

The complaint

Mr H complains that when he called Scottish Widows Limited (Scottish Widows) about accessing the pension he held with it in June 2020, it gave him misleading information about his pension investments. He said this re-assured him at the time. And led to him choosing not to take his Tax-Free Cash (TFC). Since then, Mr H's pension value has reduced.

What happened

Mr H's employer at the time applied to Scottish Widows in August 2010 to open a Group Personal Pension (GPP). Mr H was a member of this GPP.

Mr H's employer selected the "SW Balanced Approach" for Mr H's pension, which targeted buying an annuity at the chosen retirement age. This was a "lifestyling" arrangement which meant that Mr H's plan would gradually move into a more cautious investment approach starting 15 years before his nominated retirement age of 65. But didn't guarantee that the fund wouldn't decrease in value.

Scottish Widows returned Mr H's call on 27 January 2020. It issued him with pension information on the same date. Scottish Widows also spoke to Mr H on 2 March 2020 when he called it to discuss a letter it'd sent him after he'd gone past his normal retirement age, which stated he hadn't been in touch.

Mr H called Scottish Widows on 11 June 2020 after checking his plan value online the previous day.

Mr H complained to Scottish Widows on 12 September 2022 as his plan value had decreased significantly. He felt he might've been misinformed about his pension plan during the 2020 calls with Scottish Widows. He was confused about why it'd thought that the lifestyling on his plan would prevent his pension plan from falling in value.

Scottish Widows issued its first final response letter on 21 September 2022. It didn't think it'd done anything wrong. It said that lifestyling didn't guarantee that the fund performance wouldn't decrease. And that Mr H had the option to switch off lifestyling and change his investments at any time.

Scottish Widows acknowledged Mr H's concerns about his reduced pension value. But said that fund performance should be viewed over a five-to-ten-year period. And that if there was an issue with the performance of a certain fund, it would be addressed by the fund manager. It also said that investment markets could fluctuate and that due to world events there had been increased volatility. It provided Mr H with plan values from 2017 through to 2021, showing that the pension had increased in value over that time.

Scottish Widows said it didn't offer or provide professional advice. And said that if Mr H wasn't sure what funds or approach he wanted to take, it recommended he took independent professional advice.

Scottish Widows issued an updated final response letter on 28 October 2022 which upheld

another part of Mr H's complaint about being provided with an incorrect telephone number. But which didn't change the decision about Mr H's decreased fund value.

Unhappy, Mr H brought his complaint to this service. He said he'd spoken to Scottish Widows about leaving his pension untouched when he reached his normal retirement date, as he didn't need the TFC at that point. But he said that when he'd spoken to it on 2 March 2020, the adviser had told him that his pension had moved to low-risk funds and that it would be fine to leave. Since then, his pension value had fallen by about a third.

Our investigator felt that the complaint should be upheld. He felt that Mr H had expressed his intention to take a lump sum at the start of the June 2020 call with Scottish Widows. He said this decision had been caused by a reduction to Mr H's fund value and his concerns due to the pandemic. He felt that if the call handler had simply asked Mr H what he wanted, and then transferred him to the correct department, he would've accessed his TFC. And the remaining funds that weren't in low-risk funds would've been switched to low risk in line with his stated intention.

To put things right, our investigator felt that Scottish Widows should put Mr H as close as possible to the position he ought to now be in, if it had done what he felt it should've done during the June 2020 call.

Scottish Widows didn't agree with our investigator. It said that Mr H had been provided with detailed information about accessing his pension after he'd called on 27 January 2020. And that he'd also been sent further information about accessing his pension online on 16 March 2020.

Scottish Widows said that it sent Mr H more detailed information on his pension on 10 June 2020. It said this consisted of policy information, premium history, list of funds available and a fund choice and charges sheet.

Scottish Widows said that at the start of the call on 11 June 2020, the call handler had asked Mr H the reason for the call. It said that no advice had been provided during the call, only information. And that Mr H had then decided that he wanted to remain invested. It also said that the call handler had provided Mr H with the telephone number of the relevant department if/when he wanted to claim his pension. But that he'd said he would leave it for now. It said this was Mr H's decision and he'd been made aware that the value would continue to fluctuate whilst it was invested.

Scottish Widows didn't agree that the call handler had provided value judgement and opinion. It felt he'd only provided factual information. It also said that Mr H could've called the retirement line at any time to start the retirement process, but that he chose not to do so. It also said that if he'd asked to be transferred to the Retirements department during the June 2020 call, he would've been.

Scottish Widows said that Mr H's plan was still in force. It also explained that the lifestyle approach meant Mr H's investments had been gradually switched to lower risk funds, such as bonds and cash. But that investment performance could still significantly change over time, due to unforeseeable events. It said that changes in interest rates or inflation could lead to fixed interest investments going up or down. And also noted external world events, over which it had no control, which could also negatively impact investment performance.

Scottish Widows said it couldn't provide advice, or suggest changes to a customer's investments.

Our investigator considered Scottish Widows' points, but said he felt that the complaint

should be upheld. He still considered that the call handler on the June 2020 call had used value judgement which had caused Mr H to act differently from what he'd intended. He said that at the start of the call, and further on in the call, Mr H had stated that he'd decided he wanted to take his TFC. So he felt he should've been transferred in order to do that.

Our investigator also said that he didn't consider that this was a performance related complaint. And noted that Mr H had been told he was in safe funds.

Scottish Widows told this service that the funds Mr H was invested in were the lowest risk funds. It gave the split of Mr H's funds as follows:

SW Cash 23.94%

SW pension protector 76.06%

Scottish Widows said the Pension Protector fund was a low-risk fund. And provided the relevant fund factsheets.

Scottish Widows said it didn't agree with our investigator that its call handler had failed to take an instruction from Mr H in the June 2020 call. It felt that Mr H was considering his options and was only "pretty sure" of an intention based on market movements. He didn't need any money straight away and he wished to remain invested. It said he was already invested in the lowest risk funds offered and was given factual information. It said it was also made clear to him that his pension fund value wasn't guaranteed. Scottish Widows felt that Mr H changed his mind after learning he was in low-risk funds, but had been made aware his pension fund value was subject to fluctuations.

Scottish Widows also didn't agree with our investigator that Mr H would've accessed his TFC and moved his remaining funds to lower-risk funds if he'd been transferred to its Retirements Team on 11 June 2020. It said that team would've provided the same or similar information to Mr H. In any event, it said it wouldn't transfer a customer to another department without first finding out why they were calling. Scottish Widows also said that if Mr H had been transferred to the Retirements Team, they would've explained the same information – that he was in low-risk funds already, as this was factually correct.

Scottish Widows also didn't agree with our investigator that the 11 June 2020 call handler had provided value judgement and opinion. It felt he had only provided factual information. It said the decision about whether to take his pension was entirely Mr H's. And he could've called the retirement line at any time to start the retirement process, but chose not to. It also said that if he'd asked to be transferred to the Retirements department, he would've been.

In summary, Scottish Widows said:

- The call handler provided correct and factual information only – he was in the lowest risk funds of his investment strategy and confirmed he wasn't giving advice.
- The call handler made Mr H aware, on more than one occasion, that his pension value would still be subject to market ups and downs. And therefore the value wasn't guaranteed. Mr H stated that he understood this perfectly.
- The call handler clearly explained to Mr H that he could call at any time to claim his pension.

Scottish Widows also said that if Mr H had proceeded with taking his TFC in June 2020, the process would've been as follows.

- He would've had an initial conversation about his options, and he would have been provided with fund information.
- It would've then booked an appointment to discuss moving his pension to a Retirement Account, as his existing pension didn't allow drawdown.
- Mr H would've had to choose a new investment before his appointment.
- It would've paid out the TFC within 10 working days of the appointment. And the remainder would've been invested in the fund chosen by Mr H.

Our investigator considered Scottish Widows' points. But still felt Mr H would've taken his TFC if the call handler had taken his instruction. He also now felt that Scottish Widows should also pay Mr H £250 for the trouble and upset it had caused.

Mr H made the following point after receiving our investigator's view. He said that whenever he contacted Scottish Widows, its answering service always said: "*you are on hold as all our advisers are busy and you will be put through as soon as one becomes available*". But in its evidence/reports it'd referred to these advisers as just call handlers. He said that he felt that an adviser at a pension company would have some expertise about pension matters. So he was reassured to think that he was talking with experts.

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

I issued my provisional decision on this case on 5 July 2023. It said:

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

Having done so, I don't intend to uphold it. I don't agree with our investigator that Mr H gave an instruction to the call handler on 11 June 2020. I also don't agree that if the call handler had transferred Mr H to the Retirement team he would've accessed his TFC at that time. Or changed his investment for the remaining funds. I know my decision will be disappointing to Mr A. I'll explain my reasons for it.

I first considered what was said during the three phone calls I've been provided with.

Phone calls between Scottish Widows and Mr H in 2020

I've carefully listened to the following calls between Mr H and Scottish Widows:

- 27 January 2020
- 2 March 2020
- 11 June 2020

I agree with our investigator that there was no misleading or incorrect information during either the 27 January 2020 or the 2 March 2020 call. So I won't go into detail about the content of those calls.

I will however note that during the 27 January 2020 call, Mr H asked about drawdown. He wanted to know if his remaining funds would remain invested if he withdrew part of his pension. He asked: "Would the funds continue to grow, I mean I know the balance, if I draw something off it would be less than whatever I drew off it but if there was like £100,000 in

there is that likely to increase a bit – or I know they can go down as well as up”. The call handler told Mr H that the remaining funds would still be invested.

The 2 March 2020 call was predominantly about Mr H’s retirement date and his nominated beneficiary. Mr H said he wanted to clarify that Scottish Widows had the correct information about his plans for his pension. The call handler confirmed that Mr H’s retirement age would be changed from age 65 to age 75 and that his funds: “would be invested as they were before”. He said, about his pension: “That is what I propose to do – just leave it for now”.

Mr H also asked for a current fund value during this call. He said he was concerned about the impact of the coronavirus on investments. The call handler provided a value of £311,628.66 as of 28 February 2020. Mr H was happy with this. He said: “I would’ve thought mine would’ve gone down quite a bit. That’s good news”.

I’ll now consider the content of the 11 June 2020 call in some detail. To do this, I’ve produced a transcript of what I consider are the most important parts of the call. I’ve transcribed almost all of the call as I consider the context is extremely important here.

Call Handler: “What is the reason of your call today?”

Mr H: “I’m pretty sure I want to take the lump sum from my pension. I have spoken to a couple of your colleagues recently about it and they said that if I decide, say I decided now, that I wanted to take the lump sum from my pension and move the rest into a safer, you know, sort of safer funds with Scottish Widows, that they would transfer me to someone to speak about it and that I would get what the pension value was at 5pm last night”.

The call handler then clarified that Scottish Widows would always use the previous day’s bid price. And confirmed that for as long as the money was invested, even during any claims process, nothing was guaranteed. He said: “It’s not guaranteed, nothing is ever guaranteed when it comes to this stuff. So even the value you are looking at right now, by the time your claim is set up if the stock markets crash and you lose your value you are going to be getting the value. That’s it. At the day of the claim.”

The call then continued as follows:

Mr H: “Actually (call handler name), that’s my point. Stock markets have really gone down today and I’ve been thinking about taking it and I thought...so have you got my details on screen then, so they are not a live price is that what you are saying?”

The call handler completed the security questions at this point. Then the conversation continued as follows:

Call Handler: “I’ve got your details here sir, what did you want them brought up for?”

Mr H: “First of all, the valuation when I looked today was £317,562. Is that what you’ve got there?”

Call Handler: “Correct and 14 pence”.

Mr H: “So if I said to you now that I did want to take the pension, are you saying I would not get that exact valuation?”

Call Handler: “No, no, no I am just making you aware of the fact that, if you think £317,562, if you think you will get exactly that figure, that is what I am trying to make you realise. That’s not entirely true. So let’s say you speak to our retirements team just now OK and they

organise a call back with you because they need to have a 40-minute conversation with you to understand everything that you want, when you are having that conversation your money is still invested, it's not that your money is disinvested instantly. Your money is still invested up until the claim starts so by the time your claim starts if anything happens around the world and stock markets crash, you will lose that money."

Mr H: "I understand what you are saying perfectly. I didn't understand it worked like that but obviously I am now you've explained it. Thanks for that."

Call Handler: "Yeah, yeah that's all I was getting at, so just in case something does happen in the stock markets and stuff you would lose a little bit of money there but you are in quite safe funds anyway so it's not like you are going to lose. You're in pretty safe funds now. Your lifestyle feature has been doing its job."

Mr H: "It has been up and down a lot in the last couple of weeks to the tune of like £5,000 you know but I am surprised it has stayed where it is for now. Today there has been some big drops in the stock market, that's what prompted me to make the decision but you are making me re-think it now because if it's what I described as a live price, where the fund is going up and down all the time with the stock market."

Call Handler: "Correct. And another important point to point out to yourself is, see how you are saying that, that the stock markets crashed quite a lot, that's what made you call us in today, well see your funds, there is a lifestyle feature on your policy, and what that does, what its job is, it understands how old you are, it understands how close you are to retirement and it will move your investments based upon that."

The call handler then explained how lifestyle worked. And said: "so see like how stock markets have crashed today, because that system has moved your funds into safer and safer and safer funds you won't lose as much money because your risk has been minimized the closer you get to your retirement age".

Mr H then said: "Do you know I am glad I spoke to you. You are explaining this perfectly so even I can understand it and I know nothing about pensions. Right, you have made me have a re-think now actually and I think, since you, so that's what happens with the pension company all the time is it – they are managing it as I get older into safer funds say?"

Mr H also said that he'd just passed his original retirement age. And that at that time he'd told Scottish Widows that he would leave his pension untouched for the foreseeable future. He said: "so I assume, just as you've said now that as it was coming to my retirement date it was put in a safe place".

Call Handler: "Correct. So see now the funds have all been moved into safer funds because the system thought you were retiring. So now all of your funds are in the most safest funds OK?"

The call handler then asked Mr H when he planned to retire. He said he was already retired but didn't yet need his pension money. And: "So I think, as you've just told me about it being in sort of safer funds for the last few years. I think I will leave it. I am glad I spoke to you today actually".

Mr H then said: "What I was gonna do today, I'm OK to talk to you about this am I?"

Call Handler: "Yes, I mean I'm not giving you any advice I'm just pointing out things to you that you should know about technically".

Mr H: "It's good. Let's say it's an opinion you know. Well, it's more than an opinion. You

know what happens at Scottish Widows better than I do. So, I was gonna take my lump sum, which would've been around £79,000 and leave the rest – but, I think seeing as you have already said it was in a safe place and I don't have to have it right now, I think I am better off leaving it with Scottish Widows as it is".

Call Handler: "Yes that's fine, if you want to leave it lying there for a few years you certainly can do that, that option's completely yours".

Mr H: "I think I will do that. Yeah, you've taken away some of the panic stations there. I'm glad I spoke to you".

Call Handler: "You know you have an online account as well where you can keep an eye on all this".

Mr H: "Yeah, I can keep an eye on it. I registered just a couple of weeks ago so I can get the value of it any time I want".

Call Handler: "I just wanted to make sure you were aware of that. You'll be able to see the funds you're in. If you click on the actual fund, it brings up a fund factsheet, and that will tell you exactly what it involves. The call handler then looked at the detail of one of Mr H's funds - the cash fund factsheet, and said: "it's one of the safest funds you can get."

Mr H: "I believe so yes, I've been reading about this actually". And asked what percentage of his fund was invested in cash, but the handler wasn't able to tell him.

Mr H then said: "Just in your opinion, I've never actually taken any financial advice, I've not done so bad over the years, you know, I've got a pension and I've got money, well I've got some put away in equities but that's going up and down drastically. But I've done all right under my own steam if you know what I mean. Just speaking to people like yourself who have an opinion anyway and know something about how pensions work you know. So I think I will as far as Scottish Widows goes I'll just leave it in for now. Because you've been really clear on what you've explained today".

Call Handler: "So would you like our retirement team's external number just for the future whenever you're looking to call you could just call them directly next time".

Mr H: "Yeah, you can do please". The handler then provided Mr H with the number which he wrote down and confirmed. He also explained what would happen when Mr H called.

Mr H: "So once I ring them is it then done? I have how can I say cast a stone?

Call Handler: "Whenever you're looking to get funds from it, Call that number. They're the ones that'll say OK, you can take TFC, you can put it in a drawdown account, buy an annuity. They'll be the ones that'll tell you all the ins and outs to it like what tax you're going get and what the options are".

Mr H: "So will they tell me what my options are? Do I then make the decision to say yes right, do this, do that, or could I then say, like I said to you today, no, I think I'll just leave it for now?

Call Handler: "It would be totally your option. I mean you can have a chat with them. They'll explain to you all your retirement options. They might even send you an email or a letter to go over all the ins and outs. And once you've made your decision then you normally just give

us a call back to let us know that you're happy to proceed with this retirement option or that retirement option".

Mr H: "Yes, I would rather have a chat with somebody first to get my options, you know, be guided by someone and then make my decision. Are there like advisers in Scottish Widows as well?"

Call Handler: "We have advisers within Scottish Widows yes, but I don't think they're the type that tell you how to invest. That'd be a financial adviser you'd wanna see".

Mr H: "I know it's a very difficult area now because people are not allowed to give advice now are they?"

CH: "Exactly".

Mr H: "Right".

Call Handler: "We can certainly explain to you your retirement options".

Mr H: "Go on then".

The call handler then provided Mr H with his retirement options. At the end of the call Mr H thanked the call handler and said: "My mind is at rest now. I know things are still going to change slightly but when you said the funds as I've got older had been moved to safer funds that's what I needed to hear right now. I'm just going to leave everything as it is for now".

I next considered whether Mr H had given Scottish Widows an instruction during this call.

Did Mr H give Scottish Widows an instruction?

Our investigator felt that Mr H had already decided what he wanted to do with his pension when he called Scottish Widows on 11 June 2020. And that the call handler he spoke to that day failed to take his instruction.

Based on listening to the call, I'm satisfied that Mr H called Scottish Widows on 11 June 2020 to discuss his options. And then make his final decision. I say this because at the start of the call, Mr H said:

"I'm pretty sure I want to take the lump sum from my pension. I have spoken to a couple of your colleagues recently about it and they said that if I decide, say I decided now,"

It's clear to me from this that Mr H hadn't yet decided what he wanted to do. So he was in no position to give Scottish Widows an instruction from the start. Instead, he wanted to gather information about his options and then decide what to do next. I say this because, during the 11 June 2020 call, Mr H said, after the Retirement team's role was explained to him:

"Yes, I would rather have a chat with somebody first to get my options, you know, be guided by someone and then make my decision".

I'm also satisfied that Mr H was fully aware that Scottish Widows wasn't giving him advice, and that the decision on what to do with his pension was his alone. I say this because the call handler confirmed he wasn't giving Mr H any advice, just letting him know the things he needed to know. Mr H agreed. But said he felt he was getting an informed opinion, from someone who knew more about pensions than he did. The call handler confirmed that it was Mr H's decision what to do with his pension. He said: "Yes that's fine, if you want to leave it

lying there for a few years you certainly can do that, that option's completely yours".

Mr H then told the call handler that he'd never taken any financial advice, but felt he'd done well over the years despite that. The call handler then explained that Scottish Widows did have advisers, but that they weren't financial advisers. Mr H said he knew that: "people are not allowed to give advice now are they?", and the call handler said this was right, but that he could explain his retirement options, which Mr H then asked him to do.

I acknowledge that Mr H told this service that he felt he'd been speaking to an adviser at a pension company, who would have some expertise about pension matters. And that this was reassuring at the time.

But, from what I've heard during the call, I'm satisfied that Mr H was fully aware that he wasn't being given any advice. And that the decision he was making was his alone. I'm also satisfied that Mr H never gave Scottish Widows an explicit instruction. I say this not only based on the transcript of the opening part of the 11 June 2020 call, but also because of what Mr H has told this service.

Mr H told this service that he wasn't intending on doing anything with his pension fund in 2020. He said, "I was never going to do anything with the money. I was thinking about it". I acknowledge that our investigator felt that Mr H had mis-remembered what he'd actually said during the 11 June 2020 call. But I'm not persuaded that this is correct. Based on what I heard in the call recording, I take the view that Mr H was trying to get further information about his pension so that he could then decide what he wanted to do.

Although I don't consider that Mr H gave Scottish Widows an instruction, I've also thought about what would most likely have happened if the call handler had treated Mr H's initial statement on the 11 June 2020 as an instruction.

Scottish Widows said that if Mr H had been transferred to the Retirement Team when he called it on 11 June 2020, that team would've provided the same or similar information to Mr H as the call handler had. So he would've been told that he was already in low-risk funds. It then felt that Mr H would've made the same decision that he made having spoken to the call handler. And decided not to access his TFC, or move his remaining funds to lower-risk funds.

Our investigator felt that if the call handler had transferred him to the correct department, he would've accessed his TFC and moved any of his remaining funds into low-risk funds.

Having thought carefully about both arguments, I'm more persuaded that, if Mr H had been transferred to the Retirements Team at the start of the call on 11 June 2020, he would've been given the same or similar information. And he would've made the same decision to leave his pension untouched.

I say this because Mr H had no need for his pension money at the time. Scottish Widows provided him with correct information about his investments. And then left the decision to him. I consider that this is exactly what would've happened if Mr H had instead spoken with the Retirements Team on 11 June 2020.

I also note that Scottish Widows made it clear to Mr H that he could claim his pension at any point. And explained how to do so. So he could've decided to take his pension at any point after the call on 11 June 2020 if anything happening in the investment markets changed his mind. But he didn't do so.

I next considered whether this is, in fact, a performance-related complaint. Our investigator

had felt that Scottish Widows had treated it as such, but didn't agree that it was.

Is this a performance-related complaint?

When Mr H complained to Scottish Widows on 12 September 2022, he said he'd been told in 2020 that his pension had been moved to safer funds. But he said that he had other equities invested elsewhere and none had dropped like this one. So he felt it made no sense.

I don't agree with our investigator that this isn't, at its heart, a performance-related complaint. I say this because Mr H only complained in late 2022. He said he was panicking at this time as most peoples' investments had gone down, and pensions had been hit particularly hard. He said he was: "annoyed that I rang up and was told my pension was safe. But it went down over 30%".

I'm not persuaded that Mr H would've complained if there hadn't been a fall in his investment fund in late 2022. And I'm satisfied that in 2020 he was told that his pension fund would remain invested, and therefore subject to market movements, until and unless he made the decision to disinvest his fund. The transcript of the 11 June 2020 call shows that the call handler told Mr H:

"It's not guaranteed, nothing is ever guaranteed when it comes to this stuff. So even the value you are looking at right now, by the time your claim is set up if the stock markets crash and you lose your value you are going to be getting the value. That's it. At the day of the claim."

The call handler also said:

"Your money is still invested up until the claim starts so by the time your claim starts if anything happens around the world and stock markets crash, you will lose that money."

And Mr H replied:

"I understand what you are saying perfectly."

I acknowledge that Mr H's complaint is based around what the call handler later told him in the call, after he'd told Mr H that due to lifestyling, his money was invested in "pretty safe" funds. The call handler said: "And another important point to point out to yourself is, see how you are saying that, that the stock markets crashed quite a lot, that's what made you call us today, well see your funds, there is a lifestyling feature on your policy, and what that does, what its job is, it understands how old you are, it understands how close you are to retirement and it will move your investments based upon that."

The call handler also said: "so see like how stock markets have crashed today, because that system has moved your funds into safer and safer and safer funds you won't lose as much money because your risk has been minimized the closer you get to your retirement age".

It was at this point – that is, after Mr H said he understood the lifestyling explanation perfectly – that he said he was having: "a re-think". And later on, Mr H asked the call handler to confirm that as he'd just passed his initial chosen retirement age, his money had been: "put in a safe place".

The call handler confirmed this and said: "So see now the funds have all been moved into safer funds because the system thought you were retiring. So now all of your funds are in the most safest funds OK?"

Mr H then told the call handler that he didn't need his pension money at the time. And that he would leave his funds where they were, given they were in: "sort of safer funds for the last few years".

The call handler noted that Mr H had online access, so he could keep an eye on his funds. He also explained how Mr H could use his online access to see which funds he was invested in. And explained how he could access the fund factsheets, which would: "tell you exactly what [the fund] involves".

The call handler also ensured Mr H had the Retirement team's number so that he could call it directly whenever he wanted to consider his options again. He also explained the process that team would follow when Mr H did decide to access his pension.

Finally, Mr H thanked the call handler and said: "I know things are still going to change slightly but when you said the funds as I've got older had been moved to safer funds that's what I needed to hear right now. I'm just going to leave everything as it is for now".

Everything the call handler said to Mr H was factually correct, as his pension funds had been gradually moved to lower risk investments as he approached his initial chosen retirement date. And as he had reached the end of the lifestyle approach, because he'd gone past his initial chosen retirement date, he was in the lowest risk funds he could be in under that arrangement. Scottish Widows said this was why the call handler had referred to "the most safest funds".

Subsequent external factors have led to "safe" funds, like the pension protector fund Mr H has been invested in, decreasing in value. Many such funds don't seem to have behaved in the way they were set up for due to unexpectedly high and rising interest rates, which has seen them fall in value. However, these funds do in fact still serve the purpose they were set up for – that of buying an annuity at retirement.

I say this because, as interest rates have risen, the price of annuities has come down. This means that a reduced pension investment can still buy a similar level of annuity at retirement. So the call handler was correct to say that Mr H was invested in relatively safe funds, given his pension had been set up to buy an annuity.

I'm not persuaded that anything the call handler told Mr H on 11 June 2020 was factually incorrect or misleading at the time of the call. Instead, I consider that the call handler gave Mr H the information he needed at the time to make an informed decision about his pension options. Mr H made the decision to leave things as they were. He didn't need the money at the time and was satisfied that his funds were invested relatively safely. He knew there was still some risk, and that he could keep track of his funds' performance and amend his investments, or access his pension, at any time.

So I can't fairly say that Scottish Widows have done anything wrong. And, while I know this will be very disappointing to Mr H, I don't intend to uphold the complaint.

Response to my provisional decision

Scottish Widows didn't comment on my provisional decision.

Mr H said he was extremely disappointed with my decision. He made the following points:

- He said the reason that he didn't take the 25% TFC was solely due to the adviser at Scottish Widows telling him that his pension was in very safe, low risk funds. And that lifestyleing was doing its job.

- He felt Scottish Widows shouldn't refer to people as advisers.

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.

I'm sorry that Mr H is disappointed with my decision. But I'm satisfied that I've already covered the points he's raised in my provisional decision.

As no new information has come to light to change my opinion, I remain of the view I set out in my provisional decision.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 August 2023.

Jo Occleshaw
Ombudsman