

Ombudsman's Determination

Applicant	Mr R
Scheme	Honeywell Retirement Plan (the Plan)
Respondents	Willis Towers Watson (WTW)

Outcome

1. I do not uphold Mr R's complaint and no further action is required by WTW.

Complaint summary

2. Mr R complained that WTW provided him with incorrect quotations on 17 December 2020 and 1 April 2021. He says that these quotations led him to believe that the value of his Plan benefits was approximately £246,000. He claims that as a result of this misinformation, he has incurred a financial loss.

Background information, including submissions from the parties

3. On 1 December 1995, Mr R joined the Plan.
4. The Plan is a defined contribution pension arrangement of which Mr R was a contributing member. The Plan is administered by WTW, and its trustee is Honeywell Pension Trustees Limited (**the Trustee**).
5. On 19 June 2020, Mr R left the Plan.
6. On 10 July 2020, WTW provided Mr R with a quotation which showed that the total value of his Plan benefits was £216,183 (**the July 2020 Quotation**). This quotation also showed that Mr R's contributions, not including Additional Voluntary Contributions (**AVCs**), were valued at £13,137 and his employer's contributions were valued at £82,128.
7. The July 2020 Quotation included a proviso entitled "Important notes" which stated the following:

"As some or all of your contributions are paid under PensionSave the notional value of these Additional Voluntary Contributions, paid on your behalf by Honeywell are included within the "Your employer's contribution Section"."

8. On 14 September 2020, WTW provided Mr R with a cash equivalent transfer value (**CETV**) quotation which showed that the total value of his Plan benefits was £221,561 (**the September 2020 Quotation**). Transfer discharge forms were included with the quotation. Mr R needed to complete these transfer discharge forms in order to confirm his request to transfer out of the Plan.
9. On 17 December 2020, Mr R generated a quotation (**the First December 2020 Quotation**) using the Plan's online retirement planner (**the Planner**). This quotation showed that Mr R's Personal Account Fund was valued at £230,621, the AVC Fund was valued at £16,162, and the total value of his Plan benefits was £246,783.
10. On 18 December 2020, Mr R emailed WTW querying whether the values shown in the First December 2020 Quotation for the AVC Fund, and the Personal Account Fund would be added together, to calculate the total value of the benefits he held in the Plan. Mr R also said that he was contemplating requesting to transfer out of the Plan in 2021 and asked to know when he would be informed of the final disinvestment amount.
11. On 29 December 2020, WTW responded to Mr R's enquiry by providing him with an up-to-date quotation, which showed that the total value of his Plan benefits was £229,860 (**the Second December 2020 Quotation**). This quotation also showed that Mr R's contributions (not including AVCs) were valued at £13,137, and his employer's contributions were valued at £84,187. WTW also confirmed that once Mr R's benefits had been disinvested from the Plan, he would receive the final figures in relation to the amount to be transferred.
12. The Second December 2020 Quotation included the same proviso as the one provided in the July 2020 Quotation.
13. On the same date, Mr R emailed WTW claiming that the Second December 2020 Quotation did not include the value of his AVC funds.
14. On 6 January 2021, WTW responded to Mr R, clarifying that his AVC funds were included in the Second December 2020 Quotation. It explained that his AVCs formed part of the overall benefits he held in the Plan and would not be treated any differently to his other benefits at the time of disinvestment.
15. On the same date, Mr R emailed WTW reiterating that the Second December 2020 Quotation did not include the value of his AVCs and asked if this would be added later on.
16. On 13 January 2021, WTW responded to Mr R confirming that his AVC funds were included in the Second December 2020 Quotation and stated that nothing would be added on top of the Plan benefits shown in that quotation.
17. On 1 April 2021, Mr R generated a quotation through the Planner (**the First April 2021 Quotation**). This quotation showed that Mr R's Personal Account Fund was

valued at £229,715, his AVC Fund was valued at £16,162, and therefore the total value of his Plan benefits was £245,877.

18. On the same date, Mr R emailed WTW querying whether his AVC fund was separate from his Personal Account Fund.
19. Mr R did not hear back from WTW, so he chased for a response on 18 and 23 April 2021.
20. On 24 April 2021, WTW emailed Mr R, apologising for the delay in providing him with a response. WTW confirmed again that his AVC fund formed part of the overall benefits he held in the Plan.
21. On 30 April 2021, WTW provided Mr R with a CETV quotation which showed that the total value of his Plan benefits was £234,361 (**the Second April 2021 Quotation**). The quotation enclosed the relevant transfer discharge forms.
22. In early May 2021, Mr R telephoned WTW on several occasions and asked why the value of his AVC fund was not included in the Second April 2021 Quotation.
23. On 14 May 2021, WTW responded to Mr R by email and confirmed that his AVC funds were included in the Second April 2021 Quotation.
24. On the same date, Mr R emailed WTW saying that he disagreed with its response and insisted that the Second April 2021 Quotation did not include his AVC. Mr R also telephoned WTW a few days later, on 17 May 2021, to reiterate this point. WTW confirmed over the telephone that the value of his AVC was included in the Second April 2021 Quotation.
25. On 25 May 2021, Mr R raised a formal complaint with WTW as he was unhappy with the level of service he had received. Specifically, he complained that the Second December 2020 Quotation and the Second April 2021 Quotation did not include the value of his AVC.
26. On 15 June 2021, WTW responded to Mr R's complaint. It said that:-
 - When Mr R generated the First December 2020 Quotation, there was a configuration error in the Planner. Due to this error, Mr R's AVC fund, valued at £16,162, was incorrectly added twice to his Pension Account Fund.
 - The Second December 2020 Quotation was correct and included the value of Mr R's AVC fund.
 - The Second December 2020 Quotation showed that Mr R's contributions, excluding AVCs, totalled £13,137 and his employer's contributions totalled £84,187. The notes appended to this quotation confirmed that as some or all of Mr R's contributions were paid under the Plan's previous salary sacrifice arrangement, the value of his AVCs was included within the employer's contributions.

27. On 18 June 2021, Mr R formally complained under the Plan's Internal Dispute Resolution Procedure (**IDRP**). He complained about the discrepancy between the figures provided in the First December 2020 Quotation and the Second December 2020 Quotation. He also complained about the discrepancy between the figures provided in the First April 2021 Quotation and the Second April 2021 Quotation. Mr R claimed that the First December 2020 Quotation and the First April 2021 Quotation led him to believe that the total value of his Plan benefits was approximately £246,000.
28. On 28 June 2021, WTW received Mr R's completed transfer application forms in which he requested the transfer of his benefits from the Plan to a Self-invested Personal Pension (**SIPP**) with Hargreaves Lansdown (**HL**).
29. On 5 July 2021, Mr R telephoned WTW for an update on the progress of his transfer to HL. The call handler informed him that his application forms were being reviewed by the relevant department.
30. On 12 July 2021, Mr R telephoned WTW again requesting an update on his transfer. The call handler informed him that his funds were in the process of being disinvested from the Plan. The call handler also informed Mr R of the current value of his Plan benefits, and Mr R subsequently confirmed that he was happy to proceed with the transfer.
31. On 19 July 2021, Mr R telephoned WTW requesting another update on the progress of his transfer. The call handler informed him that the disinvestment of his funds began on 13 July 2021, and that it could take up to 10 working days for the transfer to HL to be completed. Mr R asked if there was any way to speed up the transfer process as he had no income. The call handler reassured Mr R that his transfer would be completed soon.
32. On 20 July 2021, the transfer of Mr R's Plan benefits to HL was successfully completed.
33. On 22 July 2021, Mr R telephoned WTW for an update on his transfer and was informed by the call handler that the transfer had been completed two days earlier and that confirmation letters had been issued to him.
34. On 2 August 2021, the Trustee issued its response to Mr R's complaint under stage one of the IDRP. It said that:-
 - The configuration error in the Planner was troubling and it apologised for the confusion it had caused Mr R. It recognised that due to this error, Mr R's Plan entitlement was overstated in the First December 2020 Quotation and the First April 2021 Quotation by £16,162 or 7%.
 - In its view, Mr R would have relied first and foremost on the four quotations WTW had provided directly to him between 2020 and 2021, rather than the two quotations he had received through the Planner.

- As Mr R was not entitled to the figures shown in the First December 2020 Quotation and the First April 2021 Quotation, there was no basis upon which it could honour those quotations. However, considering the circumstances, it was able to offer £500 to Mr R for the distress and inconvenience he had suffered.
35. Mr R was dissatisfied with the Trustee's response and requested that his complaint be reviewed under stage two of the IDRPs.
36. On 21 October 2021, the Trustee responded under stage two of the IDRPs and upheld the conclusions set out under stage one. It said that:-
- Between 2020 and 2021, Mr R received four quotations from WTW which showed the correct value of his Plan benefits. During this period, Mr R was also informed on several occasions that these quotations included the value of his AVCs. Despite this, Mr R remained dissatisfied and was insistent that the incorrect higher figures shown in the First December 2020 Quotation and the First April 2021 Quotation were accurate.
 - Although it acknowledged that the provision of the incorrect quotations would have inconvenienced Mr R, it did not accept that he was misled by these quotations or that he had incurred a financial loss.
 - While it was satisfied with the £500 compensation offered to Mr R under stage one of the IDRPs, it was willing to increase the amount to £1,000, in order to bring the matter to a close.
37. On 6 August 2021 Mr R lodged his complaint with The Pensions Ombudsman.
38. Mr R's position:-
- WTW specialises in capital management, so he expected that it would provide him with correct and accurate information. Consequently, when he received the First December 2020 Quotation and the First April 2021 Quotation, he assumed that the figures provided in these quotations were correct.
 - WTW caused a delay when transferring his benefits from the Plan to HL which resulted in him seeking a balance transfer from his credit card to manage his cashflow.
 - He has incurred a financial loss.
39. WTW's position:-
- The Plan is a defined contribution arrangement and all quotations provided under this arrangement are on a non-guaranteed basis.
 - Under Trust Law, the Trustee is only permitted to pay the benefits to which a member is entitled under the Plan. The provision of misinformation itself does not give rise to an automatic entitlement to the erroneously quoted benefits. In Mr R's

case, his Plan entitlement was overstated by £16,162 in the First December 2020 Quotation and in the First April 2021 Quotation. The Trustee was unable to honour the Plan benefit value of £246,000 as Mr R was not entitled to it.

- In order to have access to the Planner, all Plan members were required to read the terms and conditions. If, following this, a member used the Planner, they would have essentially confirmed that they had read and accepted the terms and conditions which constituted a legally binding agreement. These terms included caveats such as: the online quotations that were generated through the Planner were not error-free; there was no warranty or guarantee that the information displayed was accurate; that it should not be relied upon to make financial decisions; and it should not be used in place of professional advice.
- After a thorough review of Mr R's file, it did not believe that it had contributed towards any unnecessary delay to the transfer. It was willing to proceed with any transfer request following receipt of the completed transfer application forms in line with its stringent procedures. Mr R's completed forms were not received until 28 June 2021, even though transfer applications forms were provided to Mr R on 16 September 2020 and again on 20 April 2021. Following the receipt of Mr R's completed transfer application forms, they had to be reviewed for completeness. The funds then had to be disinvested which can take up to 15 working days. Mr R's transfer was completed on 20 July 2021, which WTW did not regard as an excessive delay.
- There was no actual financial loss suffered by Mr R, only a loss of expectation based on the First December 2020 Quotation and the First April 2021 Quotation. The Trustee had offered £1,000 in recognition of the distress and inconvenience Mr R had experienced which, in WTW's view, was sufficient compensation considering Mr R's circumstances.

Adjudicator's Opinion

40. Mr R's complaint was considered by one of our Adjudicators who concluded that no further action was required by WTW. The Adjudicator's findings are summarised in paragraphs 41 to 51 below.
41. WTW acknowledged that the First December 2020 Quotation and the First April 2021 Quotation was incorrect and erroneously showed that Mr R's Plan benefits were valued at approximately £246,000. It explained that when Mr R generated the quotations in question, there was a configuration error in the Planner. This error caused Mr R's AVC fund to be counted twice in the Personal Account Fund, which resulted in the value of his Plan benefits being overstated by £16,162.
42. In Mr R's case the provision of incorrect quotations constituted maladministration. As maladministration had occurred, the normal course of action would have been, as far as possible, to put Mr R back into the position he would have been in had the error not occurred. This did not mean that Mr R was entitled to the higher values shown in

the First December 2020 Quotation and the First April 2021 Quotation. Mr R was only entitled to receive correctly calculated benefits that accurately reflected the value of the benefits he had built up in the Plan.

43. When incorrect information has been provided to a pension scheme member, the individual has a right to claim for negligent misstatement. In order for this claim to be successful, the member needed to demonstrate that it was reasonable for them to have relied on the misinformation and, if so, that they took subsequent actions based on the incorrect information resulting in financial detriment.
44. When considering whether it was reasonable for Mr R to have based his financial decisions on the First December 2020 Quotation and the First April 2021 Quotation, it was important to consider the other information he received regarding his Plan entitlement. Mr R received four quotations from WTW between 2020 and 2021, which showed the correct value of his Plan benefits. All four of these quotations showed relatively consistent figures that were aligned with each other. However, the First December 2020 Quotation and the April 2021 Quotation differed from these previous calculations markedly.
45. Specifically, the September 2020 Quotation valued Mr R's Plan benefits at £221,561, while the First December 2020 Quotation showed a high figure of £246,783. Given that this equated to an increase of approximately 11%, over a three-month period, the Adjudicator expected Mr R to have queried the sudden increase before making any financial decisions. However, there was no evidence of Mr R raising such an enquiry. The Adjudicator did note that Mr R contacted WTW between December 2020 and January 2021, these enquiries mostly pertained to how his Plan benefits would be calculated and his AVCs.
46. Additionally, while the First December 2020 Quotation valued Mr R's Plan benefits at £246,783, the Second December 2020 Quotation showed a lower figure of £229,860. In the Adjudicator's view, it was unreasonable for Mr R to have assumed that the higher value shown in the first quotation was correct solely due to the inclusion of his AVCs. This was because the notes accompanying the second quotation confirmed that Mr R's AVCs were also included in that quotation albeit, in the employer's contributions section.
47. Similarly, the First April 2021 Quotation valued Mr R's Plan benefits at £245,000, In the Adjudicator's view, Mr R should not have reasonably relied upon the higher value shown in the first quotation under the assumption that it was correct due to the inclusion of his AVCs. This was because WTW had confirmed to him on several occasions, in April 2021 and May 2021, that his AVC were included in the second quotation.
48. In the Adjudicator's opinion, it was unreasonable for Mr R to have relied solely on the First December 2020 Quotation and the First April 2021 Quotation without first questioning the discrepancy between these two quotations and the four other quotations he had received from WTW. She noted that although Mr R made

numerous enquiries to WTW between December 2020 and May 2021, his questions lacked clarity, and he never directly addressed the inconsistency between the quotations. This lack of specificity made it difficult for WTW to effectively address his concerns. If Mr R had explicitly mentioned that the two quotations, he generated through the Planner showed inconsistent and higher figures compared to the four quotations he received from WTW, WTW would have been better positioned to provide satisfactory answers.

49. The Adjudicator noted that there was no evidence that Mr R took subsequent action as a direct result of the First December 2020 Quotation and the First April 2021 Quotation, so it was difficult to conclude that he suffered any financial detriment. It followed that negligent misstatement could not be established in Mr R's case and therefore financial loss did not need to be considered.
50. Mr R contended that WTW caused a delay when transferring his benefits from the Plan to HL. However, the available information indicated that his transfer application forms were received by WTW on 28 June 2021 and his transfer was successfully completed on 20 July 2021. Considering that, the standard processing time in the pension industry for transfers is approximately 12 weeks, the Adjudicator was satisfied that WTW did not cause any undue delay when carrying out Mr R's transfer.
51. The Adjudicator concluded that, the level of service provided by WTW fell below the expected standard as it provided incorrect quotations to Mr R which overstated the value of his Plan benefits. The provision of the incorrect quotations constituted maladministration and would have undoubtedly caused Mr R distress and inconvenience. However, she noted that the Trustee had offered Mr R £1000 as a goodwill gesture which in her view, was reasonable compensation given his circumstances. Taking this into account, the Adjudicator was of the opinion that Mr R's complaint should not be upheld.
52. Mr R did not accept the Adjudicator's Opinion and the complaint was passed to me to consider.
53. Mr R provided some additional comments which are summarised below:
 - He is entitled to additional compensation for the stress he has experienced and the work he has had to carry out as someone who is not a pensions expert to correct the incorrect information provided by a global company like WTW.
54. I note the additional points raised by Mr R, but they do not change the outcome. I agree with the Adjudicator's Opinion.

Ombudsman's decision

55. Mr R has not provided any new submissions in response to the Adjudicator's Opinion. In the absence of any alternative evidence to consider, I can see no reason to reach a different outcome from that in the Adjudicator's Opinion.

56. I have considered Mr R's comments that he should receive additional compensation for the time and effort he has spent in dealing with his complaint and the distress and inconvenience he has experienced due to receiving incorrect quotations on 17 December 2020 and 1 April 2021.
57. Mr R came to realise that the First December 2020 Quotation and the First April 2021 Quotation was incorrect on 15 June 2021 even though he could have independently identified this beforehand. Mr R had previously received four quotations from WTW which allowed him to ascertain the correct position of his Plan benefits, so he could have reasonably realised that the values presented in the First December 2020 Quotation and the First April 2021 Quotation were inaccurate. Mr R formally complained to WTW on 25 May 2021, WTW investigated the matter, apologised and provided an explanation shortly after on 15 June 2021. Taking all of this into account, whilst I am sympathetic to the fact that dealing with this matter would have caused Mr R some frustration, the £1000 offered by WTW is more than sufficient considering all the circumstances. I do not find that an additional payment for non-financial injustice is warranted in this case. If Mr R wishes to claim the £1,000 he should contact WTW direct.
58. I do not uphold Mr R's complaint.

Anthony Arter CBE

Deputy Pensions Ombudsman

20 March 2024