

Ombudsman's Determination

Applicant	Mr S
Scheme	Royal London Annuity (the Scheme)
Respondent	Royal London

Outcome

1. I do not uphold Mr S' complaint and no further action is required by Royal London.

Complaint summary

2. Mr S has complained that Royal London delayed the process when providing him with annuity quotations. This resulted in a delay in annuity payments starting after his retirement.

Background information, including submissions from the parties

3. The sequence of events is not in dispute, so I have only set out the salient points.
4. On 28 August 2020, Mr S' Independent Financial Adviser (**the IFA**) requested full details of his policy from Royal London.
5. On 2 September 2020, Royal London started the process of sending the requested information to the IFA.
6. On 29 September 2020, the IFA requested an update as there had been no response from Royal London.
7. On 30 September 2020, the policy information and transfer pack were received by the IFA.
8. On 6 October 2020, the IFA requested revised annuity quotations based on the choices Mr S had made.
9. On 14 October 2020, Royal London sent an email explaining that contact should be made with its Annuity Bureau (**the Bureau**) to process the additional quotations. The IFA replied to this email and asked why there had been a delay in providing this information and pointed out that no contact details had been provided for the Bureau.

10. On 27 October 2020, the IFA telephoned the Bureau. The IFA was told that Royal London's process was for a triage appointment to be held to discuss annuity options, it would then take up to 14 working days to produce annuity quotations. During this conversation a triage appointment was booked.
11. On 10 November 2020, the triage appointment was held with Royal London. In this appointment the process was set out – the Bureau search the market to see if the Guaranteed Annuity Rate (**GAR**) can be improved. If no provider can beat or match the GAR, Royal London will find a provider who matches the annuity price and make up the difference in any costs of purchasing this annuity. The Bureau gave a 20-working day turnaround to issue a quotation.
12. On 11 December 2020, the IFA telephoned the Bureau as the requested quotations had not been received. The Bureau said the quotations had been completed and would be issued by the end of the day.
13. On 15 December 2020, the IFA telephoned the Bureau again as it had not received the quotations as promised. It found out during this conversation that the quotations had been worked out incorrectly, as they did not include the 10-year guarantee that had been requested by Mr S.
14. On 18 December 2020, a new timescale of 10 to 15 working days was provided. The IFA raised a formal complaint with Royal London.
15. On 13 January 2021, the IFA provided further information regarding the details of the complaint. The quotations had still not been received.
16. On 14 January 2021, Mr S sent the IFA a copy of the quotations he had received from the Bureau dated 12 January 2021. Unfortunately, these quotations were incorrect as they included a tax-free cash element, that Mr S had not requested. Mr S then contacted the Bureau directly to set up his annuity. Following this, a final appointment was booked for 26 January 2021.
17. On 10 February 2021, Royal London issued a response to Mr S' complaint. It said:-
 - Royal London no longer offered its own annuities but provided the Annuity Bureau service. The Bureau asks the relevant questions and then provides quotations from a panel of annuity providers.
 - This process involved an initial call with the member, or their adviser to establish their needs and check their eligibility for an enhanced annuity. Following on from this, annuity quotations would be issued and then a further call would be held before application forms were issued.
 - As a resolution to the complaint, Royal London offered Mr S £1,000 due to the delays that it admitted were unacceptable. Royal London accepted that the quotations following the initial triage appointment took longer than expected to be issued. The annuity still had not been set up at this stage. Royal London

confirmed that it was waiting on the Origo payment request from Just, Mr S' chosen annuity provider.

18. On 15 February 2021, the payment was authorised. Mr S received an initial interim annuity payment in March 2021, and the first full annuity payment on 1 April 2021.
19. The IFA has said that the delays resulted in four months' worth of annuity payments being missed and calculated this as a loss to Mr S of around £3,500.
20. On 21 May 2021, Royal London provided a further response. It said that the compensation offered already accounted for the initial delays in providing annuity quotations. Following this, it received the payment request from Just on 10 February 2021 and authorised the annuity payment on 15 February 2021.
21. Royal London also said that Mr S may have wanted his annuity to start from his birthday, however it never gave a guaranteed date for completion of the process. It also confirmed that no further issues were raised, and this was its final position on the matter.

Adjudicator's Opinion

22. Mr S' complaint was considered by one of our Adjudicators who concluded that no further action was required by Royal London. The Adjudicator's findings are summarised in paragraphs 23 to 29 below.
23. Royal London accepted that it delayed the process of the initial quotations being sent to Mr S.
24. The initial triage call with the Bureau was held on 10 November 2020. Royal London has said that the quotations should have been issued by 8 December 2020, at the latest. They were in fact issued on 12 January 2021, a delay of a further 22 working days.
25. Royal London admitted that this was not acceptable in the circumstances, hence its offer of £1,000 as compensation for the poor experience Mr S encountered.
26. The Adjudicator agreed that the delays in providing the annuity quotations were unreasonable, and that Royal London's actions amounted to maladministration in this instance.
27. Royal London uses the Bureau to process annuities for its members. This is the standard process it has had in place since it stopped offering annuities itself, and Mr S was required to complete this process before the annuity payments could commence.
28. The Adjudicator explained that all parties had agreed that there were delays in putting the annuity into payment. Although, Mr S felt that he had lost out on four months of annuity payments, or around £3,500, the Adjudicator concluded that he had not suffered a financial loss.

29. The Adjudicator said that the annuity has a 10-year guarantee, so Mr S would still benefit from 10 years of payments from when the annuity began. He has not been disadvantaged by £3,500 but will still receive the same amount over the guarantee period. The income that otherwise would have been used to pay the annuity over the four months, was still available to Mr S once the annuity payment commenced.
30. The Adjudicator concluded that the offer of compensation Royal London made was fair in the circumstances of the complaint.
31. Mr S did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr S has provided his further comments which do not change the outcome.
32. In summary, Mr S said that:-
 - It took 185 days from when the IFA first contacted Royal London on 28 August 2020, to when the first annuity payment was received from Just, on 1 March 2021.
 - Royal London not giving a guaranteed date for completion of the annuity process is not acceptable business practice. It should be able to put annuities in place one month after retirement age is reached.
 - The annuity provider may have benefitted from the delay in the annuity starting, as it could have invested those funds for the period of the delay.
 - He has not been told that the annuity payments have been increased to allow for the first four months of payments being delayed. If he does not live for the duration of the 10 years he will not benefit from the full period of guarantee.
 - If he does live for 10 years, the income missed at the start will not be made up as the annuity will cease upon his death. This is a potential financial disadvantage.
33. I note the additional points raised by Mr S, but I agree with the Adjudicator's Opinion.

Ombudsman's decision

34. I agree that there was some delay in Royal London putting Mr S' annuity into payment. It has agreed with this and made an award that it thought was appropriate in the circumstances of Mr S' complaint.
35. However, Mr S has argued that Royal London should be able to set up an annuity within a month of retirement. Indeed, it would appear that Mr S and the IFA were of the opinion that, having requested updated quotes on 6 October 2020, it should have been possible for the annuity to commence soon after 22 October 2020. I do not think this is feasible in all circumstances and is likely why Royal London do not promise that this is something it is able to do. It has its process, which has been set out above, and follows this when an annuity is requested. Indeed, it would have been sensible for Mr S to have checked the likely timeframes for that process some way in

advance of his retirement, so that he was aware of the process and could plan accordingly.

36. Royal London did not give a guaranteed date of when the annuity would be put into payment, and so I cannot say that it failed to meet a particular target or promise. Rather, Royal London has just not met the expectations of Mr S. That does not, in and of itself, amount to a legal cause of action.
37. Mr S has made further points about not surviving the 10-year guarantee period of his annuity, but I cannot investigate 'potential' complaints. He has also argued that he suffered the 'loss' of missed annuity payments. For the reasons set out above, I am not of the view that Royal London are responsible for that 'loss'. In any event, it is not clear that a loss has been suffered – as I have sought information from Royal London, which has confirmed that, reflecting the fact that the annuities came into payment at a later date than Mr S desired, the monthly payment is greater. For example, in respect of one policy, a start date of 18 February 2021 resulted in a starting gross payment of £7,353.00 per annum. Had that policy started earlier, on 18 January 2021, the annual sum would have been less, starting at £7,316.90 per annum.
38. The amount of £1,000 paid by Royal London is adequate redress for any distress and inconvenience, and is in line with what I would have awarded had no offer already been made to resolve the complaint.
39. Therefore, I do not uphold Mr S' complaint.

Dominic Harris

Pensions Ombudsman

7 August 2025