

Ombudsman's Determination

Applicant	Mr D
Scheme	Scottish Widows Personal Pension
Respondents	Scottish Widows plc (Scottish Widows)

Outcome

1. I do not uphold Mr D's complaint and no further action is required by Scottish Widows.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr D has complained about the time taken to settle his retirement benefits. Mr D states that the delay resulted in a fall in fund value from £36,863.50 to £35,397.17, resulting in a financial loss of £1,466.33. Mr D states that if he had been given a telephone appointment for 19 August 2015, as he had requested, he would not have been disadvantaged.
4. Mr D would like compensation for the financial loss and for the distress and inconvenience that he has suffered as a result. He states that he has spent approximately 10 hours on phone calls and correspondence regarding his complaint. He estimates the cost to be £900 for the 10 hours at £90 per hour, plus the financial loss, to give a total of £2,366.33, which he would like receive in compensation.

Background information, including submissions from the parties

5. Mr D's policy had a normal retirement date (**NRD**), set at age 60, which was 19 August 2015. On 27 March 2015 and 24 June 2015, Scottish Widows issued 'wake up packs' to Mr D. The wake up packs directed Mr D to the Scottish Widows website to find details of the options available, plus tools to help with planning. The pack also suggested that members seek independent financial advice before selecting a retirement option. The fund values quoted were £36,101.54 and £36,406.15 respectively.
6. On 11 August 2015, Mr D telephoned Scottish Widows to request a 25% tax free lump sum from the Policy on his chosen retirement date of 19 August 2015, with the

remainder going into a flexible drawdown plan for him to access at a later date. Mr D was informed that the new policy could not be set up immediately as it would need to be done by a different team. A telephone appointment was booked for 18 August 2015.

7. Scottish Widows confirmed that Mr D would not be penalised because of the wait for a telephone appointment, and that the new policy could be set up at that appointment. Mr D was informed of the value of the policy, as at 10 August 2015, was quoted as £36,863.59, but it was subject to change as it continued to remain invested. Mr D was informed that any calculations provided for illustrative purposes would be based on this amount.
8. On 18 August 2015, Scottish Widows telephoned Mr D and discussed his options. Mr D enquired about his investment options and fund choices within the new policy and was told to refer to the investment guide which detailed the available funds, the charges associated with them, and explained which funds related to which policies.
9. Scottish Widows told Mr D that they were not able to provide advice and that all the information Mr D would need could be found in the investment guide. Scottish Widows also said that there was a fund, referred to as the parking fund, and named "Portfolio 5" in the guide, which is available as a temporary investment should Mr D want to take his time to choose his funds and decide at a later date. While invested in this fund it was explained that the value of Mr D's benefits would not rise or fall. Letters would be issued for the first six months to remind Mr D that he had not yet made his investment choices. If no investment instructions had been received after six months the funds would remain in the parking fund until an instruction was received to move them.
10. Mr D had more questions concerning the available funds so Mr D made the decision to spend time reviewing the funds within the investment guide. A telephone appointment was set up on 24 August 2015 with Scottish Widows, the next available appointment. It was made clear to Mr D that the new policy was not yet set up and could be done in the next appointment.
11. On 24 August 2015, Scottish Widows rang Mr D who confirmed his fund choices. The remaining transfer requirements were completed and the new policy was set up. Time scales were provided for completion of the transfer and the payment of the tax free cash. At the end of the call it was confirmed again that his existing policy was still invested and the value could go up or down from the estimates provided which would affect the final value.
12. On 24 August 2015, Scottish Widows issued Mr D two confirmation letters for setting up the new retirement account and illustrations for retirement income. These both showed a fund value, as at 10 August 2015, of £36,863.59. A further letter was issued on 25 August 2015 which summarised the telephone calls. All three letters stated that the fund value was not guaranteed and was subject to change.

13. On 25 August 2015, the transfer was completed and on 27 August 2015 a letter of confirmation was issued to Mr D, showing the final amount transferred of £35,397.01, being the value disinvested on 25 August 2015.
14. Mr D complained to Scottish Widows regarding the drop in fund value quoted compared to the fund value transferred. Scottish Widows response, confirms that the value transferred, was the value of the funds at the time that all the requirements had been met to allow the transfer to be completed. 25 August 2015 was the date for the final valuation. The drop in value was caused by a downturn in the financial market. Scottish Widows refused to honour the retirement date of 19 August 2015, as they state that Mr D requested time to review the fund choices available to him.

Adjudicator's Opinion

15. Mr D's complaint was considered by one of our Adjudicators who concluded that no further action was required by Scottish Widows plc. The Adjudicator's findings are summarised briefly below:
 - It is unreasonable for Mr D to request that the higher amount be honoured. Mr D was informed both in telephone calls and correspondence that the final figures may differ as the policy would remain invested until the new policy was set up and the funds were transferred. Scottish Widows made it clear that the value was not guaranteed and that it would change in line with investment performance. Therefore, Mr D should have been aware that the final figure could be lower than quoted. Mr D may have suffered a loss of expectation but no financial loss has been found.
 - Mr D was informed that he would not be disadvantaged by the wait between his call on 11 August 2015 and the telephone appointment on 18 August 2015, however this does not mean that the value quoted was guaranteed. Mr D decided that he wanted to investigate his fund choices on 18 August 2015 rather than setting up the new policy. He was offered the option of placing his funds in the parking fund temporarily which would have meant that the transfer was processed earlier and the risk of the fund value falling would have been reduced. He did request an earlier telephone appointment, however it was confirmed that the earliest one available was on 24 August 2015.
 - Further, the Ombudsman expects members to pursue their complaints and does not compensate them for doing so. It is unlikely that Mr D's claim for compensation for the time he has spent dealing with the matter would succeed.
 - This complaint should not be upheld and Mr D's claim for compensation of £2,366.33 will not succeed.
16. Mr D did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr D provided his further comments which are summarised below.

- Mr D states that on the 18 August 2015 Mr D wanted an appointment the next day on 19 August 2015 but Scottish Widows did not offer another call until 24 August 2015, which caused his consequential financial losses.
 - Mr D has said that on the 18 August 2015 the call the operative was unable or unwilling to inform Mr D of the funds that were available.
 - Mr D says that on the 18 August 2015 the call operative was bored and tired during the call and forced Mr D to terminate the call earlier than he wanted.
 - Mr D does not recall the call operative offering a “parking fund” and informing him that such a fund would have kept his funds at same value.
17. The comments raised do not change the outcome. I agree with the Adjudicator’s Opinion, summarised above, and I will therefore only respond to the key points made by Mr D for completeness.

Ombudsman’s decision

18. The call operative on 18 August 2015 became frustrated and his tone could be interpreted as dismissive during the call. However, the operative informed Mr D a number of times that all of the information was available in the guide and that he was unable to provide advice. As Mr D kept asking for advice regarding the funds the call operative suggested Mr D went away to consider his options and arranged for another telephone appointment.
19. Mr D asked for an appointment for 20 August 2015, not the 19 August 2015, as he claims. However a telephone appointment was not available for 20 August 2015 and the next available appointment was offered, I am unable to find maladministration against Scottish Widows due to not having an earlier available appointment.
20. In addition, on 18 August 2015 Scottish Widows informed Mr D that all the information that he required was in the guide and named a number of the funds available including what was referred to as the “parking fund”. Mr D was informed that the parking fund was shown in the guide as “Portfolio 5”. I do not see what more Scottish Widows could have done. If Mr D wanted advice he should have engaged a Financial Advisor.
21. Mr D says he does not recall being informed of the availability of the “parking fund”, however during the phone call this is discussed at length on three occasions and he acknowledges its availability and confirms that he is looking at it in the guide under “portfolio 5”. From the telephone call it is clear that Mr D was aware of the availability of the parking fund and he asked a number of questions about it which were clarified by Scottish Widows. It is unfortunate that Mr D does not recall this but I cannot agree that it was not discussed when it was discussed at length during the call.

PO-10312

22. Therefore, I do not uphold Mr D's complaint.

Anthony Arter

Pensions Ombudsman
14 February 2017