

Ombudsman's Determination

Applicant	Mr Y
Scheme	NHBC Pension Scheme (the Scheme)
Respondents	NHBC Pension Trust Limited (NHBC) Aon Hewitt (Aon)

Outcome

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

Complaint summary

3. Mr Y is complaining that he received incorrect statements, which led him to believe his benefits would be higher. When Mr Y received details of his correct entitlement from the Scheme it was 20% lower than originally quoted.

Background information, including submissions from the parties

4. Mr Y began exploring his retirement options in late 2015. He was 69 years old at this time.
5. On 23 November 2015, Aon sent a pension quotation which showed an annual pension of £10,769.76 and a lump sum of £71,798.31.
6. Mr Y confirmed his intention to retire and gave notice of his resignation on 22 January 2016.
7. On 12 February 2016, Mr Y requested a further pension quotation and requested details of the spouse's pension as this was not included in the November 2015 quotation. This quotation stated an annual pension of £10,845.96, a lump sum of £72,306.12 and a spouse's pension of £7,956.48. It also had the following disclaimer:

"Please bear in mind that the actual benefits you get when you retire may differ from the ones we've quoted"

8. Mr Y completed all the relevant paperwork on 23 February 2016, which indicated he wished to start taking his benefits from 5 April 2016.
9. In May 2016, Mr Y contacted Aon to find out what was happening as he had not received any pension payments.
10. Aon wrote to Mr Y on 23 June 2016, and said it had noticed that there was an error in the quotations provided in November 2015 and February 2016. It said that his actual entitlement under the Scheme was an annual pension of £8,614.80, a lump sum of £57,431.42 and a spouse's pension of £6,319.68. Aon said it understood Mr Y was due to retire on 5 April 2016, but wanted confirmation that, due to the lower figures, he still wanted to proceed with taking his benefits. Aon apologised for the error, and said in order to start paying Mr Y his benefits he would need to complete new paperwork confirming he agreed to the correct figures.
11. On 28 June 2016, Mr Y raised a formal complaint against Aon, he said he made the decision to retire based on the information given in November 2015 and February 2016. He said he was extremely unhappy with how the matter had been dealt with.
12. On 24 August 2016, Aon provided a response under the first stage of the Internal Dispute Resolution Procedure (**IDRP**). Aon said that Mr Y's benefits could not go into payment until he had accepted the correct amounts. It also explained that he could continue with his complaint under Stage two of the IDRP and that he would need to contact NHBC.
13. Mr Y made the decision to continue with his complaint. NHBC responded to Stage two of IDRP and offered Mr Y £1,600 for the distress and inconvenience the incorrect quotations would have caused him. It explained that the incorrect quotations could not be honoured though, as this did not represent his true entitlement under the Scheme.

Adjudicator's Opinion

14. Mr Y's complaint was considered by one of our Adjudicators who concluded that no further action was required by Aon and NHBC. The Adjudicator's findings are summarised briefly below:
 - NHBC have a duty to pay the correct pension entitlement to Mr Y. Therefore, Mr Y was not entitled to the incorrect amount quoted as this did not represent his actual entitlement under the Scheme.
 - The offer of £1,600 for distress and inconvenience was a generous offer and is still open for Mr Y to accept.
15. Mr Y did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr Y provided his further comments which do not change the outcome. Mr Y said "prior to making my reluctant decision to retire I intentionally requested a

quotation of Aon Hewitt which I received after a long delay in November 2015 and a further update in February 2016... These two communications from Aon Hewitt were the absolutely deciding factor in me offering my retirement from 05/04/2016." I agree with the Adjudicator's Opinion, summarised above, and I will therefore only respond to the key points made by Mr Y for completeness.

Ombudsman's decision

16. Mr Y has complained that he made his decision to take retirement based on the incorrect pension quotations provided in November 2015 and February 2016.
17. Mr Y confirmed his intention to retire and gave notice of his resignation on 22 January 2016. This does not support his submission that the two communications from Aon were the deciding factor in his decision to retire. Albeit Mr Y gave his resignation after receiving the first quotation he then requested an updated quotation after he had given notice. Had the level of Mr Y's benefits been a crucial deciding factor in his decision making then I would have expected him to have requested the second quotation before tendering his resignation not some three weeks later.
18. To issue incorrect information can be regarded as maladministration. However, that does not entitle Mr Y to the incorrect amount quoted. NHBC can only pay the benefits that Mr Y is entitled to from the Scheme. Mr Y is not able to benefit from the error of incorrect quotations being issued to him.
19. Mr Y is unhappy about the length of time it took for his benefits to come into payment. There was a delay but this was because he was required to accept the correct figures, issued in June 2016, before Aon could put his benefits into payment. I understand that Mr Y wanted to complete the complaints procedure before agreeing to take the lower benefits but that was not necessary and in any event Aon and NHBC cannot be held responsible for that decision.
20. I do not consider that Mr Y has suffered an actual loss as he is receiving the benefits that he is entitled to. Rather he has suffered a loss of expectation for which he should be compensated.
21. NHBC have offered Mr Y £1,600 for the distress and inconvenience he has suffered. I consider this is a generous offer and is still open for Mr Y to accept should he wish.
22. Therefore, I do not uphold Mr Y's complaint.

Karen Johnston

Deputy Pensions Ombudsman
20 July 2017