

Ombudsman's Determination

Applicant	Mrs R
Scheme	Signet Group Pension Scheme (the Scheme)
Respondents	Trustees of the Scheme (the Trustees)

Ombudsman's Determination and reasons

1. I do not uphold Mrs R's complaint and no further action is required by the Trustees.
2. My reasons for reaching this view are explained in more detail below.

Complaint summary

3. Mrs R complained that the trustees have declined to pay her a spouse's pension from the Scheme, following the death of her husband.

Background information, including submissions from the parties

4. Mr R was employed by Signet, the jewellers, for 32 years and was an active contributory member of the Scheme during this time.
5. On 13 March 1997, Mr R was made redundant and left his employment at Signet. Mr R's pension from the Scheme went into payment at this point.
6. In January 2003, Mr R completed an 'Expression of Wish' form and sent it to the Scheme. On this form Mr R stated that, in the event of his death, Mrs R should receive any lump sum payments due from the Scheme.
7. On 6 June 2012, the Trustees wrote to all members reminding them of the need to keep an up to date record of their details with the Scheme, including their marital status. The letter explained that keeping up to date records was very important, especially in relation to the member's spouse. Enclosed with the letter was a form for the Member to complete and return.
8. In addition, the letter specifically highlighted the issue of the definition of 'Qualifying Spouse' contained within the Scheme Trust Deed and Rules and quoted the relevant section, which reads:

“Qualifying Spouse” means a Member’s legal spouse or Civil Partner at the earlier of the Member’s Normal Pension date and the date they ceased to be an employee of Signet.

9. Upon receipt of this letter, Mr R telephoned the Scheme administrators to express his shock that his partner for the last 20 years, Mrs R, would not be entitled to receive any spouse’s pension from the Scheme in the event of his death.
10. On 17 July 2012, Mr R wrote to the Scheme administrators asking that they refer his case to the Trustees. He argued that his circumstances were such that the Trustees should agree to Mrs R being eligible to receive a spouse’s pension from the Scheme in the event of his death.
11. On 21 December 2012, the Scheme administrators wrote to Mr R to confirm that the Scheme’s Pension Manager had referred the matter to the Trustees and they would write to him with the outcome in due course.
12. On 12 July 2013, the Secretary of the Scheme wrote to Mr R. He apologised for the delay in responding and the poor level of service Mr R had received up to that point, and explained that the Scheme had recently changed administrators.
13. He said that the Trustees had considered his request that they use their discretion to waive the requirements of the Scheme Rules and ensure that Mrs R was paid a spouse’s pension. He said that the Trustees had reviewed the relevant sections of the Scheme Rules and following external legal advice had reached the view that they did not have the authority to override the provisions of the Scheme Rules in this regard and were unable, therefore, to grant Mr R’s request.
14. Mr R then sought the assistance of the Pension Advisory Service (**TPAS**) and provided them with a copy of the relevant extracts from the Scheme Rules. The TPAS advisor allocated the case, wrote to Mr R to explain that the Trustees were obliged to administer the Scheme in accordance with the requirements of the Scheme Rules and these were quite clear in that they did not provide benefits for unmarried partners.
15. On 13 December 2013, Mr and Mrs R were married.
16. On 6 June 2014, Mr R sadly passed away.
17. Following Mr R’s death, Mrs R contacted the Scheme administrators to ask them to review her case to see if she was eligible to receive a spouse’s pension. She pointed out that she and Mr R were married at the time of his death and he had lodged a completed ‘Expression of Wish’ form with the Scheme some years previously.
18. On 2 July 2014, the Scheme administrators wrote to Mrs R to explain that she was not entitled to any further pensions payments from the Scheme.
19. On 15 August 2014, Mrs R replied. She explained that she and Mr R had lived together for over 20 years, had bought and paid for a house together and paid all

their bills from their joint income. She said that the Scheme Rules were unfair and did not represent how society had changed over the years in this respect. She asked that her case be referred to the Trustees, as she was dependent on the income from Mr R's pension.

20. On 29 October 2014, The Scheme administrators replied to Mrs R. They explained the requirements of the relevant sections of the Scheme Rules and the definition used for Qualifying Spouse. They then went on to explain that, as Mrs R had not met the criteria for a Qualifying Spouse at the point Mr R had retired, 13 March 1997, there were no further benefits payable to her from the Scheme.
21. Mrs R remained dissatisfied with the Scheme's response and made a complaint under the Scheme's Internal Dispute Resolution Procedure (**IDRP**).
22. On 5 June 2015, Mrs R received the Scheme's stage 1 IDRP response; unfortunately there is no date or name on this document. In this letter, the Scheme explained that the Scheme Rules were such that, because Mr R had retired and started to take his benefits sixteen years prior to his marriage to Mrs R, she did not meet the definition of Qualifying Spouse contained within the Scheme Rules.
23. On 19 June 2015, Mrs R wrote to the Scheme with her stage 2 IDRP appeal and associated documentation. She asked that the Trustees exercise their discretion given the circumstances of her case. She also raised the issue of the 'Expression of Wish' form completed by Mr R in 2003.
24. On 27 October 2015, the Secretary of the Scheme wrote to Mrs R with the Scheme's stage 2 IDRP response, and again explained why the Trustees did not consider that Mrs R had met the definition of Qualifying Spouse qualifying her to receive a spouse's pension from the Scheme.
25. With regard to the completed 'Expression of Wish' form, the Secretary explained that the Trustees had considered whether Mrs R had an entitlement to an additional lump sum payment following Mr R's death. The Secretary advised that the Scheme Rules provided that, if a member died within five years of starting to receive their pension, the Trustees had the discretion to pay a lump sum equivalent to five years' worth of pension payments. As such, the 'Expression of Wish' is used to help determine to whom such a payment is made, in the event that the Trustees think such a payment appropriate.
26. In this case, the Secretary said that the Trustees had determined that Mr R had died more than five years after starting to draw his pension, so they were unable to consider making such an award to Mrs R.

Adjudicator's Opinion

27. Mrs R's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Trustees. The Adjudicator's findings are summarised briefly below:
- The Trustees had correctly identified and applied the requirements of the appropriate section of the Scheme Rules.
 - The Scheme had not provided either Mr or Mrs R with any mis-leading or contradictory information regarding the application of the Scheme Rules and how this would apply in Mrs R's case.
 - Under the Scheme Rules Mrs R did not qualify to receive either a spouse's pension, or an additional lump sum payment, from the Scheme.
28. Mrs R did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mrs R provided further comments many of which were not new. Essentially, I agree with the Adjudicator's Opinion, summarised above, and I will therefore only respond to the key points made by Mrs R for completeness.

Ombudsman's decision

29. I am aware that Mrs R has argued that she has been treated unfairly by the Trustees and the fact that she and Mr R had lived together as man and wife for over twenty years should count for something. While I have enormous sympathy for Mrs R's situation and the arguments that she has put forward, my role does not extend to considering whether she has been treated fairly in the general sense, I can only consider whether there has been maladministration, or a breach of law.
30. In this respect there is little I can add to the Adjudicator's Opinion, the Scheme Rules are clear: in order for Mrs R to qualify for a spouse's pension she would have needed to be either Mr R's legal spouse, or civil partner, at the earlier of his Normal Pension date and the date he ceased to be an employee of Signet. As Mr R ceased being an employee of Signet in 1997 and only married Mrs R in 2013, I am satisfied that she has no entitlement under the Scheme Rules to a spouse's pension.
31. As I am sure Mrs R will understand, the Trustees have no discretion in this matter and are obliged to administer the Scheme in accordance with the requirements of the Scheme Trust Deed and Rules, a copy of the relevant section has been provided to Mrs R.
32. The only remaining issue concerned whether Mrs R was entitled to receive an additional lump sum payment from the Scheme following the death of her husband. In this regard, the Scheme Rules are again quite clear, Mrs R could only qualify for such payment if Mr R had passed away within five years of the commencement of his

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pension. This was not the case, Mr R started to draw his pension in 1997 and passed away in 2014, well outside the five year timescale for such payments.

33. Therefore, I do not uphold Mrs R's complaint.

Anthony Arter

Pensions Ombudsman
25 May 2016