

The complaint

Mr M complains that Scottish Widows Limited (SW) migrated his pension policy without his consent or prior knowledge. He said this led to his policy number being changed without him being told. Mr M also complains that the fund he invested in was changed without his permission as part of the migration. And that SW had removed his ability to check and manage his funds through its online portal.

What happened

Mr M is a member of his employer's Group Personal Pension Plan (GPPP) held with SW. He invests his pension funds in the North America Equity Index fund.

SW said it wrote to Mr M in September 2022 to tell him it intended to migrate his policy. Mr M said he didn't receive the letter. As he'd changed his address in October 2022, SW felt that the letter could've ended up at his old address.

Mr M emailed SW on 2 October 2023. He said he'd tried to access pension details using his usual web address. But it looked like that no longer existed. He said that while he could see the overall value of his pension using a different web address, he still wanted the unit history and monthly allocation for his pension.

SW said it sent Mr M the information he needed on 6 October 2023. But on 11 October 2023, SW said Mr M had called it as he wanted a list of the funds available to him and his fund allocation for the September contribution. It said it sent him the requested information the same day.

Mr M complained to SW on 11 October 2023. He said it'd failed to properly notify him about the policy migration. And that it'd changed his investments without his consent. Mr M said SW had also inconvenienced him by withdrawing the unit history functionality on its online portal.

SW issued its final response to the complaint on 17 October 2023. It upheld the complaint about its failure to notify Mr M about the migration. It said it should've sent Mr M another communication closer to the migration date. It apologised for not doing so. And said it would send Mr M a cheque for £40 for the inconvenience this had caused.

SW didn't think it'd done anything wrong when it'd removed Mr M's ability to view his unit history online. It acknowledged that the change was frustrating for Mr M. But said that its Terms and Conditions allowed it to suspend or terminate consumers' use of the services at any time and for any reason.

SW said it hadn't changed Mr M's investments without his consent. It said that although the fund series and the ISIN had changed, the "old" fund and the "new" one were functionally the same. SW said that when the policy migration was carried out, its principle was to invest consumers' holdings in the same fund they held pre-migration but in a series designed for a different policy class. As such, it couldn't uphold that part of Mr M's complaint.

Mr M wasn't happy with SW's response. So he brought his complaint to this service. He said SW had migrated his existing policy and created a new policy number without notifying him. And that he'd only become aware of this once he'd called it. Mr M said he hadn't given SW his permission to change the fund his pension contributions were being invested in. He felt that they weren't the same fund. And said: *"'like-for-like' doesn't apply as it thrown away all my portfolio tracking and thereupon taking judicious decisions from time to time as needed"*. He also said that SW's migration had removed an online facility. This meant he couldn't find out how many units had been allocated to each pension contribution and therefore couldn't track the investment performance. Mr M said it was inconvenient to have to call SW every month to find out the current value.

Mr M told this service that he didn't think the £40 SW had offered him was fair. He felt SW should be severely penalised and that he should receive much bigger compensation. He also wanted online access to be restored. And for his investments to be restored into the original fund he'd selected.

Our investigator felt that SW had settled the complaint fairly. He took the view that SW hadn't sent Mr M an intent to migrate letter in September 2022. And therefore felt he hadn't been informed about the migration or the change to his policy number that it would lead to before it had taken place. But he felt that the issue had been quickly put right when Mr M had been given his new policy number. And that the £40 compensation SW had paid was reasonable under the circumstances.

Our investigator agreed with SW that it hadn't done anything wrong when it'd removed online access. He said it wasn't a guaranteed service for customers. He also didn't consider that SW had acted unfairly when it'd changed the fund series and the ISIN of the fund Mr M was invested in. He said the fund still had the same holdings and followed the same index.

Mr M didn't agree with our investigator. He made the following points:

- He felt it was clear that SW should be penalised for its actions.
- And that due to consumer duty and new disclosure guidelines, financial institutions should be required to promote transparency and treat customers fairly. He didn't think his complaint had been considered fully in this regard.
- He felt that SW should be punished for changing his policy number and swapping his fund in the name of "policy migration".

Our investigator explained to Mr M that he wasn't able to consider his complaint under Consumer Duty as it had only come into effect on 31 July 2023, which was after the event Mr M was complaining about which took place in 2022. He said that as Consumer Duty didn't apply retrospectively, it didn't apply to this complaint.

As agreement couldn't be reached, the complaint has come to me for a review.

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.

Having done so, I'm not going to uphold it. I agree with our investigator that SW has already taken reasonable steps to put things right. I can see that Mr M feels very strongly about his complaint, so I know my decision will be disappointing. I'll explain the reasons for it.

I should perhaps first explain the Financial Ombudsman Service is not a regulatory body. So I can't tell SW how to operate. Or punish it for a mistake. But I can consider whether it has done enough to put things right.

SW has paid Mr M £40 compensation for not informing him before it took place that his policy would be migrated. But it didn't uphold Mr M's complaints about the change to his fund or policy number, or its removal of his online access.

Mr M doesn't consider that this offer is fair. He thinks SW should be punished for its actions. He also wants his funds to be reinstated and his online access to be returned.

I first considered whether SW acted fairly when it migrated Mr M's policy and created a new policy number without his prior knowledge or consent.

Policy Migration and new policy number

It's not in dispute that SW migrated Mr M's existing policy and created a new policy number. But Mr M complains that SW shouldn't have done this without his prior knowledge or consent. Mr M also said he only became aware of his new policy number after calling SW.

I agree with our investigator that, on balance of probabilities, SW didn't inform Mr M about the migration before it happened. And I also agree that this meant Mr M didn't find out about the migration, and the change to his policy number, until after it'd already taken place. I'll consider the compensation SW has already paid Mr M in this regard in the "*Distress and inconvenience*" section later in my decision.

I can see that the migration caused a new policy number to be created. But I understand that SW provided Mr M with his new policy number after he called it. So I don't consider that this caused him any specific issues.

It clearly would've been much better if SW had informed Mr M about the migration and the new policy number before the change. But I don't think anything would've changed for Mr M if SW had done so. I say this because, from what I've seen, the migration was always going to happen.

The policy migration led to Mr M's online access being removed. And to amendments to the fund series and ISIN of the fund he was invested in. So I went on to consider these parts of Mr M's complaint.

Should SW be required to reinstate Mr M's online access?

Mr M said that the removal of the online facility had caused him inconvenience as he now had to call SW every month to find out the current value.

There's no dispute that Mr M lost the online functionality he'd previously valued. So I need to consider whether it was fair and reasonable for that functionality to have been removed. And I also need to consider what impact its removal has had on Mr M.

SW said that its Terms and Conditions allowed it to suspend or terminate consumers' use of the services at any time and for any reason.

I reviewed the Terms and Conditions for Mr M's specific GPPP and the overriding Terms and Conditions that SW has in place for all of its workplace pension policyholders.

Although the Terms and Conditions for Mr M's specific GPPP do provide online access, the

overriding Terms & Conditions allow SW to: “*suspend or terminate your use of the services at any time for any reason*”.

SW has also confirmed that it provided online services as an additional benefit. But that they don't form part of the original terms and conditions.

Therefore, while I understand Mr M's frustration that a service he found useful has been removed, I can't reasonably say that SW has acted outside of its terms and conditions, or treated him differently from other consumers, when it removed his online access. Additionally, in removing this access, SW made a business decision which it's entitled to make. And which this service has no power to ask it to change.

Although Mr M no longer has online access, he can still contact SW to get the information he used to access online. While I appreciate this is not Mr M's preferred method, I can't reasonably ask SW to provide a service that it isn't contractually obliged to provide. And I can't fairly hold it responsible for any inconvenience the removal of the online access has caused Mr M as it's not a guaranteed service. Therefore I'm not persuaded that SW should be required to reinstate Mr M's online access.

I next considered whether SW should be required to restore Mr M's investments into the original fund he'd selected.

Should SW be required to reinstate Mr M's investments into his original fund choice?

Mr M said that SW had moved his investments into a different fund without his permission.

SW said that although the fund series and the ISIN had changed, the “old” fund and the “new” one were functionally the same.

I've reviewed the fund fact sheets for the “old” fund and the “new” fund and I can find no difference in them. The fund still has the same holdings and follows the same index.

As the change is simply administrative, I'm satisfied that it hasn't affected how Mr M is invested, or caused him any financial detriment. And in any event, if he is unhappy with the “new” fund, he can choose new investments.

Therefore I'm not persuaded that SW should be required to reinstate Mr M's investments into his original fund choice.

I finally considered whether the £40 compensation SW has already paid Mr M was fair and reasonable under the circumstances.

Distress and inconvenience

SW has paid Mr M £40 for the inconvenience its failure to inform him about the migration has caused him.

As I've noted above, I don't consider that SW did anything wrong when it changed the fund series and ISIN, gave Mr M a new policy number or when it removed Mr M's online access. So, my decision here only takes account of the impact of Mr M not being informed of the policy migration. I also noted that this service is unable to punish a business, or tell it how to operate, as we aren't the regulator.

Having considered the compensation SW has already paid Mr M for its failure to inform him of the migration before it took place, I agree with our investigator that, while it isn't in doubt

that Mr M has been caused some inconvenience, an award of £40 is fair in this case.

I acknowledge that Mr M doesn't consider this compensation is enough. He takes the view that it should in some way be linked to the size of his pension fund. And that in any event, SW should be severely penalised for its actions. But I can't fairly agree for the reasons I've explained. And because I've seen no evidence that there was a financial impact on Mr M. Therefore the size of his fund is irrelevant to the level of compensation required.

Overall, I'm satisfied that the £40 SW has already paid Mr M is fair and reasonable in the circumstances of this complaint. So I don't uphold the complaint.

My final decision

For the reasons set out above, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 February 2024.

Jo Occleshaw
Ombudsman