

Ombudsman's Determination

Applicant	Mr H
Scheme	Airways Pension Scheme (the Scheme)
Respondent	British Airways Pensions Services Ltd (the Administrator)

Outcome

1. I do uphold in part Mr H's complaint, and no further action is required by the Administrator.

Complaint summary

2. Mr H has complained that the Administrator provided him with incorrect information regarding his retirement options. He says he relied on the incorrect information in making his decision to retire and as a result suffered financial loss. As compensation, Mr H is seeking the original incorrect option presented by the Administrator.

Background information, including submissions from the parties

3. The sequence of events is not in dispute, so I have only set out the main points. I acknowledge there were other exchanges of information between all the parties.
4. On 7 April 1977, Mr H became an active member of the Scheme upon reaching the qualifying age of entry.
5. On 4 March 2020, Mr H contacted the Administrator and requested a retirement quote.
6. On 27 March 2020, the Administrator provided Mr H with a retirement quotation, calculated with a retirement date of 1 May 2020. It correctly quoted an annual pension of £45,534.84 or a tax-free lump sum of £368,275 with a reduced annual pension of £42,914.28. It did not include details about any lifetime allowance (**LTA**) charges.
7. On 4 June 2020, Mr H's employer, British Airways Plc (**the Employer**), informed the Administrator of his intention to leave employment on 3 August 2020.

8. On 3 July 2020, the Administrator wrote to Mr H and provided him with a retirement pack, which included his retirement options (**the July 2020 statement**). It contained both fixed and indexed retirement options for his retirement date of 3 August 2020, inclusive of LTA charges. There were some commutation options which were achieved by a combination of Mr H's Additional Voluntary Contributions (**AVC**), which totalled £217,713.65, and commuting part of his annual pension. However, due to a calculation error, the annual pensions quoted in the commutation section failed to apply the reduction for the commutation and therefore was incorrectly calculated. As a result, the LTA charges illustrated were also overstated.
9. On 8 July 2020, Mr H signed and returned the relevant sections of the retirement pack with his chosen pension selection. He selected an indexed commutation option which illustrated his benefits to be an annual pension £44,773.66 per annum and a lump sum of £268,275.00, with a lifetime allowance charge of £30,318.15.
10. On 10 July 2020, the Administrator received Mr H's complete retirement forms setting out which benefit option he had selected.
11. On 3 August 2020, Mr H left his employment and began his retirement.
12. On 4 August 2020, the Administrator paid Mr H his tax-free lump sum of £268,275.00, with the annual pension to be paid from the end of September 2020 in monthly arrears.
13. On 16 September 2020, the Administrator wrote to Mr H and provided him his correctly recalculated annual sum of £42,900.00, which included the commutation reduction. This conflicted with his prior selected annual sum of £44,733.66, hence resulting in a shortfall of £1,872.69 per annum. Additionally, the letter indicated that Mr H had incurred an LTA charge of £17,791.35. The letter did not provide an explanation as to the recalculation, and it made no reference the retirement options provided in July 2020.
14. On 22 September 2020, Mr H emailed the Administrator to enquire about the difference between his selected retirement options and the revised amounts detailed in its letter of 16 September 2020.
15. On 23 September 2020, the Administrator wrote to Mr H and provided him with a revised, corrected calculation of his LTA charge and commutation options.
16. On 25 September 2020, Mr H wrote to the Administrator and submitted a complaint letter. He argued that:-
 - He made his decision to retire based on the incorrect information presented in the July 2020 statement. Had he received the correct information his decision to retire may have differed.
 - Additionally, the July 2020 statement included a statement declaring, 'my elections cannot be changed or cancelled after your retirement date'. Thereby upon his signature and return it became a legally binding document.

- As a result of the incorrect information, he retired and was left with no opportunity to mitigate the annual shortfall of £1,872.69.
 - As compensation he sought the original incorrect pension he selected in the July 2020 statement.
17. In September 2020, the Administrator commenced payment of Mr H's correct annual pension sum of £42,900.97 in monthly instalments.
18. On 14 October 2020, the Administrator's Complaint Handling Committee (**CHC**), wrote to Mr H. Under the Scheme's Early Dispute Resolution Procedure, the CHC investigated Mr H's complaint and acknowledged the mistakes made in the July 2020 statement. In summary:-
- It acknowledged the initial retirement quotation of 27 March 2020 set out his correctly calculated retirement benefits. Although details about LTA charges were not included, the initial quotation would have assisted his retirement planning prior to the incorrect information presented in the July 2020 statement.
 - It noted that Mr H had selected a commutation option, however the correct reduction was not applied to the annual sum. Hence, he was wrongly presented with the full pre-commutated pension of £44,733.66 with no reductions. This also resulted in his LTA charge being overstated.
 - As Mr H had excess benefits over the standard LTA, the Administrator's systems were unable to automatically calculate his benefits. Therefore, the calculations were done manually. Unfortunately, an error occurred when transferring the calculations onto the Administrator's systems which was identified as a training issue. The CHC assured Mr H that the training issue was actively addressed internally. Further, it confirmed that his correct LTA charge was £17,791.35 which had been reported to HMRC.
 - The Administrator failed to adhere to the correct process to resolve the mistake and did not communicate the mistake to Mr H. It apologised for the mistake and lack of communication.
 - The CHC were unable to pay Mr H the incorrect annual sum illustrated in the July 2020 statement. The Administrator could only pay Mr H his correct entitlement in accordance with the Scheme Rules. The Administrator had no discretion to alter his entitlement hence it was not legally bound to the statement provided. However, it noted that he was offered the opportunity to reverse his July 2020 retirement selection, which he rejected. Regardless, it enclosed revised retirement options allowing him to select a higher pension amount if desired.
 - It addressed the legal statement presented in the July 2020 statement. The Trustee was only able to pay benefits in accordance with each member's entitlement under the Scheme Rules.

- Mr H was offered £250 as compensation, the maximum compensatory award available.
19. On 25 October 2020, Mr H emailed the Administrator to escalate his complaint to Stage 1 of the Administrator's Internal Dispute Resolution Procedure (**IDRP**). In summary:
- He identified that there were multiple discrepancies and errors in the correctly calculated options as opposed to those provided in the July 2020 statement.
 - Expressed his dissatisfaction and disappointment with the serious error and gross negligence displayed by the Administrator that allowed the error to occur in the first instance.
 - The Administrator failed to enact the necessary checks and balances that ought to have been carried out.
 - The Administrator's staff had not received the necessary training for the task of calculating pension options.
20. On 13 November 2020, the Administrator notified HMRC of the mistake and notified it of Mr H's revised LTA charge of £17,791.35.
21. On 25 February 2021, the Administrator wrote to Mr H and provided its IDRP Stage 1 decision. It considered the points raised by Mr H in his letter on 25 September 2020 and his e-mail on 25 October 2020. It found that:
- It had made an error in calculating the commutation options presented in the July 2020 statement. In particular, the annual pension sum and LTA charges.
 - It reaffirmed the CHC's position that the Trustee could only pay Mr H his correctly calculated benefit entitlement in accordance with the Scheme Rules. The higher figure illustrated was not correctly calculated and hence not legally binding, it was also illegal not to inform HMRC of the correct LTA charge amount. The retirement figures provided in the July 2020 statement did not supersede the Scheme Rules. Therefore, when an error is identified it must be corrected. Further, the error was identified prior to payment. Thus, he was paid his correct benefits accordingly with the correct LTA charge reported to HMRC.
 - In order to put matters right, the Administrator had previously presented Mr H with the opportunity to reverse his July 2020 retirement selection and select an alternative option or higher pension. It noted that Mr H declined this offer.
 - Taking into consideration the facts of Mr H's case, it was unable to conclude that he had been significantly impacted overall or would have acted differently had he been presented with the correct information in the July 2020 statement.
 - It acknowledged that in its letter of 16 September 2020, it did not inform Mr H of the mistake. Rather he had to pursue it to inquire about the changes to his

pension presented in the letter. As such, the correct process was not followed as an explanation should have been provided along with the revised calculations.

- It confirmed that additional training was provided to improve the handling of complex manual calculations within the administration team and it had revised its processes to ensure this error did not occur again.
- It noted that Mr H was offered direct contact with a senior individual for future calculation enquiries relating to his pension benefits.
- The Administrator made a compensatory offer of £500 in recognition of the distress and inconvenience caused by the errors.

22. On 23 March 2021, Mr H wrote to the Administrator regarding the escalation of his complaint to IDRP Stage 2.

23. On 25 June 2021, the Administrator wrote to Mr H and provided its IDRP Stage 2 decision. The complaint was reviewed by the Administrator's Operations Committee Discretions Subgroup (**the Committee**). It upheld the IDRP Stage 1 decision and the offer of £500 compensation. It concluded:-

- That the figures provided in the July 2020 statement did not override the Scheme Rules. It merely set out the process for retirement and there was no suggestion in the accompanying wording that stated that the July 2020 statement was intended to override the Scheme Rules.
- The July 2020 statement was not a legally binding contract and was not drafted with the intention to create legal relations. Again, it was merely to enable members to select their retirement options under the Scheme. As stated in IDRP Stage 1 the Trustee could only pay benefits in accordance with the Scheme Rules, therefore he was not entitled to the incorrect higher annual pension. His correctly calculated entitlement under the Scheme Rules was an annual sum of £42,900.97 which he received upon his retirement.
- It concluded that Mr H had not displayed any evidence that he suffered financial loss that could not be mitigated. He was offered the option to reverse his pension selection and choose a higher annual sum, but he declined. Therefore, the incorrect information provided had not caused financial loss. Further, his correct LTA charge was reported to HMRC on 13 November 2020.
- The Administrator accepted that it failed to correctly calculate his retirement options with due care and accuracy, amounting to maladministration. It also acknowledged that upon identifying the mistake it failed to provide Mr H with an explanation. Appropriate training and procedures had been put into place to ensure pension calculations were correctly checked in future. The Committee noted that the mistake had been identified prior to payment, which demonstrated that there was a checking process in place. Therefore, while the Committee acknowledged maladministration had taken place, it did not amount to negligence.

24. Following the complaint being referred to The Pensions Ombudsman, Mr H and the Administrator made the following submissions.

Summary of Mr H's position

25. He relied on the information provided in the July 2020 statement when making his decision to retire and selected an annual sum of £44,773.66. The pack included a statement declaring, 'my elections cannot be changed or cancelled after your retirement date'. Therefore, upon signature and return of his pension selection, it became a legally binding agreement between himself and the Administrator.
26. As a result of the recalculated annual pension, he has suffered an annual shortfall of £1,872.69 for the duration of his lifetime. This had significant implications for his and his family's long term financial security. Further, he now owed an additional tax charge of £17,791.35 and, had no time to mitigate this loss. The mistake was communicated to him on 16 September 2020 after his retirement on 3 August 2020. Had the Administrator originally provided him with the amended figures of 16 September 2020, he may not have made the decision to retire.
27. As compensation he was seeking the reinstatement of the original annual sum presented in the July 2020 statement.

Summary of the Administrator's position

28. The Administrator has acknowledged and apologised for providing Mr H incorrect information in the July 2020 statement. The mistake resulted from a miscalculation of the post-commutation pension and LTA tax charge. It attributed the mistake to the complex nature of the calculations which needed to be calculated manually as well as the strain on services caused by the COVID-19 pandemic. The Administrator has strengthened staff training on complex calculations.
29. The earlier quotation on 27 March 2020 contained the correct calculations about Mr H's pension despite not showing the LTA charge. This earlier quotation was issued three months prior to the incorrect July 2020 statement, therefore it should have assisted Mr H in his retirement planning. Further, he ought to have noticed the significant increase between the March 2020 estimate illustrated retirement date of 1 May 2020, and his retirement date of 1 August 2020. As these two estimates/statements were just three months apart, he did not act reasonably in relying on the incorrect pension amount. As emphasised in the Deputy Pension Ombudsman's determination in (CAS-37581-L1V4), Mr H had grounds to "...suspect that there was something amiss and could have taken simple steps to ascertain the correct position but did not do so."
30. Mr H's pension entitlement is governed by the Scheme Rules, as such he is not entitled to the incorrect pension amount stated in the July 2020 statement which in any case did not override the Scheme Rules. Therefore, Mr H could not claim

financial loss or shortfall for an amount he was not entitled to. Additionally, he was offered the option to reverse his retirement selection on 14 October 2020, which he declined. This was two weeks after he received his first pension payment in September 2020.

31. Regarding the LTA charge, the £30,318.15 charge illustrated in the July 2020 statement was incorrect. He has not paid the incorrect LTA charge as HMRC has been notified of the correct £17,791.35 on 13 November 2020.
32. In conclusion, Mr H has not shown detrimental reliance and did not take actions to mitigate any perceived loss. The Administrator corrected the incorrect pension prior to payment. However, as compensation for distress and inconvenience it has offered Mr H £500.

Adjudicator's Opinion

33. Mr H's complaint was considered by one of our Adjudicators who concluded his complaint should be partly upheld and the Administrator should make the payment of £500 offered in its IDRP Stage 2 decision.
34. The Adjudicator's findings are summarised below:-
 - The basic principle for negligent misstatement (in the absence of any additional legal claim) is that a scheme is not bound to follow the incorrect information. A member is only entitled to receive the benefits provided under the scheme rules, that is, those based on the correct information accurately reflecting the scheme rules.
 - Redress will only be made available if it can be shown that financial loss or non-financial injustice has flowed from the incorrect information given. For example, the member may have taken a decision in the expectation of receiving the higher benefits which they would not otherwise have done, such as retiring early. The Ombudsman will consider whether it is more likely than not that a member relied on the incorrect information to their detriment and that it was reasonable for them to do so.
 - The Adjudicator found that Mr H had reasonably relied on the retirement options provided in the July 2020 statement. At the point which his July 2020 statement was provided it would have been expected to be carefully checked and actuarially calculated as a finalised option.
 - It was acknowledged that Mr H could have noticed and queried the inconsistency between the 27 March 2020 quote and the retirement options presented to him in the July 2020 statement. Especially as this was presented prior to his retirement on 3 August 2020 and the incorrect quotes on 3 July 2020. However, this did not absolve the Administrator of its responsibility to provide correct information. On

balance, Mr H was not expected to analyse and question the Administrator's calculations.

- However, the Adjudicator did not find that Mr H had suffered financial loss. Even though it was reasonable for him to rely on the incorrect July statement, he did not suffer financial detriment as a direct result of it. Mr H's pension option was achieved by commuting a combination of his AVC, and his annual pension. The annual pension he selected as presented in the July 2020 statement did not apply the relevant reduction for early payment and therefore was incorrectly calculated. The failure resulted in the £1,872.69 difference between the original and recalculated annual sum which was overstated as it had been incorporated into the lump sum he received on 4 August 2020. Further, he had received a reduction to the LTA charge from £30,318.15 to £17,791.35, which was the correct charge. Therefore, he had not actually suffered a financial loss rather a loss of expectation. The revised annual sum was correctly calculated in accordance with the Scheme Rules.
- It could not be said with certainty what Mr H would or would not have done had he been presented the correct information in July 2020. However, the Adjudicator agreed with the Administrator that it was likely that Mr H would have used the correct March 2020 estimate in his retirement planning rather than the later July 2020 statement. The Administrator also offered Mr H the option to amend his retirement option which he declined. As such, it would appear Mr H was committed to retiring when he did. So, on the balance of probabilities, had the July 2020 statement been correct, the Adjudicator felt Mr H would have taken benefits regardless as he had an opportunity to mitigate any perceived shortfall by selecting an option he deemed more appropriate, whether that be a higher annual sum or alternative pension selection. Moreover, the Administrator's mistake was discovered prior to payment, with the correct payment being made avoiding further issues.
- Mr H was liable for a far lower LTA charge than he was expecting.

35. Mr H did not accept the Adjudicator's Opinion, and the complaint was passed to me to consider. Mr H provided further comments.

36. In summary Mr H said:-

- The Administrator has acknowledged that the mistake resulted from a lack of training and calculation errors, it also acknowledged that it failed to adhere the correct resolution process. This demonstrated a lack of due diligence and negligence which in turn has a lifelong financial impact on him.
- The Administrator failed to inform him of the mistake prior to his retirement, and he received no communication of it. It was only after he inquired about the discrepancy that he was informed of the mistake. At the point of which Mr H was informed and offered to revise his retirement options, it was too late, and he was

already expecting his annual pension in arrears. Further, it was too late for him to mitigate the significant shortfall of £1,872.69 per annum or the additional tax charge of £17,791.35, which he believes will have continued to increase until it is addressed with HMRC.

- The March statement was misleading as it did not include the LTA charge. Additionally, prior to returning the July 2020 retirement selection he did attempt to enquire about the figures, in order to better understand and clarify them. However, he had difficulty doing so and when he managed to obtain an appointment with the Administrator's representative, they were not familiar with the Scheme.
- The figures quoted in the various statement were "overwhelming", and he was unsure what to enquire about. Despite discussing with other colleagues, he found it difficult to compare his pension benefits. Regardless, the Administrator should not be absolved of its responsibility, and it should be held accountable for its mistake.
- His decision to retire was based on medical grounds. He made the decision in reliance of the incorrect information provided by the Administrator. Further he was awaiting surgery and wanted to 'do the right thing for his family'.
- When Mr H was informed of the mistake, he had already purchased a property for his son and made associated renovations, which he was not able to reverse. He made the decision in reliance of the incorrect retirement quotation. This has further added to his financial loss. However, Mr H has made it clear that the property purchase and associated renovations are unrelated to the primary issue which concerns the Administrator's mistake and the annual pension shortfall.
- Having signed and returned the July 2020 retirement statement, he entered into a mutually binding agreement with the Administrator. The wording of the declaration clearly stated the elections, 'cannot be changed or cancelled after retirement date', and therefore it became a legally binding contract which should be honoured. Mr H did not accept the compensation of £500 offered at IDRPs Stage 2 as he believed a Court of law would recognise the agreement as legally binding.
- As a result of the Administrator's mistake, he believes he has suffered injustice, distress and anguish that has a continual impact not only on himself but also his family. As compensation, Mr H believes he should be awarded significant compensation to reflect the financial loss he has suffered as a direct result of the Administrator's mistake, and the incorrect July 2020 statement should be honoured.

35. In response to Mr H's comments, the Administrator has also provided further comments.

- The sudden increase of £1,799.38 per annum within just three months, (27 March 2020 and July 2020), was a significant enough amount for even a layperson to have raised doubt. Considering Mr H's comment of the difference not being

insignificant, he therefore knew or ought to have known that something was wrong with the July 2020 statement and contacted the administrator to check. However, in his further comments, Mr H now admits that prior to signing and returning the July 2020 retirement options, he did attempt to query the differences. Therefore, he had actual knowledge that there was an implausible discrepancy in the July 2020 statement that needed to be queried but regardless chose to rely on the incorrect figures.

- Mr H's recollection in his comments cannot be reconciled with the Administrator's records or his own account of events. In attempting to query the difference, Mr H would have struggled to get a face-to-face appointment. Especially considering the periods in question, between March 2020 and September 2020, where when the first COVID-19 lockdown was in effect. Further it strongly rejects that the BAPSL representative, a long-serving and senior member of the team, would not have been familiar with the Scheme. Additionally, following a meeting in March 2020, it had no record of any telephone calls from Mr H until September 2020, when he raised his complaint.
- The property purchase of Mr H's son, and the related renovations constitutes a change of position argument, which should not be investigated. He had ample opportunity to raise the argument over the last five years since his complaint started. At no point in between his IDRPs Stage 1 complaint in 2020, till the Adjudicator's Opinion in early 2025, has he raised this argument. He even signed the statement to confirm that all the information he submitted in its IDRPs was "*true, complete and accurate...*". Furthermore, the argument comes outside of the three-year limitation for bringing a complaint to the Ombudsman. Regardless, Mr H also acknowledges that the new argument is unrelated to the primary issue. If the Ombudsman considers the new argument, it would need to be fully investigated with Mr H providing relevant evidence. Hence, he will need to act openly, transparently and co-operatively in sharing comprehensive details to support his argument.
- It emphasised its disappointment that there were no new points raised by Mr H which challenged the basis of the Adjudicator's Opinion. The only ones presented were either misleading or out of time. Rather, Mr H has persistently prolonged the complaint despite three reasonable offers to settle.

Ombudsman's decision

37. Mr H has complained that the Administrator provided him with incorrect information regarding his retirement options. He says he relied on the incorrect information in making his decision to retire and as a result suffered financial loss. As compensation, Mr H is seeking the original incorrect option presented by the Administrator in addition to significant compensation.

38. As identified by the Adjudicator, Mr H has suffered a loss of expectation as opposed to an actual financial loss. It has been acknowledged and accepted that the Administrator provided him incorrect information in his July 2020 statement and failed to inform him of the mistake. However, this does not automatically entitle Mr H to the incorrect amount.
39. Mr H is only entitled to receive pension benefits under the Scheme calculated correctly and in accordance with the Scheme Rules. I find (and it is not disputed) that he is receiving his correct benefits. Mr H however argues that he relied on the incorrect information provided in his July 2020 statement in making his decision to retire and that had he had the correct figures in the July 2020 statement his decision to retire “may have been different”, that having retired he had no opportunity to make good the shortfall in his pension and that he incurred financial commitments in reliance on the July 2020 statement in buying a property for his son and paying for renovations to the property.
40. Firstly, I find that Mr H did not rely on the July 2020 statement in deciding to retire. He requested a retirement quotation on 4 March 2020, and received a correct quotation dated 27 March 2020. At some point he notified his employer of his decision to retire on 3 August 2020, which it communicated to the Administrator on 4 June 2020, before receiving the July 2020 statement. He has also stated that he retired on medical grounds. So it seems clear his decision to retire was not made on the basis of the July 2020 statement which overstated his benefits but on the basis of the earlier statements that provided correct figures.
41. The decision that clearly was made on the basis of the July 2020 statement was the decision to opt for a maximum tax free lump sum and lower pension. However, after the mistake was identified, Mr H was invited to change his election to have a higher pension and chose not to. I find that had Mr H had the correct figures in the July 2020 statement, he would not have made a different decision.
42. I will now consider whether Mr H suffered any other loss in reliance on the July 2020 statement. The fact that his correct pension is less than the pension stated the in July 2020 statement in respect of the maximum lump sum option is not a loss but only a loss of expectation: he was never entitled to the higher amount in the July 2020 statement. However, I may direct compensation where a person suffers some other loss or incurs some other liability in reliance on an incorrect statement that he was expected to rely on and reasonably relied on either if he would not have done so had the correct information been provided. The compensation I may provide is to put him in the position he would have been in had the correct information been provided.
43. In this case, Mr H claims he bought his son a property and paid for renovations in reliance on the July 2020 statement. The issues I need to determine are:
- 43.1. whether Mr H would not have done so if he had known that his pension would be £1,872 lower per year (i.e. if the correct figures had been provided to him

either in the July 2020 statement or at some other time before he was made aware of the mistake in September 2020); and

43.2. whether Mr H could reasonably have been expected to rely on the July 2020 statement when deciding to buy a property and pay for renovations and whether he did so.

44. As I have seen no evidence that the Administrator was aware that he was proposing to buy a property or pay for renovations and as the statement was not issued to him for that purpose, I find that the Administrator could not reasonably have expected his reliance for that purpose and that his reliance was not reasonable. I also find that the overstatement of the amount of his pension in the July 2020 statement was not sufficient for me to be satisfied that he would not have bought the property and paid for the renovations if he had known the correct figures. As such, I do not find that Mr H suffered a financial loss in reasonable reliance on the July 2020 statement.
45. Mr H has also argued that he should receive a pension of the higher amount provided in the July 2020 statement having regard to his reliance on that statement. I may direct the Administrator to honour an incorrect statement if it was provided in the expectation that it would be relied on and Mr H had relied on it as expected and incurred liability or suffered loss as a result (change of position) in circumstances making it unconscionable for the Administrator not to be held to the incorrect statement (estoppel). For the reasons set out above, I find that Mr H did not reasonably rely on the July 2020 statement either in deciding to retire or in purchasing the property and paying for renovations. As such, I find that there is no basis for me to direct the Administrator to pay Mr H a pension of the overstated amount in the July 2020 statement.
46. Mr H also argues that since the retirement options form he signed on 5 July 2020 stated that he would not be able to change his options it was legally binding. To address this last point briefly, having reviewed the July 2020 retirement pack, I find that the options form provided the means for Mr H to notify his choice of retirement option, namely as to the form and timing of his benefits or a transfer, on a one-off basis and I see no reason to interpret the warning that the election once exercised would be irreversible as a legally binding commitment by the Administrator to provide the benefits in accordance with the statement instead of the benefits payable under the Scheme Rules if different. Clearly, the benefits in the statement should have matched his entitlement under the Scheme Rules but in the event of discrepancy, nothing in the retirement pack or option form can be interpreted as providing for the July 2022 statement to vary his rights or override the Scheme Rules.
47. In conclusion, I am satisfied that Mr H has received his correctly calculated pension benefits in line with the Scheme Rules and there is no basis for me to direct the Administrator to pay his pension at the higher rate quoted in the July 2020 statement or to pay him compensation in respect of any loss incurred in reliance on that statement.

Non-financial Injustice

48. The Administrator's maladministration is not disputed. As identified above it provided Mr H incorrect information regarding his retirement options in the July 2020 statement and did not communicate the mistake to him. However, the mistake was singular as all his prior quotations were correct. Additionally, the mistake was short-lived persisting from the July 2020 statement to the revision letter on 16 September 2020 and corrected prior to the payment of his first annual pension due in arrears at the end of September 2020.
49. Awards for non-financial injustice are not intended to be corrective, but a modest recognition of the financial distress and inconvenience suffered. I acknowledge that Mr H will be frustrated and receiving the incorrect information will have caused him significant distress and inconvenience, but I find the offer of £500 appropriate.
50. Therefore, I partly uphold Mr H's complaint.

Directions

51. Within 28 days of the date of this Determination, the Administrator shall pay Mr H £500 as compensation in recognition of the significant distress and inconvenience he has suffered.

Camilla Barry

Deputy Pensions Ombudsman
22 October 2025