

Ombudsman's Determination

Applicant	Mrs M
Scheme	NHS Pension Scheme (the Scheme)
Respondent	NHS Pensions

Ombudsman's Determination and reasons

1. I agree that part of Mrs M's complaint against NHS Pensions should be upheld, but there is a part of the complaint I do not agree with. The complaint is partly upheld and to put matters right NHS Pensions should pay Mrs M £500 for the distress and inconvenience caused by their maladministration.
2. My reasons for reaching this view are explained in more detail below.

Complaint summary

3. Mrs M has complained that NHS Pensions issued an incorrect retirement estimate and she decided to retire based on the incorrect figures .

Background information, including submissions from the parties

4. The material facts in relation to this complaint are not disputed.
5. Mrs M's normal retirement date under the Scheme was 24 August 2014, age 60.
6. Mrs M received a statement from NHS Pensions dated 26 March 2012. This showed her projected benefits at age 60. It stated an estimated pension of £13,102 per annum and a lump sum of £39,305. The notes stated that the figures were based on a total uprated earnings of £754,921 from her previous job role. Also, a pensionable pay of £65,854 in relation to her current employment.
7. Mrs M received a retirement estimate from NHS Pensions dated 10 April 2014. This showed estimated benefits payable from 23 August 2014 of an annual pension of £16,978.53 and a lump sum of £50,935.59. The notes stated that the figures were based on a total uprated earnings of £704,609.55 in relation to her previous job role. Also, a pensionable pay of £61,641.24 in relation to her recent employment. The notes also mentioned,

“It is important to understand that any figures you obtain from the calculator will be provided for the purpose of illustration only. They will give you an indication of what you might get, but the final benefits may vary depending on changes in your personal circumstances ... “

Adjudicator’s Opinion

8. Mrs M’s complaint was considered by one of our Adjudicators who concluded that further action was required by NHS Pensions. The Adjudicator’s findings are summarised briefly below:
 - Mrs M’s complaint should be partly upheld against NHS Pensions. This is because, it was not reasonable for Mrs M to have relied on the incorrect information in the way she says. However, NHS Pensions should pay her compensation for the distress and inconvenience caused by their error.
 - NHS Pensions ought to have shown greater care in producing the figures, as the incorrect statement caused Mrs M inconvenience. As she was approaching retirement when the incorrect quotation was provided, i.e. it was provided at a critical time to her its impact was greater than it may otherwise have been and I consider that an amount of compensation is warranted in this case.
9. NHS Pensions did not accept the Adjudicator’s Opinion and the complaint was passed to me to consider. NHS Pensions provided their 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 NHS Pensions for completeness.

Ombudsman’s decision

10. NHS Pensions says that they do not agree with the level of compensation suggested by Mr Buckley in the Opinion. This is because, Mrs M ought to have known that the higher benefits quoted in the estimate of 10 April 2014 was wrong and she should have queried it with NHS Pensions. Also, the estimate of 10 April 2014 stated that the figures quoted were for illustrative purposes only and the final figures could change.
11. However, the provision of incorrect figures simply should not occur in this way and in this case the difference was substantial. Where figures are requested as part of an assessment of the reality of retirement it is entirely foreseeable that they will cause inconvenience amounting to significant injustice if they are wrong. I therefore find that an award of £500 for distress and inconvenience caused to Mrs M by NHS Pensions’ maladministration in this case is warranted.
12. Therefore, I partly uphold Mrs M’s complaint.

Directions

13. I direct that within 28 days NHS Pensions shall pay Mrs M £500 for the distress and inconvenience caused to her by their maladministration identified above.

Karen Johnston

Deputy Pensions Ombudsman
25 May 2016