

The complaint

Mr F complains that Scottish Widows Limited (SW) hasn't managed his stakeholder pension plan well.

What happened

Mr F has had a stakeholder pension plan with SW since 2003. At the time he started the plan, he was married, employed and earning just over £11,000.

The application form for the plan shows that Mr F chose to invest in three separate funds.

Mr F was unhappy with the performance of his plan. So he contacted SW on 11 May 2023 to tell it he was disappointed with that and the overall value of his plan.

SW didn't think it'd done anything wrong. On 15 May 2023 it told Mr F that it wasn't responsible for the performance of the plan. It explained to Mr F that the performance of his funds depended on market movements, which were outside of its control.

Unhappy with SW's response, Mr F brought his complaint to this service.

SW confirmed to our investigator that Mr F could switch to different funds if he wanted to. And that he didn't currently have an IFA listed against his plan.

Our investigator asked Mr F if he'd considered switching funds over the last few years. And when he'd first realised that the performance wasn't what he'd expected. She also asked him what performance he'd been expecting. And what had led him to expect that performance.

Mr F said he felt that his fund should now be worth around £24,000, which he felt was realistic if SW had invested wisely. He said he also wanted SW to return the management fees he'd paid, given the poor job he felt it'd done.

Our investigator didn't think the complaint should be upheld. She said she'd couldn't see any evidence that SW had mismanaged Mr F's plan.

Mr F didn't agree with our investigator. He said he'd relied on SW to invest his money wisely and to get a good return for his retirement. He felt that a more cautious investment approach would've been better suited to him. And that SW should've advised him better regarding his investments with it, as he wasn't informed enough to make investment decisions himself.

Mr F also asked our investigator to arrange for SW to provide further information about his plan. Our investigator explained that Mr F should ask SW directly for that information.

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 know this will be disappointing for Mr F. I'll explain the reasons for my decision.

Firstly, I think it's important to explain that SW acted solely as the administrator of Mr F's pension. It's not authorised to provide any investment advice, but to act as directed by Mr F in relation to any investment decisions relating to his pension.

So although Mr F considers that SW should've advised him about his investments and told him to take a more cautious investment approach, I don't agree. SW wasn't authorised to advise Mr F how to invest his funds. Instead, it's Mr F's, or his IFA's, responsibility to monitor the performance of his investments and ensure they are suitable for his circumstances.

Although Mr F couldn't be sure who chose his initial investments, the application form shows that he chose them himself, or with the help of his Independent Financial Adviser (IFA) at the time. The annual statements SW sent Mr F over the years reminded him to review his investments from time to time to ensure they still met his needs. I'm also satisfied that investment information was readily available to Mr F. Therefore I consider that if he'd wanted to change his investments if he was concerned about performance, he could have.

I can see that Mr F's plan was being invested in line with the investments he chose when he applied for the plan in 2003. I can't see anything to suggest Mr F provided SW with alternative investment instructions after that. So I think it correctly invested his money in line with his instructions.

In summary, SW wasn't responsible for ensuring Mr F's funds were appropriate for him. And I haven't seen anything to suggest SW mismanaged his plan, as it followed his investment instructions. As such, I can't fairly ask it to return the management fees it charged him. Nor can I reasonably ask it to compensate him for what he considers the poor performance.

My final decision

For the reasons explained above, I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 27 October 2023.

Jo Occleshaw
Ombudsman