

Ombudsman's Determination

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| Applicant | Mr R |
| Scheme | Royal London Personal Pension Plan (the Plan) |
| Respondent | Royal London Financial Sense (Royal London) |

Outcome

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

Complaint summary

3. Mr R is unhappy that Royal London provided him with an incorrect value of his fund. He is asking that Royal London honour the original amount quoted of £47,062.29.

Background information, including submissions from the parties

4. The Plan was set up in 1997, with a retirement date at Mr R's 55th birthday in 2007. However, in 2007, Mr R decided to defer taking benefits until 2012 (his 60th birthday), while continuing to pay contributions. At the same time, Royal London paid into the policy a terminal bonus.
5. On his selected retirement date in 2012, Mr N again decided to defer his benefits, this time to his 65th birthday in 2017.
6. On 9 June 2017, Royal London sent Mr R a quotation of his retirement benefits. The letter stated:

"The value quoted above which is not guaranteed, is made up of:

- Former Protected rights £0.00
- Personal rights £47,062.29

It will be recalculated should you take your benefits and may then be lower or higher because of, for example, falls or rises in investment markets."

7. Following this, Mr R decided to transfer the Plan to a retirement account. The amount transferred was £44,370.96; £2,691.33 less than what was quoted in June 2017. Mr R contacted Royal London on 4 September 2017, to query the drop in value of his fund.
8. Royal London considered his complaint and responded on 6 September 2017. It stated that the reason for the drop in value was due to an administration error. Royal London admitted that it failed to update its records to record the correct terminal bonus amounts. £500 was offered to Mr R in recognition of its error.
9. Mr R complained again in a telephone call on 6 September 2017, and Royal London responded by letter on 28 September 2017. This time, it explained the error in more detail. When Mr R approached his selected retirement date in 2007, a final bonus had been awarded. However, when Mr R requested payment of his benefits in 2017, Royal London calculated his final bonus from the date the Plan was set up in 1997 and not the date of the last final bonus in 2007. The effect of this was that the benefits quoted in June 2017 were over inflated. It reiterated its previous offer of £500.
10. Mr R remained unhappy with the response and therefore made a complaint to this service.

Adjudicator's opinion

11. Mr R's complaint was considered by one of our Adjudicators who concluded that no further action was required by Royal London. The Adjudicator's findings are summarised briefly below:-
 - The basic legal principle is that Mr R is only entitled to his correct benefits and that he cannot benefit from a mistake. It is agreed that due to an error by Royal London Mr R was provided with an incorrect fund value in June 2017.
 - While the Ombudsman can consider claims that a member relied on misinformation to their detriment, Mr R had only made a claim for loss of expectation. The Adjudicator felt that, without any other information to support a claim of detrimental reliance, the offer made by Royal London of £500 was reasonable.
12. Mr R did not agree and asked for his case to be passed to an Ombudsman. In his submission, he submitted that he would have to continue in employment for a further 5.04 weeks to make up the shortfall. On further questioning, Mr R confirmed that he is still currently in employment, but has taken the tax free cash lump sum element of his benefits.
13. As Mr R did not accept the Adjudicator's opinion, the complaint was passed to me to consider. Mr R's further submission does not change the outcome. I agree with the

Adjudicator and I will therefore only respond to the key points made by Mr R for completeness.

Ombudsman's decision

14. In cases where detrimental reliance is claimed due to a mistake, I can consider whether a member relied on the misleading information in any way which was detrimental. In other words, the member would need to be able to show that they made financial decisions or commitments, which they would not otherwise have done, in reliance on the misleading information. In considering detrimental reliance, I can also consider the extent to which the applicant has attempted to mitigate his losses. I must also be satisfied that the action relied on as detrimental reliance is not something that the member would have done anyway.
15. Mr R has not provided any evidence to show that he made a financial commitment based on the higher figure provided in June 2017. While Mr R has provided some details that he would have to work longer to mitigate his loss, he has confirmed that he is still in employment, over nine months after his selected retirement date in July 2017. He did not move the funds to a retirement account until September 2017, which indicates that his intention was not to take his benefits on his selected retirement date. The fact that he is still in employment also shows that it was not his intention to retire in either July or September 2017. It therefore leads me to conclude that had Mr R been given the correct information in June 2017, it is more likely than not, he would have made the same decision to continue in employment. I do not accept his claim that he relied on the incorrect information to his detriment. Therefore, I can only consider his claim of loss of expectation.
16. A loss of expectation is a non-financial loss rather than one that has a set, financial, value. Just because Mr R was expecting to receive a higher amount does not automatically mean that he is entitled to that higher amount. I agree with the Adjudicator, Royal London has offered Mr R £500 in recognition of its error and Mr R's loss of expectation. The sum offered is a reasonable one and Mr R should contact Royal London if he wishes to accept its offer.
17. I do not uphold Mr R's complaint.

Anthony Arter

Pensions Ombudsman
26 April 2018