trustee has adequately explained why the Scheme is referred to as 'ZPen'.
 - The Trustee has confirmed that it will manually amend all future correspondence in accordance with Mrs N's preferences.
 - The Trustee has confirmed that it holds one account in relation to Mrs N's retirement benefits, which is not accessible by any third party, specifically her ex-husband's partner.
 - The Adjudicator's view was that the Trustee had provided a full and reasonable response and its actions did not amount to maladministration. Mrs N is in receipt of her correct benefits from the Scheme and it was confirmed that she would be addressed in full and, where possible, using her old staff number in the future.
14. Mrs N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mrs N provided further comments which do not change the outcome. I agree with the Adjudicator's Opinion and note the additional points raised by Mrs N.

15. Mrs N has said: -

- She does not accept that the use of two noughts at the front of her staff number is a system requirement.
- She believes that the Scheme administrator has created two identities for her and that this will allow her ex-husbands new partner to “steal” her identity.

Ombudsman’s decision

16. Mrs N has complained that she has not been addressed correctly in correspondence from the Scheme and that this error would allow another person, namely her ex-husbands new partner, to falsely claim her benefits.
17. The role of this office is to determine if there has been any maladministration and, if so, to place the applicant in the position they would have been in had such maladministration not occurred. Mrs N is in receipt of her correct benefits from the Scheme and it has been confirmed that in the future she will be addressed in full and, where possible, using her old staff number. Further, there is no evidence that the Scheme administrator has created two identities in relation to Mrs N’s benefits in the Plan. I do not consider that there has been any maladministration on the part of the Scheme administrator or the Trustee in these circumstances.
18. I do not uphold Mrs N’s complaint.

Anthony Arter

Pensions Ombudsman

9 December 2020