

Ombudsman's Determination

Applicant	Mrs H
Scheme	Teachers' Pensions Scheme (the Scheme)
Respondent	Teachers' Pensions

Outcome

1. I do not uphold Mrs H's complaint and no further action is required by Teachers' Pensions.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mrs H's complaint about Teachers' Pensions is that her actual pension benefits on retirement were lower than the figures quoted in the estimate she received before her retirement.

Background information, including submissions from the parties

4. Mrs H was a member of the Scheme from June 2001 until December 2016, through her multiple part-time employment with Gateshead Council and Gateshead College. In October 2012, Mrs H left her employment with Gateshead College.
5. In October 2016, Mrs H was informed that she would be made redundant from her role with Gateshead Council, effective from 31 December 2016. The letter provided an estimate of her pension benefits from the Scheme, showing a lump sum of £9,932.78 and a pension of £3,310.93 per annum. The letter went on to say:

“The [figures] are an estimate of benefits that will accrue to you...Your exact pension benefits will not be calculated until your final pay has been processed. Please be aware therefore that you may receive higher or lower figures than those shown above”.
6. In December 2016, following Mrs H's application to take her benefits, Teachers' Pensions identified a period of incorrect employment records between 2009 and 2014. Teachers' Pensions contacted Gateshead Council and Gateshead College, to establish Mrs H's correct service. In January 2017, Gateshead College informed

Teachers' Pensions that Mrs H left their employment in October 2012. As a result, Teachers' Pensions amended Mrs H's service records to remove the incorrect service with Gateshead College after October 2012. Gateshead Council also confirmed corrected service records from January 2009 to March 2014.

7. In January 2017, Teachers' Pensions wrote to Mrs H with an estimate of retirement benefits. The estimate said:-

“This is an ‘interim’ award of pension and lump sum only. We are currently querying the period of service from 1.9.10 to 31.3.11 with your former employer. Once confirmation is received we will amend your record and make any necessary amendments”.

8. Teachers' Pensions subsequently informed Mrs H that they had identified periods of part time employment that had been inadvertently duplicated by Gateshead Council. They said that these had been amended and had resulted in a reduction to her pensionable service. Teachers' Pensions said that Mrs H was actually entitled to a lump sum of £7,442.30 and a pension of £2,488.51 per annum.
9. Mrs H complained to Teachers' Pensions about the reduction to her pension benefits. The complaint was considered under the Scheme's internal dispute resolution procedure (**IDRP**). In their stage one response, Teachers' Pensions pointed out that Mrs H had contacted them on 10 July 2014, concerning an error in her employment record with Gateshead College. Teachers' Pensions replied at the time and advised Mrs H to contact her employer, as only the employer could instruct them to make any amendments to her record. Teachers' Pensions also highlighted that, on 3 July 2015, they received a salary and service update from Gateshead Council regarding Mrs H. Teachers' Pensions said that they responded electronically to Gateshead Council to confirm that the period of service was already on her record. They said that Gateshead Council should then have reconciled the information and made any necessary corrections.
10. On receipt of Mrs H's retirement application, Teachers' Pensions said that they reviewed her employment record. They then discovered that some of her service with Gateshead Council, between 1 January 2009 and 31 August 2013, had been duplicated. They explained that correcting this mistake had led to a reduction in her pensionable service from 8 years and 83 days to 6 years and 51 days. Teachers' Pensions emphasised that any figures previously quoted to her were for illustration purposes only and were therefore not guaranteed.
11. Mrs H appealed against the stage one decision, and her complaint was considered by the Department for Education (**DfE**) under stage two of the IDRP. In its response on 21 November 2017, DfE said that the onus was on employers to provide accurate employment records to Teachers' Pensions. DfE highlighted that employers participating in the Scheme should also take appropriate action when informed of an error by a member or Teachers' Pensions. DfE said that Teachers' Pensions could only pay Mrs H her correct pension entitlement and did not uphold her complaint.

Adjudicator's Opinion

12. Mrs H's complaint was considered by one of our Adjudicators who concluded that no further action was required by Teachers' Pensions. The Adjudicator's findings are summarised below:-
- Teachers' Pensions can only act on the information they receive from employers. As Mrs H was not employed by Teachers' Pensions, they do not have independent records of her employment; they are therefore reliant on the information provided to them from employers.
 - Teachers' Pensions reasonably relied on the information provided by Gateshead Council and Gateshead College. The fact that Teachers' Pensions did not identify the error earlier does not amount to maladministration.
 - Teachers' Pensions acted to correct Mrs H's service records, and they can only pay the correct benefits to her.
 - Teachers' Pensions have acknowledged that they mistakenly referred to 3 July 2015 instead of the correct date of 3 July 2014. The information they received on 3 July 2015 referred to Mrs H's service from April 2014 to March 2015, a period that does not include the duplicated service. This did not generate an error and is therefore irrelevant to the complaint.
13. Mrs H did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mrs H for completeness.

Ombudsman's decision

14. Mrs H remains unhappy as Teachers' Pensions initially said that they contacted Gateshead Council on 3 July 2015 to highlight the duplicated service records, after receiving a salary and service update. Teachers' Pensions subsequently stated that this must have been an error as they have no record of this.
15. The Adjudicator queried this with Teachers' Pensions but did not uncover any reason to take it further. It appears that Teachers' Pensions mistakenly referred to the wrong year (2015 instead of 2014), and to having notified Gateshead Council of the service duplication error, when in fact there was no evidence that they did so. While I appreciate that Mrs H remains doubtful concerning Teachers' Pensions' version of events, I do not consider this sufficient reason to justify a finding of maladministration.
16. I note that the Adjudicator queried this information with Teachers' Pensions but did not consider it a proportionate course of action to pursue it further with Teachers' Pensions.
17. Bearing in mind the relatively large size of the Scheme and the number of employers they have to deal with, it is not unreasonable that Teachers' Pensions did not carry

out an annual audit of Mrs H's records while she was employed. However, to ensure as far as possible that the correct benefits are paid on retirement, Teachers' Pensions will carry out reasonable checks of a member's service when they receive notification of impending retirement. This is what occurred with Mrs H.

18. On checking Mrs H's service records after she applied for her benefits, Teachers' Pensions noted possible errors and contacted her former employers for clarification. I accept that such data reconciliation could have been carried out at a much earlier stage, but this does not negate the responsibility on employers to provide accurate service records to Teachers' Pensions. As Mrs H's former employers are not a party to this complaint, any issues relating to their role in this matter falls outside the scope of this complaint and I do not comment on this or make any findings in relation to them.
19. The estimate provided to Mrs H in October 2016 was not guaranteed and, as her employment was being terminated on grounds of redundancy, she did not have the option of deciding to stay on in her role. I am of the view that Mrs H is receiving the correct benefits and is unlikely to have done anything differently in relation to her decision to retire.
20. Having considered the circumstances leading up to Mrs H's complaint, I have not seen any evidence that Teachers' Pensions either caused the error in her service records or should have identified and corrected it prior to her retirement benefit application in December 2016. Accordingly, I am not convinced that Teachers' Pensions can reasonably be held responsible for any alleged loss.
21. Therefore, I do not uphold Mrs H's complaint.

Anthony Arter

Pensions Ombudsman
21 December 2018