

Ombudsman's Determination

Applicant	Mr H
Scheme	GKN Group Pension Scheme (the Scheme)
Respondent	The Trustee of the GKN Group Pension Scheme (the Trustee)

Outcome

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

Complaint summary

2. Mr H has complained about the Trustee's decision in relation to the award of death benefits from the Scheme. The benefits were payable following the death of Mr H's father, Mr T, on 21 July 2020.

Background information, including submissions from the parties

3. I have only set out the main points in relation to the complaint. I acknowledge that there were other exchanges of information between the parties.
4. Mr H is Mr T's only child; Mr T was separated from Mr H's mother, Ms R. After separating from Ms R, Mr T entered into a long-term relationship with Ms Y.
5. Prior to his death, Mr T was an active member of the defined contribution (**DC**) section of the Scheme, which is an occupational pension scheme. Mr T also had other benefits in the Scheme that had been accrued on a defined benefit basis.
6. Following Mr T's death, the following benefits were payable:
 - a lump sum representing the value of Mr T's DC 'Individual Account', which amounted to £26,221.92;
 - a death in service lump sum benefit of £240,520.00; and
 - five years' worth of payments of the pension that would have been payable in respect of Mr T's defined benefits, amounting to £29,394.15.

7. The Trustee exercised its discretion in deciding to award both the DC individual account and death in service lump sum (collectively **the Death Benefits**) to Ms Y. The third of the three benefits set out above was paid to the personal representative of Mr T's estate. Mr H has complained about the decision for the award of the Death Benefits only.
8. The Trustee's discretionary powers in relation to the decision are set out in the Scheme's Deed and Rules, dated 14 September 2012, and a Deed of Amendment dated 30 June 2017 (**the 2017 Deed**). Relevant extracts from the 2017 Deed are quoted in the Appendix.
9. The salient points regarding the two parties' positions, as set out prior to the issue of the Adjudicator's Opinion, are detailed below.

Summary of Mr H's position

10. Mr T and Ms Y lived separately, some distance apart. They did not meet that frequently and they had separate finances.
11. Although Ms Y and Mr T did continue to communicate, their relationship had ended prior to Mr T's death. Ms Y did not attend the funeral and she did not have any involvement in the arrangements.
12. He spent considerable time caring for Mr T in the last years of Mr T's life. He had to give up a full-time job in order to do this.
13. Prior to his death, Mr T had considered updating his death benefit nomination, but his expectation was that he was going to be made redundant by the Scheme's employer. This is why Mr T had not updated the nomination he made in 2014.
14. As part of the decision, the Trustee appears to have considered information obtained from Mr T's family and his line manager at his former employer.
15. He was ostracised from the family due to his ethnicity; his mother, Ms R, is of non-white ethnicity. Information obtained from Mr T's family members was likely to be biased.
16. Any statement the Trustee obtained from Mr T's brother should be discarded. This is because Mr T's brother was employed by the same company as Mr T, and he has a close relationship with Mr T's line manager and other employees. His statements could have influenced the Trustee. Shortly before his death, Mr T had asked his brother to make no further contact.
17. Mr T had been off work on a long-term basis, so any information provided by his line manager may not have been up to date. Further, Mr T did not have a positive relationship with his manager, due to a disciplinary matter for which Mr T had to involve his workplace union.

18. The law clearly states that when there is no Will or marriage, a deceased person's estate will fall to the next of kin. It is not clear why this was not followed for the award of the Death Benefits.
19. Mr T did not make a Will because his intention was that he (Mr H) would inherit the estate, which was what happened under the rules of intestacy, meaning a Will was not necessary. The fact that he was the beneficiary of Mr T's estate should not have had any bearing on the Trustee's decision.

Summary of the Trustee's position

20. It acknowledged that this was a challenging case. It carried out investigations in accordance with its usual processes to gather information on the potential beneficiaries, in order to inform its decision regarding payment of the Death Benefits.
21. It noted that Mr T did not leave a Will, he was not married at the time of his death, and he lived separately from Ms Y. There was no element of financial dependency or interdependency within Mr T and Ms Y's relationship.
22. Mr T had completed an expression of wish form, dated 13 September 2014 (**the 2014 EOW Form**), which nominated Ms Y to receive 100% of his lump sum death in service benefits. There was a previous form, dated 20 February 2009, which again nominated Ms Y. There was also a form dated 12 May 1998, for the predecessor of the Scheme, which nominated Mr H and Ms R to each receive a 50% share of any benefits payable.
23. It identified Ms Y, Mr H, Ms R, and Mr T's siblings as potential beneficiaries of the Death Benefits. It sought information about Mr T's life from each of these parties, as well as from some of Mr T's former colleagues. It has provided the information it received to The Pensions Ombudsman (**TPO**), with a number of redactions for details it considers to be of a personal nature.
24. There were some contradictions in the information it received. However, it concluded that directly prior to Mr T's death, he and Ms Y had been in a relationship of around 20 years, which was ongoing.
25. The information provided by Mr T's three siblings and his ex-colleagues corroborated the information provided by Ms Y about the nature of the relationship. It did not believe it was necessary to discuss this particular point with Ms R. Ms R was no longer in a relationship with Mr T and there was no indication that she would have been able to provide any information about the relationship between Mr T and Ms Y.
26. It held two telephone calls to discuss the case before reaching its final decision. There are no notes available for either of these calls, nor any other notes or minutes of meetings from the time of its decision that record the process by which it reached the decision.

27. It took a number of factors into account in reaching its final decision. These factors included the following:-

- The 2014 EOW Form. It did not consider there was any evidence to support that Mr T intended to amend this nomination. Although there was no expression of wish form for the benefits associated with Mr T's DC individual account, it considered the 2014 EOW Form as a relevant factor, given that it was the most recent document expressing Mr T's wishes.
- There was evidence that Mr T made one-off payments to both Mr H and Ms R. There was also evidence that Mr T had paid for holidays with Ms Y. None of the potential beneficiaries it identified had demonstrated that they were financially dependent on Mr T directly prior to his death.
- While Mr T's relationship with Ms Y had been long-distance and on a financially independent basis, there was evidence from multiple parties to suggest that the relationship was ongoing at the date of death. This is contrary to what has been claimed by Mr H.
- Mr H and Ms R paid for Mr T's funeral.
- Mr H was the main beneficiary of Mr T's estate, so was to receive a benefit in relation to Mr T's death.

28. It followed an appropriate decision-making process, in accordance with the Scheme's Rules. It considered relevant factors, ignored irrelevant factors and reached its final decision in good faith. It does not consider the decision to be a perverse one.

Adjudicator's Opinion

29. Mr H'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 2017 Deed established that the Trustee had discretion to decide how the Death Benefits should be distributed, in this case awarding them in full to Ms Y.
- Where a decision-maker has discretion, it is not for either the Adjudicator or the Pensions Ombudsman (**the PO**) to say whether we would have arrived at the same outcome, given the circumstances of the case. Our remit is limited to consideration of whether the Trustee followed an appropriate process in reaching its decision.

- Previous Determinations of the PO have provided guidance, in line with the *Edge* principles, on the exercise of discretion by decision-makers for such decisions:
 - they must ask the right questions;
 - they need to direct themselves correctly in law;
 - they need to consider all relevant factors, ignoring any irrelevant ones; and
 - avoid making a perverse decision, that is a decision which no other reasonable decision-maker could arrive at, in view of the circumstances.
- A decision-maker must consider and weigh the relevant evidence, but the weight attached to any piece of evidence is for the decision-maker to determine. If they are found to have followed the *Edge* principles, neither the PO, nor the courts, may interfere with the decision¹.
- The Trustee does not hold any notes recorded at the time of its decision, which document the process by which it reached that decision. A full account has only been provided following referral of the complaint.
- While the Trustee had discretion over the award of the Death Benefits, it must be able to demonstrate adherence to the *Edge* principles. This would preferably have been achieved through reference to a contemporary record of the process undertaken, rather than representations to TPO after the events in question. However, the Trustee's failure to do this did not warrant an award to Mr H for distress and inconvenience.
- The account of the decision process since provided by the Trustee was such that it offered a reasonable explanation of how it considered the circumstances of the case. There was no reason to believe that this account differed from the process undertaken at the time of the decision. The evidence indicated that the Trustee did seek and review relevant information, and it did not rely on information that was not relevant to the decision.
- The Trustee made a reasonable attempt to establish whether Ms Y's relationship with Mr T was ongoing at the time of his death. There was insufficient evidence to conclude that the Trustee was wrong to have taken the position that the relationship was ongoing.
- Given that it asked the question of a number of other parties, the Trustee could also have asked Ms R about Ms Y's relationship with Mr T, but its failure to do so did not amount to maladministration.
- There was no evidence that any of the parties in question were financially dependent on Mr T.

¹ *Edge v The Pensions Ombudsman* [1999] 4 All ER 546

- The Trustee considered that the 2014 EOW Form, which nominated Ms Y, was the most relevant expression of Mr T's intention for payment of the Death Benefits. Mr H asserted that Mr T was going to change his nomination, but then refrained from doing so, because he expected to be made redundant. Given the lack of evidence to support this assertion, it was not reasonable to require that the Trustee take it into account.
- A decision-maker may give consideration to whether the deceased left a Will, and the distribution of their estate, but it is not bound by this. The discretionary nature of the decision means it is able to give as much, or as little, weight to this information as it decides.

30. Mr H did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr H submitted further comments which are summarised as follows:-

- The Trustee's failure to make a contemporary record of its decision process means it is impossible to verify that all relevant factors were properly considered, or whether irrelevant matters influenced the outcome.
- He has provided evidence that Mr T and Ms Y lived separately, had no financial interdependence, and met only occasionally. This can be supported by multiple witnesses. The Adjudicator's Opinion does not appear to reflect that evidence. Given that the nominations Mr T made were many years old, the Trustee's finding that the relationship remained active is questionable.
- The Trustee ignored the evidence that he had taken responsibility for the arrangement of Mr T's funeral. This was material fact that should have been considered, because it shows that Mr T relied on him for personal affairs and that the relationship with Ms Y had effectively ended. The omission of this evidence demonstrates a failure by the Trustee to take relevant information into account.
- The Trustee appears to have given weight to the fact that he received the third of the three death benefit payments, amounting to £29,394.15, listed in paragraph 6 above. That is not a relevant consideration when deciding the beneficiary of the Death Benefits, as they were separate entitlements.
- He gave up work in order to care full-time for Mr T. This shows genuine dependency which the Trustee did not appear to investigate. It should have been considered a relevant factor.

31. The Trustee did not submit any comments in response to the Adjudicator's Opinion, other than to say that it accepted the findings.

32. I have considered Mr H's comments, in conjunction with the previous submissions for the complaint, however I agree with the Adjudicator's Opinion.

Ombudsman's decision

33. Following the death of Mr T, in July 2020, death benefits were payable in respect of his membership of the DC section of the Scheme. The Trustee elected to pay these benefits as lump sums to Ms Y.
34. The 2017 Deed establishes that the Trustee has discretion over the payment of death benefits and specifically lump sum death benefits from the Scheme. There are no defined categories as to who qualifies as a potential beneficiary, meaning the Trustee has essentially a free reign in this regard, although it must avoid making a perverse decision. The 2017 Deed also sets out that the Trustee shall take account of any nomination made by a member, but it is not bound by such a nomination.
35. Mr H is concerned about the Trustee's failure to make a contemporary record of its decision process. He has asserted that this means it is impossible to verify that all relevant factors were properly considered, or whether irrelevant matters influenced the outcome.
36. I acknowledge Mr H's concern and, like the Adjudicator, consider that it would have been preferable for the Trustee to have made a more comprehensive record of its decision process at the time. However, in order for Mr H's complaint to be upheld, it is not sufficient that the Trustee failed to fully document its deliberations. The key question is whether the Trustee can show that it followed an appropriate process, in line with the Edge principles.
37. The Trustee has presented evidence to confirm that it gathered information from a number of parties and that it made further specific enquiries regarding Mr T's relationship with Ms Y. It held two telephone calls, where the case was discussed, before reaching its decision. It does not have notes for these calls, or any associated decision record dating from that time. It has since provided an explanation of the approach it took to the information it received. In my view I have no reason to doubt that the Trustee's more recent explanation does not accord with its deliberations at the time.
38. Mr H has questioned the Trustee's position on the status of Mr T's relationship with Ms Y at the point of Mr T's death. However, the fact that they lived separately, were financially independent, and, in Mr H's view, met only occasionally did not prohibit the Trustee from paying the Death Benefits to Ms Y in accordance with the relevant rule. The Trustee chose to place greater weight on other factors, including that Mr T's most recent nomination (via the 2014 EOW Form) had nominated Ms Y.
39. The Adjudicator acknowledged that the question of whether Mr T's relationship with Ms Y was ongoing at the point of Mr T's death was disputed. The Trustee held discussions with a number of parties where this was discussed. The Adjudicator concluded that the Trustee had taken appropriate steps to investigate the matter and reach a decision. I agree with this conclusion.

40. While Mr H has asserted that Mr T and Ms Y's relationship had ended, no evidence was submitted to support this assertion. I find that it was reasonable for the Trustee to have relied on the information it gathered and I do not find that the Trustee entirely disregarded evidence which may have led it to a different conclusion.
41. Mr H has highlighted information which he says the Trustee did not give sufficient weight in reaching its decision. This includes his responsibility for the arrangement of Mr T's funeral, his receipt of the death benefit payment amounting to £29,394.15, and that he gave up work to care for his father. The Trustee also concluded that Mr H was not financially dependent on Mr T; I do not find that it was incorrect on this point.
42. As was explained in the Adjudicator's Opinion, where a decision-maker has discretion, the weight attached to the information it receives is for it to determine. While I do not consider the points highlighted by Mr H to be entirely irrelevant to the Trustee's decision, it is not for me to direct the Trustee as to the weight it should place on information which is relevant. Ultimately, I do not find that the Trustee relied on irrelevant information, nor that its decision was perverse, meaning a decision that no other reasonable decision-maker could have reached.
43. I do not uphold Mr H's complaint.

Dominic Harris

Pensions Ombudsman
21 November 2025

Appendix – Extracts from the 2017 Deed

"SCHEDULE 8

DEFINED CONTRIBUTION SECTION RULES

1. DEFINITIONS...

"Active DC 2017 Member" means a Member who is admitted to membership of this Section of the Scheme on 1 July 2017 immediately following the cessation of CARE Pensionable Service under either Schedule 1, 6, 7A or 7B who has not

- (a) subsequently left Service;
- (b) opted-out of Active DC Membership under Rule 3.5, Rule 3.6 or Rule 3.7;
- (c) commenced receipt of pension benefits under Rule 7; or
- (d) died...

...9. DEATH BENEFITS

9.1 Assets to be applied

On the death of a DC Member (except an Active DC 2017 Member), the Trustees may in their absolute discretion apply all or such part as they decide of the following assets (the "Relevant Assets") to provide death benefits in respect of the DC Member:-

9.1.1 his Individual Account; and

9.1.2 in the case of a DC Only Member who dies in Active DC Membership, a cash sum equal to eight times the DC Only Member's DC Pensionable Earnings, or such other amount as the Principal Company notifies in writing to the Trustees in relation to any individual or category of DC Only Members, provided that any such cash sum may (at the discretion of the Principal Company) be limited to the amount of any proceeds received in respect of him from an insurance policy purchased in accordance with Rule 11.4.

9.2 On the death of an Active DC 2017 Member or a DC Member who has been an Active DC 2017 Member and has not transferred his entitlement under the DC Section under Rule 7.3 the Trustees will apply the following assets (the "Relevant Assets") to provide death benefits in respect of the DC Member:-

9.2.1 his Individual Account; and

9.2.2 in the case of an Active DC 2017 Member who dies in Active DC Membership, subject to Rule 9.2.3, a cash sum equal to eight times the Active DC 2017 Member's DC Pensionable Earnings, if applicable, or such other amount as the Principal Company notifies in writing to the Trustees in relation to any individual or category of Active DC 2017 Members, provided that any such cash sum may (at the discretion of the Principal Company) be limited to the amount of any proceeds received in respect of him from an insurance policy purchased in accordance with Rule 11.4;

9.2.3 for the purpose of calculating the lump sum under Rule 9.2.2, if the Active DC 2017 Member dies after Normal Retiring Date and a lump sum is payable under either Schedule 1, 6, 7A or 7B (except Rule 11(E)(1) of Schedule 7B Part 2) then this lump sum will be taken into account so that the benefit payable under Rule 9.2.2 and whichever other schedule is applicable to the Active DC 2017 Member will together be equal to eight times the Active DC 2017 Member's DC Pensionable Earnings, or such other amount as the Principal Company notifies in writing to the Trustees in relation to any individual or category of Active DC 2017 Members (including all Active DC 2017 Members) plus the contributions paid by or in respect of the Member (and interest if referred to in the applicable schedule rules).

9.3 Benefits to be provided

The Trustees may apply the Relevant Assets to provide the following benefits in respect of the deceased DC Member:-

9.3.1 a lump sum or lump sums payable in accordance with Rule 11.3; and/or

9.3.2 a pension or pensions to any one or more of his Dependants. Unless the Trustees otherwise decide in any particular case, they shall secure any pension under an Appropriate Policy in accordance with Rule 11.1...

...11.3 Payment of lump sums on death

11.3.1 Any lump sum payable on the death of a DC Member which is expressed to be payable under Rule 11.3 may be paid or applied by the Trustees to or for the benefit of such one or more persons in such amounts, at such times and generally in such manner as the Trustees in their discretion think fit. The Trustees may pay the lump sum in whole or in part to the personal representatives of the DC Member or to trustees to hold upon such trusts and subject to such powers and provisions as the Trustees may direct. In exercising their discretion under this Rule the Trustees shall take account of, but shall not be bound by, any wishes of the DC Member expressed in a statement of wishes form received by the Trustees before the death of the DC Member and not revoked by the DC Member. The Trustees may recover from the lump sum in whole or in part any legal costs incurred by them in exercising their power under this Rule 11.3.1.

11.3.2 The Trustees may apply any part of the lump sum in paying, reimbursing or offsetting the cost of any funeral expenses paid or incurred by any person in respect of a deceased DC Member.”