

The complaint

Mr O complains that Scottish Widows Limited failed to provide information he'd requested about his pension in a timely manner. He explained that when he tried to source the information he needed, he ran up against problems with their secure email messaging system and telephone service offering.

Mr O would now like SWL to recompense him for the investment losses he says could have been avoided had SWL provided the information he needed sooner.

What happened

In September 2022, Mr O had seen information in the media about financial markets becoming volatile, so he decided to get in touch with SWL about his pension to see how it was performing. He'd decided given what he'd read that he wanted to look at 'freezing' his investments due the market turmoil at that time. After asking for a list of transactions on his account, he wasn't able to access the information that SWL had sent him through their secure email system, so SWL had to send the information to him by post.

Mr O says that after spending several occasions trying to communicate with SWL over the telephone, by the time he'd received the information he needed, his pension had dropped significantly in value and he was too late to freeze his investments.

Shortly afterwards, Mr O decided to formally complain to SWL. In summary, he said he'd become frustrated by the emails SWL had sent him about his pension. He'd been unable to open the emails to access the information they contained. He also said that he was unhappy that after telephoning SWL, he'd spent considerable time over the phone trying to get to the right department who could help him. He also said he was unhappy about the performance of the investments within his pension. He said had he been provided with the information he needed sooner, he could've taken action earlier to prevent his losses.

After reviewing Mr O's concerns, SWL concluded that they were upholding his complaint in part. In respect of each of the different parts of his complaint, they said in summary:

- inability to access email information – SWL said that because the emails they'd sent to Mr O contained personal information, they had to be sent by encrypted message. Whilst they appreciated the frustration that he must've experienced being unable to open those messages, they weren't upholding that part of his complaint because their priority in that instance was protecting him from identity theft.
- customer service – SWL explained that they were upholding this part of Mr O's complaint because they didn't feel that the service they'd provided to him was as they would typically expect when he telephoned in. To say sorry for the trouble caused, SWL offered Mr O £30.

- investment performance/losses – SWL explained that the performance of Mr O's plan and specifically the recent fall in value he'd seen wasn't as a consequence of their actions, but rather it was linked to what was happening more broadly across the wider economy and whole of the markets. SWL explained they weren't upholding this part of his complaint.

Mr O was unhappy with SWL's response, so he referred his complaint to this service. In summary, he explained that had SWL provided the information about his transactions and pension sooner, he could've frozen his plan and stopped his losses.

The complaint was then considered by one of our Investigators. He concluded that SWL had treated Mr O fairly. He agreed that it was prudent for SWL to have sent Mr O's transaction summaries by post after he'd been unable to access them online and he also felt that the £30 SWL had offered Mr O for the trouble they'd caused was reasonable for the impact of the issue. Our Investigator didn't believe it was reasonable to hold SWL accountable for Mr O's investment losses.

Mr O, however, disagreed with our Investigator's findings. In summary, he said he'd have expected more from SWL other than for them to just "collect their fee". He also said:

- given SWL take an "annual maintenance" fee, he felt that it wasn't unreasonable to expect to receive some form of investment advice service from them when dealing with the markets - particularly when the markets were changing rapidly.
- he also didn't think it was reasonable to have to wait to receive important information on his pension. Mr O said waiting for several weeks for statements he'd requested to arrive by post, especially in light of how fast the markets move, wasn't acceptable.
- Mr O felt that SWL's customer service was lacking and their offer of £30 was derogatory for the trouble he'd been caused. He says that had SWL provided the correct information to him sooner, he could've 'frozen' his investments sooner.

Our Investigator was not persuaded to change his view as he didn't believe Mr O had presented any new arguments he'd not already considered or responded to. Mr O then asked the Investigator to pass the case to an Ombudsman to review that outcome.

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.

The purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by Mr O and SWL in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice, but it is for me to decide, based on the available information I've been given, what's more likely than not to have happened. However, I hope neither Mr O or SWL will take the fact that my findings focus on what I consider to be the central issues, and not in as much detail as they have outlined, as a discourtesy.

Whilst I appreciate this may come as a disappointment to Mr O, having carefully considered both sets of submissions, I'm broadly in agreement with the view issued by our Investigator and for the same reasons. I'm not planning on repeating the timeline of events on this

complaint as they're well known to both parties and our Investigator has already provided a detailed summary in his initial view that's been provided to both parties.

Inability to access email information

Mr O explained that having heard in the media about the volatility within financial markets, he wanted to understand what impact that had made on his pension. He says he wanted to "freeze" his pension investments until the volatility passed. To do so, he explained he needed further information about his plan from SWL before he could make that decision.

Mr O went on to explain that after asking for a breakdown of transactions on his pension, he was unable to access the information that SWL had emailed to him. Given the information SWL was trying to email Mr O contained personal information, they took the step of sending the details through to him on a secure messaging system. I actually think that's a sensible practice. I can appreciate the frustration of not being able to access that information, particularly at a time when, as Mr O says, there was market turmoil which must have been concerning. However, I can't blame SWL for Mr O's inability to access that information. SWL provided further guidance to him on how to access the secure mails but unfortunately that was without success. So, I think given Mr O couldn't access the emails online in a secure way, the most sensible approach was the one SWL adopted, posting the information. Mr O says it took several weeks for SWL's information to then arrive through the post but I can't hold SWL accountable for delays in the mail.

Mr O says that when he received the transaction summary from SWL, it didn't really tell him a great deal. He believes waiting for the statement delayed his ability to be able to take corrective action on his plan. Having looked at the transaction summary SWL sent him, I'm not entirely clear what Mr O was expecting beyond what SWL provided. On 27 September 2022, Mr O asked SWL for a transaction summary and the statement he was provided gave him just that: it shows monies going into the plan and charges coming off. I well suspect Mr O may have thought he would receive details of the underlying investments SWL had purchased within the actual unit-linked fund he was invested in. However, that's not something that SWL would be able to provide beyond pointing Mr O to the fund factsheet on their website which shows typical holdings. Even if SWL had provided a breakdown of the underlying investments in the fund, I don't think having that information would've made much difference to Mr O. That's because, as Mr O said, the whole purpose of the exercise was to try and 'freeze' his account – that is to say, stop his losses and he could've done that in September 2022 when he originally spoke to SWL over the telephone rather than waiting to see what transactions had been undertaken.

And, if Mr O wasn't certain at that time that he wanted to move his monies into cash, he could've regularly liaised in with SWL to get a clearer pattern of how his monies were performing if he wasn't able to utilise their online services. I've looked at SWL's website – it states that their customer helpline is open 10 hours each day and lists when they typically receive the most and least calls throughout that time period. So, whilst I appreciate not being able to access the transaction information online may have been frustrating, Mr O was still able to speak to an SWL representative to obtain information about his investments' performance at any time should he have so wished. Had he done so, he would've been clear about the plan's performance in the two week period he had to wait before receiving the statements from SWL. Looking at the timeline that's been shared, it seems that SWL were prompt to respond to Mr O's original request for information. When he couldn't access it, they responded promptly again with instructions. And finally, when that failed, they issued the information by post, which as I've already explained, I think was a reasonable approach.

It therefore follows that I don't believe SWL should be held accountable for the losses Mr O experienced in the value of his pension whilst he was waiting to receive the printed information from them. I'm therefore not upholding this part of Mr O's complaint.

Customer service

Mr O explained that having received the transaction information from SWL, he spent a considerable amount of time on the telephone trying to speak to them to better understand what was happening with his plan. When our Investigator asked for the details of those calls, Mr O wasn't able to shed much light on the times and dates of when they occurred other than an occasion on 30 November 2022. That date also coincides with when SWL have stated they received a call from Mr O, so I have focused on that one instance.

When Mr O contacted SWL on 30 November 2022 to try and speak to a representative about his plan's performance and taking his tax-free cash, it took them multiple attempts to put him through to the right team that could help.

After looking into Mr O's concerns, SWL explained that Mr O spent just over an hour on the telephone to them on that occasion. SWL have acknowledged that they didn't get their service right that day and have said sorry. They've also offered Mr O £30 for the inconvenience they caused, passing him around various departments on the telephone. Mr O doesn't feel that the £30 adequately reflects the inconvenience SWL caused. So, it seems the quality of the service Mr O received that day isn't in any doubt, rather the award that SWL offered to him to put things right.

I appreciate that not being able to initially speak to the right person at SWL must have been frustrating. However, using financial services won't always be hassle free and we wouldn't usually make awards for things that aren't more serious than the normal nuisances of everyday life.

However, in light of the fact that Mr O was passed around several departments in trying to get things resolved, I feel the £30 SWL have offered in resolution of this issue is fair and reasonable. Therefore, whilst I am supportive of the approach SWL have taken on this issue, I'm upholding this part of Mr O's complaint. If they've not already done so, SWL should pay Mr O the £30.

For the avoidance of any doubt, I'm only upholding the part of Mr O's complaint that relates to the time he spent on the telephone to SWL on 30 November 2022. That's because I've seen no evidence of other instances where he spent an unacceptable level of time on the phone to SWL.

Investment performance/losses

Mr O told SWL that he believes their delays in answering his calls and sending him information, resulted in his funds losing further monies during a period of strong volatility in the stock markets. He wants them to recompense him for the losses he's incurred because of the time it took for them to provide him with the information he asked for and answer his queries.

In addition, Mr O said that he'd have expected more from SWL other than for them to just "collect their fee". At this point I think it's important to be clear about what Mr O was paying for. Each month, his fees covered two elements: the cost of managing the underlying investments (which includes researching which investments to purchase and associated trading costs) along with the cost of his wrapper (pension plan) that holds those funds. Mr O wasn't paying an additional cost to receive personalised financial advice from SWL.

That's important because SWL were only being paid to invest and provide custodial services to his funds. They weren't being paid to look at Mr O's specific circumstances and ensure the level of risk he was taking with his monies was appropriate for his circumstances.

SWL wrote to Mr O in June 2022, explaining how his monies were invested and should he wish to alter where his funds were invested, he could do so online or by using a financial adviser if he was unsure which option was best for him. The statements that SWL provided Mr O also contain the warning that he should regularly review where his monies are invested to ensure they remain appropriate for his future needs. So, whilst Mr O may have an expectation that SWL should have forewarned him about the falls in his investment, it was his own responsibility to keep track of how his monies were performing and make the necessary alterations to which fund(s) his monies were sat in.

But, I can fully appreciate Mr O's concerns in seeing his pension fall in value between his 2022 and 2023 statements, particularly at a point when he's considering taking benefits from his plan. However, the value of investments rarely run in a straight line and over time will go down as well as up in value.

In their complaint resolution letter to Mr O, SWL have explained in detail the background as to why Mr O's fund performed in the manner it has. I don't intend to repeat that explanation here as SWL have provided wider insight to Mr O in addition to their letter. But, given that fund holds around 60% of its assets in bonds, their explanation of why it declined in value appears consistent with what's happened across the broader market at the same time. So, this issue isn't restricted to just SWL.

Having looked at the statements that SWL provide, I'm satisfied from the paperwork that they made it clear that his monies would alter in value. And importantly, there was no limit to the amounts at which they could vary. I've seen no evidence to suggest Mr O wasn't aware that his monies could go down in value, rather it appears he's just unhappy by the size of the losses. But, as I've already explained, had Mr O wanted to move his monies out of the investments and into cash, he could've done so at any time, regardless of what information he was waiting for or the delays he says he experienced on the telephone with SWL. And, as he wasn't paying SWL to provide a personalized investment advice service to him, I wouldn't have expected them to proactively contact him to recommend any portfolio alterations. I'm therefore not going to ask SWL to underwrite his investment losses and I'm not upholding this element of his complaint.

My final decision

I think Scottish Widows Limited's offer of £30 in settlement of the complaint point about the customer service (telephone delay issue) is fair and reasonable in the circumstances and as such, I require them to pay Mr O £30 in settlement of his complaint. As I've explained above, I do not uphold the other complaint points Mr O has raised about his investment losses or the delays in him receiving information from SWL.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 19 September 2023.

Simon Fox
Ombudsman