

## Ombudsman's Determination

Applicant	Miss M
Scheme	Principal Civil Service Pension Scheme
Respondents	MyCSP

### Outcome

1. Miss M's complaint is not upheld against MyCSP. I agree that there was an unacceptable delay in putting Miss M's pension into payment. However, I consider the £850 offer of compensation from MyCSP is fair and reasonable.
2. My reasons for reaching this decision are explained in more detail below.

### Complaint summary

3. Miss M has complained that there was a delay in her benefits being paid from 17 March 2015, when she retired, to 15 June 2015, when her benefits came into payment.

### Background information, including submissions from the parties

4. On 19 December 2014, Miss M's employer, Her Majesty's Revenue and Customs (HMRC), contacted MyCSP to advise that she planned to retire on 17 March 2015. MyCSP received further confirmation of this when HMRC emailed them on 13 January 2015, to confirm her last day of service was 16 March 2015.
5. MyCSP issued Miss M with a retirement quotation on 26 January 2015; on 9 February 2015, MyCSP received a completed Personal Details Form from Miss M.
6. No further action was taken until 26 May 2015, when Miss M wrote to MyCSP and enquired when she would receive her pension benefits. She also requested that MyCSP paid interest on the late payment of her pension.
7. On 1 June 2015, MyCSP finalised Miss M's pension. She received her lump sum on 4 June 2015, and her pension payment, plus arrears on 15 June 2015.
8. Miss M raised a formal complaint with MyCSP and said she wanted to be compensated for the delay in her benefits being paid. MyCSP offered Miss M £221.38

for loss of interest (calculation based on an interest rate of 1.5%) and £628.62 for redress for non-financial injustice, making a total offer of £850 which Miss M has not accepted.

## **Adjudicator's Opinion**

9. Miss M's complaint was considered by one of our Adjudicators who concluded that no further action was required by MyCSP. The Adjudicator's findings are summarised briefly below:
  - MyCSP caused a delay in putting Miss M's pension into payment. This is not disputed and amounts to maladministration. Miss M's pension is now in payment and she has received the pension arrears.
  - MyCSP made an offer of £850 which included an amount for loss of interest calculated using a rate of 1.5% and £628.62 for the distress and inconvenience Miss M had suffered. This was considered a fair and reasonable compensation award.
10. Miss M did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Miss M provided her further comments which 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 Miss M for completeness.

## **Ombudsman's decision**

11. It is not disputed that Miss M has been disadvantaged because she had to wait three months before she began receiving her pension benefits. This was due to MyCSP not taking action on information that was sent to it from Miss M and HMRC.
12. Miss M is now in receipt of her pension and has received pension arrears. Her remaining dispute is the amount of compensation MyCSP are offering. I do not doubt that Miss M suffered significant distress and inconvenience because she had three months without income and suffered a loss of interest. Miss M believes MyCSP should award her £1,500, but this is outside the normal range of compensation that I would normally award for this type of complaint.
13. When calculating a loss of interest award I would generally instruct that the Bank of England base rate is used, which is currently 0.25%. MyCSP have used 1.5% in their calculations so this is higher than I would usually award.
14. MyCSP have offered a further payment of £628.62 for redress for non-financial injustice. In similar cases I have directed awards of £500 and I would not direct MyCSP to award a higher amount.

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15. Therefore, I do not uphold this complaint.

**Anthony Arter**

Pensions Ombudsman

8 September 2016