

## **The complaint**

Mr T complains that Scottish Widows Limited (SWL) provided misleading information about his late daughter's pension fund and took far longer than necessary to process the death claim.

Mr T would now like SWL to honour the higher, original amount that he says SWL told him his daughter's pension was worth.

## **What happened**

In August 2022, Mr T contacted SWL to inform them of the death of his daughter the previous month. At the same time, Mr T emailed the documentary evidence that SWL asked for to support the start of the claim process. After not hearing anything back from SWL, he chased them on a number of occasions in both September and October 2022.

In October 2022, SWL issued a letter to Mr T, stating that the value of his late-daughter's pension was worth £4,304. Mr T then completed the appropriate forms and submitted them to SWL. On 18 November 2022, SWL wrote to Mr T, explaining that his claim had been accepted – they then issued a cheque to him for £705.

In January 2023, Mr T contacted SWL to try and understand why they'd sent £3,600 less than they'd originally explained that the pension was worth. After not receiving a response after two weeks, Mr T decided to formally complain to SWL. In summary, he explained that he was disappointed with the length of time that SWL had taken to process the claim paperwork and, more importantly, concerned that SWL had sent £3,600 less than expected.

After reviewing Mr T's complaint, SWL wrote back to him in March 2023, explaining that the difference in amount between the first and second letters was a consequence of human error. They also said, in summary, that they were sorry for the trouble that they'd caused and would send Mr T a cheque for £1,000 which, they felt, recognised the serious impact that the mistake had had on him.

Mr T was unhappy with SWL's response, so he referred his complaint to this service. In summary, he said that he wanted SWL to honour the £4,304 that they'd originally confirmed in writing to him that his late daughter's pension was worth.

The complaint was then considered by one of our Investigators. He concluded that SWL had treated Mr T fairly and didn't think it reasonable to instruct them to pay him the £4,304, because it was an amount that he was never entitled to.

Mr T, however, disagreed with our Investigator's findings. In summary, he said that this service should instruct SWL to pay the higher amount as it would act as a deterrent to ensure that they didn't repeat the issue with other customers in the future. He went on to say that he didn't think that the £1,000 SWL had offered reflected the significance of the trouble

that they'd caused him because it didn't take account of the amount of times he'd needed to continually chase them by telephone and email.

Our Investigator was not persuaded to change his view as he didn't believe that Mr T had presented any new arguments that he'd not already considered or responded to. Unhappy, Mr T 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.

I wanted to start by extending my sincerest sympathies and condolences to Mr T following the loss of his daughter. I can only imagine how upsetting and troubling he must have found these events in light of his daughter's death.

I have summarised this complaint in far less detail than Mr T has done and I've done so using my own words. I'm not going to respond to every single point made by all of the parties involved. No discourtesy is intended by this; our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. Instead, I will focus on what I find to be the key issue here – and that's Mr T's concern that SWL gave him an incorrect value for his daughter's pension which he feels that they should now honour. Having carefully considered both sets of submissions, whilst I'm upholding Mr T's complaint, I won't be asking SWL to take any further action beyond what they've already proposed and that's largely for the same reasons that our Investigator has set out. I'm mindful that Mr T will likely be disappointed with my decision, so I'll explain why below.

As the timeline on this complaint is well known to both parties, I don't intend to repeat that here as there doesn't appear to be any dispute about what happened and when. There's no doubt in this case that SWL took longer than they needed to in processing the claim following the death of Mr T's daughter and providing him with an incorrect pension valuation – they've admitted as much. And, I don't doubt for a moment how disheartening Mr T must have found that. Mr T says that he found the entire end to end process of dealing with SWL incredibly upsetting, particularly when he was grieving the loss of his daughter.

I've considered very carefully what Mr T has told this service about the impact that this mistake has had on him. I also want to acknowledge that I fully appreciate how upsetting this must have been for him. So, given that there's no question that SWL gave Mr T incorrect information, I've also carefully thought about how they've tried to put things right for him. There's no doubt that SWL have caused Mr T trouble and upset; they've acknowledged this within their resolution letter to him and they've paid him £1,000. Mr T, however, doesn't feel that's enough in light of the impact that the incorrect information had on him. He'd like SWL to honour the £4,304, which they originally advised him that his daughter's pension was worth. Whilst I'm mindful that Mr T will almost certainly be disappointed, I don't agree.

When mistakes occur, we'd ordinarily expect businesses to place the consumer back in to the same, or as close as possible to the position, that they would've been in had the error not occurred. In short, what that means is, we'd ask them to work out what the consumer's pension pot would've been worth had it not been for the mistake and then instruct the firm to put that right. Importantly though, SWL have already put the mistake right – they identified the error that they made (which was informing Mr T of the incorrect value) and then advised

him of the correct fund value. However, as his daughter never had a pension fund valued at £4,304, I wouldn't expect SWL to recompense him for something that she never owned.

I think that SWL have recognised the significance of their error and have tried to put things right with Mr T. But, I can't instruct SWL to give Mr T something that was not there in the first place. I'm therefore of the view that the payment of £1,000 acknowledges the seriousness of the mistake and is fair in all of the circumstances but is also consistent with what this service would've awarded Mr T, had SWL not already offered to do so.

### **My final decision**

Scottish Widows Limited have already offered to pay Mr T £1,000 for the trouble and upset that they caused, which I think is fair and reasonable in the circumstances.

So my decision is that Scottish Widows Limited should pay Mr T £1,000, if they've not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 21 November 2023.

Simon Fox  
**Ombudsman**