

Ombudsman's Determination

Applicant	Mr A
Scheme	Principal Civil Service Pension Scheme - Scottish Widows AVC Facility (the AVC Scheme)
Respondent	Scottish Widows

Outcome

1. I do not uphold Mr A'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 A was told by Scottish Widows that he could take out an AVC Plan. He later discovered that this type of plan was no longer offered by Scottish Widows, so he applied for an Individual Stakeholder Pension Plan (**the Plan**) instead. His complaint concerns the amount of time taken to set up the Plan and the customer service he received from Scottish Widows.

Background information, including submissions from the parties

4. On 18 June 2018, Mr A called Scottish Widows to open an AVC Scheme. The administrator of the ceding Scheme was Willis Towers Watson (**WTW**). He sent the application paperwork, including discharge forms, and this was received and signed for by Scottish Widows on 27 June 2018.
5. On 19 July 2018, after chasing for an update and making a complaint about the application process, Scottish Widows called Mr A and informed him that it no longer offered the AVC Scheme, as applications had closed on 31 May 2018. He was given details of how to apply for another type of pension.
6. On 24 July 2018, Scottish Widows emailed Mr A to explain that it had lost his original application forms for the AVC Scheme and required him to complete new discharge forms. These were submitted by Mr A the same day.
7. On 1 August 2018, Scottish Widows contacted Mr A to discuss setting up the Plan and sent him a set of new application forms to complete. These were submitted by Mr

A the following day, but parts of the application forms were incomplete. These were later completed, and the Plan was set up on 8 August 2018.

8. On 9 August 2018, Mr A submitted further transfer application forms to request the transfer from WTW. Page two of the forms contained ambiguous wording, which implied that if the transfer was coming from a defined benefit Scheme, it would not be accepted. Scottish Widows clarified that this did not apply in Mr A's case, and the completed transfer application forms were submitted by him the following day.
9. On 14 August 2018, Scottish Widows requested the transfer from WTW.
10. On 5 September 2018, Scottish Widows responded to Mr A's complaint. It acknowledged that there had been failings on its part, particularly as it originally told Mr A that he could open an AVC Scheme, and that it lost his transfer paperwork. It said it would ensure that Mr A would not incur a financial loss due to the transfer delay. It also paid Mr A £500 for the distress and inconvenience caused. However, Mr A felt that it should pay him £5,000 to settle the matter.
11. On 14 September 2018, Scottish Widows received a transfer of £24,525.44 from WTW. This was not applied to the Plan until 1 October 2018, due to work volumes.
12. On 3 October 2018, Scottish Widows wrote to Mr A again regarding his complaint. It apologised for the delay in applying the transfer funds to the Plan and said the transfer had been backdated to 14 September 2018. It admitted that it had been at fault for the significant delays in setting up the Plan and for the poor customer service it had provided, such as not calling Mr A back when promised. It paid Mr A a further £100 and apologised for the distress and inconvenience caused.
13. On 29 October 2018, Scottish Widows wrote to Mr A after carrying out a calculation to ascertain whether he had incurred a financial loss due to the delay. It said:

"I note that we issued the final transfer paperwork to [WTW] on 22 August 2018 and we then received the transfer on 14 September 2018. This is a timescale of 17 working days between requesting and receiving the transfer value. If we had advised, you of the correct process and provided you with the correct paperwork at outset then you could have been in a position to submit these documents on 25 June 2018. Instead, and because of our errors, you submitted a Civil Service AVC pension Scheme application form and paperwork to transfer from [WTW] and we signed for on 27 June 2018. As acknowledged in our original reply these documents have been lost, however had we received and logged the correct paperwork on this date we would have been in a position to request the transfer the same day. If we had done this and based upon the above timescale of 17 working days, then we could have expected to receive the transfer from [WTW] on 29 July 2018. We had used this date and the eventual date of receipt as the basis for our calculations."
14. Using 29 July 2018 as the date Mr A's transfer ought to have been completed, Scottish Widows calculated that he would have purchased 306.90 fewer units than he

actually purchased on 14 September 2018. This equated to a financial gain of £145.80, so Mr A had not lost out due to the transfer delay.

15. Mr A brought his complaint to this Office. In summary, he highlighted his concerns in regard to data protection breaches as Scottish Widows lost his forms, which meant he had to start the application process again. Further, he received poor customer service and had to chase Scottish Widows for an update. He was also unhappy with the behaviour and processes of Scottish Widows and wished for this to be reviewed by its auditors. Mr A reiterated that he should be awarded £5,000.

Adjudicator's Opinion

16. Mr A's complaint was considered by one of our Adjudicators, who concluded that no further action was required by Scottish Widows. The Adjudicator's findings are summarised below:-
 - Mr A was clearly unhappy with the conduct of Scottish Widows, given the amount of errors that had occurred when setting up the Plan. However, the Adjudicator said this Office was not a regulator. Any concerns Mr A had about data protection should be referred to the Information Commissioner's Office. The role of this Office was to provide appropriate redress in individual cases where a financial loss or non-financial injustice had been suffered.
 - Scottish Widows had already calculated that Mr A did not incur a financial loss due to the transfer delay, as he gained £145.80.
 - The Ombudsman's guidelines specified that an award of £500 should be paid, where there had been maladministration causing significant distress and inconvenience. Overall, Scottish Widows had paid Mr A £600. Although, the Adjudicator appreciated how unhappy Mr A was with Scottish Widows, he said the amount already paid was appropriate to reflect the various errors made, and he did not believe it would be increased if the matter were referred to the Ombudsman.
17. Mr A did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr A provided his further comments, which do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr A for completeness.

Ombudsman's decision

18. Mr A has reiterated his reasons why Scottish Widows should award him £5,000, which he says is "appropriate, fair, just and reasonable compensation, and which would reflect the severity of Scottish Widows failures, incompetence, negligence, maladministration and failure in duty of care." I appreciate that Mr A feels strongly about the behaviour of Scottish Widows, particularly as it lost the initial application

forms he submitted. However, it is not my role to penalise Scottish Widows for what has gone wrong; it is my role to determine whether he has suffered a financial loss, due to the delay in setting up the Plan, and whether any additional award for distress and inconvenience is justified.

19. It has already been established that Mr A has not lost out financially due to the delay in setting up the Plan. Furthermore, Mr A has already received £600 from Scottish Widows in recognition of the distress and inconvenience caused. I find that this level of award is appropriate in the circumstances.
20. Therefore, I do not uphold Mr A's complaint.

Anthony Arter

Pensions Ombudsman
22 March 2019