

Ombudsman's Determination

Applicant	Miss L
Scheme	NEST (the Scheme)
Respondent	NEST

Outcome

1. I do not uphold Miss L's complaint and no further action is required by NEST.

Complaint summary

2. Miss L has complained about the delay she experienced when she took her benefits.
3. Miss L has also complained that she is unhappy with how her complaint has been handled. Miss L has said that the stress caused by this complaint has had an adverse effect on her health, causing asthma and panic attacks.

Background information, including submissions from the parties

4. On 22 May 2018, Miss L contacted NEST to ask to withdraw her benefits from the Scheme.
5. On 31 May 2018, NEST received Miss L's completed retirement forms and evidence of identity.
6. On 6 June 2018, Miss L called NEST to ask for an update on her retirement claim. She was told that the claim would be paid on 11 June 2018.
7. On 15 June 2018, Miss L's retirement claim was completed.
8. On 16 June 2018, NEST wrote to Miss L to confirm that her claim had been completed. It confirmed the benefits due to be paid amounted to £229.78.
9. On 18 June 2018, NEST issued Miss L with an Annual Benefit Statement (**ABS**). NEST's policy is to provide all members with an ABS every year. The ABS clearly showed that the values referred to were those as at 31 March 2018.
10. Miss L was unhappy with the delay she experienced, so complained to NEST.

11. On 20 June 2018, NEST issued an acknowledgment of Miss L's complaint. The letter said NEST would contact Miss L within 20 working days with a response.
12. On 26 June 2018, Miss L called NEST and said that the ABS she received was inconsistent with the amount she was paid for her retirement claim. She said that this caused her problems with HMRC. Miss L also requested a call back to update her on her complaint.
13. On 10 July 2018, NEST wrote to Miss L to explain that it was still looking into her complaint and would respond by 18 July 2018.
14. On 17 July 2018, NEST wrote to Miss L in response to her complaint. It explained that her account was updated on 6 June 2018 with an expected payment date of 11 June 2018. It said that a human error in the processing department caused a delay. Subsequently, Miss L's retirement claim was completed on 15 June 2018. NEST apologised but said that the payment was made within its expected time frame. As a result, it did not offer any compensation.
15. On 23 July 2018, Miss L called NEST and said that she had not received a complaint acknowledgment letter or a response to her complaint. During this phone call, Miss L escalated the complaint to Stage 1 of NEST's Internal Dispute Resolution Procedure (IDRP). Following the call, NEST wrote to Miss L to explain that the complaint had been escalated. NEST's IDRP policy stated that it will try to resolve complaints at IDRP Stage 1 within 20 working days.
16. On 10 August 2018, Miss L called NEST to chase a response to her complaint.
17. On 20 August 2018, NEST wrote to Miss L with its Stage 1 decision. NEST explained that its retirement forms state that it takes up to 10 working days to process a request once it has received completed forms and evidence of identity. It acknowledged that Miss L experienced a delay which meant that it took a total of 11 working days to complete the retirement claim. NEST apologised for the delay and said that it had provided feedback to the team responsible.
18. NEST also responded to Miss L's complaints about the inconsistencies between the amount she was paid for her retirement claim and what was quoted on her ABS. NEST explained that the ABS reflected the value of her benefits as at 31 March 2018, whereas the retirement claim reflected her benefits on the payment date.
19. NEST also responded to Miss L's complaint about the length of time she had to spend on the phone discussing her complaint. NEST concluded that the calls were made at her discretion, so it did not consider compensation appropriate.
20. On 4 September 2018, NEST wrote to Miss L and said that the complaint was being escalated to Stage 2 of its IDRP. NEST explained that it would respond to Miss L's complaint within four months.

21. On 5 December 2018, NEST completed its IDRP Stage 2 procedure. It upheld the complaint but said that it felt that the delay experienced was minimal. It repeated its apology for the delay but did not offer any compensation.

Adjudicator's Opinion

22. Miss L's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustee. The Adjudicator's findings are summarised below:-
- NEST has agreed that there was a delay in dealing with Miss L's retirement claim, and that Miss L has been caused distress and inconvenience as a result.
 - NEST's forms say that it should take 10 working days to process a retirement form. It received Miss L's retirement form on 31 May 2018, but only completed the claim on 15 June 2018, which meant that it took 11 working days. Although the Adjudicator believed that NEST's maladministration would have caused some inconvenience, he felt that the inconvenience would have been minimal.
 - The Adjudicator also believed there was further maladministration as a result of a telephone call between Miss L and NEST. On 6 June 2018, Miss L called for an update on her retirement claim. During this call, NEST told Miss L that the payment would be processed by 11 June 2018; however, the payment was not processed until 15 June 2018. The Adjudicator said that NEST should not have promised something it was unable to deliver. However, he felt that the delay was limited, so did not think that it would have caused significant distress and inconvenience.
 - Miss L also complained about the length of time it took NEST to deal with her complaint. The Adjudicator said that NEST had always provided updates advising Miss L of the relevant timescales for it to respond to the complaint. It always responded within the timescales. Therefore, the Adjudicator did not feel he could attribute any maladministration to NEST's handling of the complaint.
 - In conclusion, the Adjudicator agreed that there had been shortcomings in how Miss L's retirement claim was handled. However, he did not believe the shortcomings caused distress and inconvenience which could be described as significant. As a result, the Adjudicator believed that the apology offered by NEST was sufficient.
23. Miss L did not accept the Adjudicator's Opinion and the complaint was passed to me to consider.
24. Miss L provided her further comments which do not change the outcome. Miss L has argued that:-
- The Adjudicator did not give due weight to the effect the complaint has had on her health. Miss L has said that she has suffered from asthma and panic attacks caused by the additional stress. Miss L has said that the stress has made her unable to work.

- Miss S provided two Doctor's notes to say that she suffers from asthma and panic attacks. One note was dated 26 September 2018, this confirmed that she has to use an inhaler and that she suffers from panic attacks. The other note was dated 2 June 2015, so pre-dated the maladministration, this said:-

"[Miss L] has been my patient for the last four years. She has a tendency for anxiety with panic attacks and this worsens her asthmatic condition..."

- In response to the information on Miss L's health, NEST said that the evidence does not directly relate to Miss L's dealings with NEST, so it did not believe that the case warranted compensation.
- Miss L said that she should be compensated for the time, expense and loss of earnings caused by her complaint and the length of time it has taken to resolve.

25. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Miss L for completeness.

Ombudsman's decision

26. It is not disputed that Miss L has been disadvantaged because NEST did not meet its deadline.
27. Whilst I sympathise with Miss L's position, I do not feel that the delay she experienced was significant enough to warrant a payment in recognition of the distress and inconvenience. NEST's literature said that it takes 10 working days to process a retirement form. Miss L's form was processed within 11 working days; so, while I agree that there were delays, I do not consider the delay was enough to warrant an award for non-financial loss.
28. With regard to the complaints Miss L has made concerning the incorrect information she was given on 6 June 2018, I agree that NEST should not have promised that her payment would be processed by 11 June 2018 if it was unable to meet this deadline. However, the payment was processed on 15 June 2018. I find this delay was a limited one, so the distress and inconvenience caused does not meet the threshold required for me to direct an award.
29. Miss L says that the complaint has had a detrimental impact on her health. She has said that the additional stress has caused asthma and panic attacks. This, in turn, has caused her to take time off work. Whilst I sympathise with Miss L's poor health, I am not persuaded that NEST's maladministration can be deemed responsible for it.

PO-25287

30. I do not uphold Miss L's complaint.

Anthony Arter

Pensions Ombudsman
21 August 2019