

The complaint

The complaint in this case relates to Scottish Widows Limited's (Scottish Widows) actions in the registering of a Letter of Authority (LOA) on Mr L's pension policy. Mr L was under the impression that this would allow his son (Mr E L) to manage the pension on his behalf.

Since this was registered in 2021 it has become clear that the LOA only entitled Mr E L to access information on Mr L's policy and not manage this on his behalf. Mr L's complaint is that this is not what they were led to believe at the time, and the subsequent difficulties in managing the policy have caused financial loss.

Mr L is being represented by Mr E L in this complaint.

I understand there have been subsequent issues in relation to the accessing of Mr L's pension however this decision is only in relation to the LOA and any potential misinformation about this.

What happened

Given English is not Mr L's first language he wanted his son (Mr E L) to be able to discuss his Scottish Widows pensions on his behalf. As such a web request for information was submitted by Mr L to Scottish Widows on 17 July 2021. This asked, *"Please can you let me know how I can nominate a named person (my son) to discuss any matters relating to my pension plans?"*

Mr E L contacted Scottish Widows over the phone on 29 July 2021 to discuss this further, with the outcome of this call being that Mr E L was going to arrange for his father to submit an LOA to Scottish Widows.

Mr L sent the LOA request to Scottish Widows on 12 August 2021, this was received on 16 August 2021 and on 26 August 2021 Scottish Widows wrote to Mr L at his correct address confirming that Mr E L had been cleared on his policy *"for information only"*.

Following this, in June 2022 Mr E L attempted to make changes to the policy on Mr L's behalf. It became clear at this time that the LOA would not allow this and as such a complaint was registered.

From this point there were numerous calls between Mr E L and Scottish Widows where the management of the pension was discussed. As above I have not included significant detail of these conversations here as this decision is focussed on the implementation of the LOA and the information provided by Scottish Widows around this.

Scottish Widows issued their response to the complaint on 3 October 2022.

Regarding any potential miscommunication about the LOA and what this entitled Mr E L to do on his father's policy, Scottish Widows stated that they had explained that the LOA only gave Mr E L access to information in the letter dated 26 August 2021 and in a telephone conversation on 29 July 2021.

As such, this element of the complaint had been rejected.

Scottish Widows did accept that it had taken them too long to respond to the complaint (this had been made on 9 July 2022) and as such offered to discuss any losses that this may have caused including any distress or inconvenience.

Mr L and Mr E L did not accept this and subsequently referred the complaint to this service on 18 March 2023.

Our investigator looked into things but did not believe Scottish Widows had done anything wrong. The investigator noted that the letter sent on 26 August 2021 confirmed that the LOA provided access to information only, with this being supported by the call notes from 2021 which showed Mr E L was informed that the LOA would provide access to information only.

Mr E L did not agree and in response noted that the letter of August 2021 was never received and that he remained of the opinion he was led to believe the LOA would allow him to take action and make changes to his father's pension. The fact that such changes could not be made, alongside movements in the investment market, meant his father's pension had lost value.

Our investigator was not minded to change their findings and as such the case was passed to me.

I issued a provisional decision which stated:

"Our investigator based their findings on the call notes provided by Scottish Widows, including notes covering the 29 July 2021 call with Mr E L where the LOA was discussed, and the letter sent by Scottish Widows in August 2021 which confirmed the LOA would provide access to information only.

To add to this, and to try and address Mr E L's concerns that the call notes provided by Scottish Widows did not reflect his recollections of the conversation held, I have requested and been supplied with a number of recorded calls so that these can be compared directly to the call notes submitted by Scottish Widows.

Having looked at the chain of events above, and all the evidence on file, I have reached the same conclusion as our investigator. I do not believe Scottish Widows acted inappropriately or provided incorrect information when setting up the LOA on Mr L's policies.

The initial web request submitted by Mr L on 17 July 2021 only requests additional information on how Mr L can grant his son access to information, with no mention of any requirement for Mr E L to be granted the ability to act or make changes on the policy.

During the follow up call of 29 July 2021 it is clarified several times that an LOA would only provide access to information. I have listened to this call and have transcribed and included key commentary below.

Mr E L began by asking how he could be nominated as a "point of contact to discuss his [fathers] pension".

The initial call handler explained that for ad hoc requests consent could be given verbally. But for "longer lasting you can free hand a written instruction, get your father sign off on that, confirming that he grants you permission to speak on his behalf. It doesn't allow you to make changes but allows us to share information with you".

As the initial call handler couldn't action anything personally, Mr E L was transferred to another staff member who took over the call.

This call handler stated that "So, in terms of getting yourself applied onto the policy so we can give you information about your dad's plan this would be known as a Letter of Authority".

The process of submitting a LOA and what would need to be included on such a letter was then discussed and followed by a re-confirmation that "Once the letter of authority is applied to the policy we would then be able to speak to you about our dad's policies so helping him with the communication situation, however, we wouldn't be able to carry out your instructions we would still need that to come from the policy holder. So, we can give you information on the policyholder's plan once we have a letter of authority, but we cannot make any changes to his plan, we would need that either sent in by documentation or we would need to speak to the policyholder directly over the phone".

Following this the call moved on to cover how the LOA could be submitted with an email address provided.

Towards the end of the call Mr E L then explained that his only real question was around what happened to the policy as his father approached retirement and whether the pension would automatically be moved into safer investments. The call handler explained that this would depend on the underlying investments themselves and the type of policy held, however nothing specific about Mr L's policy could be discussed at that time given no LOA had been submitted.

At no point during this call does Mr E L state that one of his requirements is the ability to make changes to his father's pension with both Scottish Widows call handlers being very clear that the LOA would provide access to information only.

I have concluded that this call made it clear to Mr E L what the LOA would and would not do before any such letter was completed and submitted to Scottish Widows.

Following this call the LOA was applied for with written confirmation of its application to Mr L's policies sent by Scottish Widows on 26 August 2021.

I see no reason to doubt Mr E L's statement that this letter was not received, however I would repeat the point made by our investigator that Scottish Widows were not in a position to know this, with the letter being addressed correctly and sent in good faith.

In addition, given the content of the recorded call detailed above, even accepting this letter was not received, I do not believe it is reasonable to conclude that Scottish Widows suggested in any way that an LOA would allow Mr E L to make changes to his father's pension.

I fully appreciate that at some point after July / August 2021 Mr L and Mr E L's needs changed, with both wanting Mr E L to have the ability to manage the pension on Mr L's behalf. However, I can find no evidence that this was required or discussed with Scottish Widows during the 29 July 2021 call or at the point the LOA was submitted.

I note that there have been several issues in subsequent conversations between Mr L / Mr E L and Scottish Widows, however as above, this decision has focussed on the issue around any potential miscommunication around the LOA. As such I have not included or discussed any additional detail around subsequent conversations between the parties held in 2022.

As such I can find no reason to uphold this complaint or ask Scottish Widows to take any further action.”

I asked all parties to provide any additional commentary or evidence they wanted me to consider before a final decision was issued by 13 October 2023.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In response to the provisional decision issued Scottish Widows confirmed they agreed with the outcome reached and had nothing further to add.

No response has been received from Mr L or Mr E L.

Given there has been no further information or commentary submitted, I have concluded that the outcome documented in the provisional decision (detailed above) remains fair and reasonable. As such I am not making any changes to it.

My final decision

As per the commentary above I am not upholding this complaint and require no further action from Scottish Widows Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 13 November 2023.

John Rogowski
Ombudsman