

## The complaint

Mr B complains about the service Scottish Widows Limited trading as Halifax Financial Services (Halifax) provided when he was enquiring about encashing his pension. He also complains that it took too long to get an appointment so that his requested fund switches could be actioned. And feels this led to a financial loss.

## What happened

Mr B had a Stakeholder Pension Plan with Halifax. He said the value of his pension was falling quickly between January and June 2022. Mr B was concerned by the reduction. So he contacted Halifax on 8 June 2022.

Mr B wanted to take 25% of his fund as tax-free cash. He also wanted to make an additional taxed withdrawal of £50,000 from his fund. And then leave the remaining amount invested in his chosen funds until later withdrawal. I understand this required him to move from his existing Stakeholder Pension Plan, as it didn't permit drawdown payments, into a Retirement Account. And that such a move required an appointment with Halifax.

Mr B said Halifax told him that the earliest appointment to process his pension request was 20 June 2022. He said he asked for an earlier appointment, but that none was available.

Mr B made a number of calls to Halifax on 8 June 2022. During one of these calls, he instructed Halifax to make a fund switch. Halifax told Mr B that the switch would use tomorrow's pricing for the calculation. Mr B confirmed he wanted to switch his funds from Gilt and Fixed interest to 50% High Income and 50% Property.

Mr B called Halifax again on 9 June 2022 for an update on the fund switches. He wanted to know what prices were being used in the fund switch calculation. Halifax said that the prices being used would be as at close of play 9 June 2022, the day after the switch request. And that the prices would be published the day after that, so 10 June 2022.

Mr B felt that he'd been provided with different information the day before. Halifax said Mr B could have a full breakdown of the prices used in the fund switch. But that it'd take between five to ten days to be produced.

Mr B said he found an email dated 13 June 2022 in his spam on 14 June 2022. This was from another part of the business Halifax is part of. It said that Mr B's recent request to: *"remove part of the lifestyle (Gilt & Fixed Interest)"* couldn't be done until Mr B confirmed that he wanted to remove all/a percentage of lifestyle from his pension.

Mr B said this led to him calling Halifax to check that the email wasn't bogus. And that when the people he'd called couldn't help him, he'd asked a person in the retirement team to bring forward his retirement appointment. But he'd been told this wasn't possible. Halifax told Mr B that the online process he could've otherwise used wasn't possible given his request for not just 25% tax-free cash but also for a drawdown payment. Mr B raised a complaint at this point. He said he'd been losing fund value between 9 and 20 June 2022 and there appeared to be nothing he could do to stop this.

Mr B said he'd next spoken to another Halifax agent who told him that the 8 June 2022 switch he'd requested hadn't been carried out. He said at this point he'd asked to switch from Gilts and Fixed interest to Property, rather than making the switch he'd originally requested. I understand that at this point Mr B provided Halifax with confirmation that he wanted to exit the lifestyle strategy. And that the switch was carried using unit prices as of 15 June 2022.

Mr B's pension funds transferred to the plan which enabled drawdown after the 20 June 2022 scheduled appointment. Mr B received a letter dated 23 June 2023 telling him that a final payment of £121,917.89 in respect of his pension had been issued. And that his plan had now been terminated.

Halifax issued its final response to the complaint on 29 June 2022. It didn't think it'd taken too long to arrange the pension switch. It said that on 8 June 2022, Mr B had completed the first stage of a two-call process to encash his pension. And that it'd arranged for his second call to take place eight working days later, on 20 June 2022. It said that during this call, it confirmed the payment details for Mr B's tax-free cash and his drawdown payment. And that it set up his Retirement Account after that.

Halifax felt it could've been clearer in its answers to Mr B's questions. It offered him £50 for the poor service it felt he'd received in this regard.

Mr B brought his complaint to this service in October 2022. He felt Halifax should've provided him with an earlier date to process his 8 June 2022 request, or it should've allowed him to freeze his fund value. He was unhappy that Halifax had only offered him an appointment on 20 June 2022. And felt it could and should've done more. Mr B felt that Halifax's action had caused him a financial loss.

Mr B also said that Halifax hadn't told him that while he was waiting for the 20 June 2022 appointment he could've switched funds. And that he only found this out on 15 June 2022. Later on, Mr B corrected this part of his complaint. He said he had known he could switch funds. And that he'd tried to do so on 8 June 2022. But that Halifax had failed to action his instruction.

Our investigator issued his view on the complaint on 3 March 2023. He considered all of the complaint points Mr B had brought to this service, rather than just those he'd already taken to Halifax. He didn't think that Halifax had done anything wrong when it'd failed to offer Mr B alternatives to waiting for an appointment, such as freezing his fund value. He also didn't consider that Halifax had taken too long to action the transfer from Mr B's Stakeholder Pension Plan to the Retirement Account so that his desired encashments could be arranged.

Our investigator felt that Mr B had been financially disadvantaged because Halifax had failed to follow his instruction on 8 June 2022 to switch his funds into 50% High Income and 50% Property. He felt that Halifax should've told Mr B on 8 June 2022 that he would need to provide confirmation that he wanted to leave the lifestyle strategy before it could action his switch instruction. And that if it had, his fund switch request could've been actioned on 9 June 2022. He felt that Halifax should put Mr B back to the position he would've been in if it had made no such mistake. He also felt that Halifax should pay Mr B £200 for the distress and inconvenience the switch delays had caused him.

Halifax didn't agree with our investigator. It said that some of the points he'd considered and upheld hadn't been raised with it before. It said that Mr B hadn't complained to it that it hadn't executed his requested fund switches efficiently whilst he was waiting for the process to complete. Instead, he had complained that he'd had to wait for an appointment. Halifax also said that Mr B hadn't brought up any of his additional points during the resolution call. Halifax

asked this service to let it know if Mr B was raising a further complaint. And if so, to give it eight weeks to complete an investigation.

However, Halifax told this service that despite this position, it had in any event carried out the recommended loss calculation. And that it'd shown no loss.

The initial investigator left this service and a new investigator considered the complaint.

Our second investigator didn't think the original complaint should be upheld. She said that Halifax had completed the redress calculation the first investigator had asked it to complete, which was based on Mr B having switched from Gilts and Fixed income into Property only. And it'd shown that he'd made no financial loss. She provided a summary of the loss calculation which showed that Mr B had actually made a very small gain.

Mr B didn't agree with our second investigator. He said that the basis of his complaint was that Halifax hadn't actioned his initial instructions on 8 June 2022 to switch from 100% Gilts and Fixed Income to 50% Property and 50% High Income. He said this meant his complaint only related to the period from 8 to 15 June 2022 and the value he'd lost during this period. And that it had nothing to do with the period from 16 to 20 June 2022, as Halifax had correctly followed his 14 June 2022 instructions. So he wanted the loss calculation to be based on the actual instructions he'd given. Mr B also provided his own loss calculations.

Our investigator told Mr B that the loss calculation showed that the amount actually paid out on transfer was slightly more than it would've been, if the first instruction had been followed when Mr B had made it.

Mr B reluctantly accepted that he hadn't made a financial loss. But he felt that Halifax should pay him the £200 the first investigator had recommended for the distress and inconvenience its failure to follow his first instruction had caused him.

Our investigator asked Halifax to consider paying Mr B £200. But it didn't agree. It said that Mr B hadn't complained to it about his instructions not being followed. It also said that it still felt that the £50 compensation it'd paid in respect of the lack of clarity of information was appropriate. And that it'd only completed the loss calculation in order to provide assistance to this service in resolving the 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 know this will be disappointing for Mr B. I'll explain the reasons for my decision.

I first considered the original complaint Mr B made to Halifax.

#### *Mr B's complaint to Halifax*

This related to the unclear information Mr B had been given when he'd asked about encashing his pension. And his unhappiness that his fund value continued to reduce whilst he was waiting for his prebooked appointment on 20 June 2022.

Halifax responded to these two complaint points in its 29 June 2022 final response letter. It

upheld the service-related part of the complaint but didn't think it was responsible for the fund value falling.

I first considered Mr B's complaint about the unclear information he'd been given. I can see that there was a little confusion about the price that would be used for fund switches. However, this was quickly clarified. I also note that the Stakeholder key features booklet fully explained how switches would be priced. It states the following:

- *we normally value units at 12 noon each working day. Dealing is on a forward pricing basis. This means that we deal with instructions to buy or sell units at the prices at the first valuation point after we receive your instructions*
- *If we get your switch request at our administration unit before 5pm on any working day, the switch will be based on the unit price at the next working day's valuation. If we get your request after 5pm, the switch will not be based on the next working day's valuation, but will be based on the valuation on the working day after that.*

As Mr B didn't lose out because of the unclear information, and as the lack of clarity only lasted for a day, I'm satisfied that the £50 compensation Halifax paid Mr B for this was fair and reasonable.

I next considered Mr B's complaint about the length of time it took to get an appointment, while his fund value was falling. Halifax said it provided Mr B with the first available appointment, and that this took place eight working days after his request.

Mr B's requirement to drawdown £50,000 of his funds as well as take his 25% tax-free cash meant that he couldn't make his request online. Instead, he had to book an appointment so the second stage of the process to encash his pension could be completed. Halifax couldn't do anything further for him at this point. I appreciate that Mr B wanted to act more quickly than this, and that it must've been frustrating having to wait.

However, Halifax made an appointment for Mr B in eight working days. This appointment was required due to the regulations which were put in place to prevent customers being victims of scams and to ensure that they have enough time and information to make an informed decision about their pensions. Halifax has a service standard of ten working days for this important part of the process. I don't consider this to be unreasonable. So I can't fairly say it didn't anything wrong here.

I next considered the additional complaints that Mr B brought to this service, but which he hadn't asked Halifax to consider.

#### *New complaint points*

When Mr B brought his complaint to this service he made additional complaint points that he hadn't made to Halifax. He felt that as Halifax couldn't provide him with an earlier appointment date, it should've allowed him to freeze his fund value. He also said that it should've carried out his 8 June 2022 switch instruction.

Our first investigator considered all of Mr B's complaint points. But he should've only investigated the two points Mr B had already raised to Halifax. He didn't consider that Halifax had taken too long to provide an appointment, or that it should've offered Mr B alternatives to waiting for an appointment, such as freezing his fund value. And he felt that the £50 compensation Halifax had paid Mr B for giving him unclear information was reasonable. So he didn't uphold the parts of the complaint that Mr B had already made to Halifax.

I next considered the parts of Mr B's complaint that our first investigator did uphold.

#### *Our first investigator's view*

Our first investigator considered that Mr B had been financially disadvantaged because Halifax hadn't followed his 8 June 2022 switch instruction. He felt that Halifax should've enabled Mr B on 8 June 2022 to confirm he wanted to leave the lifestyle strategy, as this would've allowed it to action his switch instruction the following day.

But Halifax didn't agree. It said Mr B hadn't raised this point as a complaint. Instead, he'd complained that he'd had to wait for an appointment. It also said that Mr B hadn't mentioned any of his additional complaint points when it called him to discuss the outcome of its complaint investigation.

Halifax asked this service to let it know if Mr B was raising a further complaint. And if so, to give it eight weeks to complete an investigation. But said that despite this position, it had in any event carried out the recommended loss calculation. And that it had shown no loss.

I next considered our second investigator's view.

#### *Our second investigator's view*

Our second investigator didn't uphold the original complaint. But I don't think this was made completely clear in her view.

Instead, her view focused on showing Mr B that Halifax had assessed that even if it should've followed his instruction on 8 June 2022, he hadn't made a loss. So I can understand why Mr B still felt that Halifax had made an error here. And that he was therefore entitled to the £200 compensation our first investigator had recommended for the distress and inconvenience that error had caused him. But I don't agree.

I say this because there's no evidence that Mr B complained to Halifax about its failure to follow his first switch instruction on 8 June 2022. So this service didn't yet have the power to investigate Mr B's additional complaint about his 8 June 2022 fund switch instruction not being carried out, as he hadn't made this complaint point to Halifax and allowed it to investigate.

Halifax only completed the loss calculation it did to help this service to resolve the complaint. And this has shown there to be no loss.

The two complaint points that Mr B did make to Halifax were considered by our first investigator, but he didn't uphold the point about the delayed appointment. And he felt that the £50 compensation Halifax had paid Mr B was fair for the unclear information. So he found no error. And he didn't uphold the original complaint. Therefore, I can't reasonably ask Halifax to pay Mr B £200 compensation for the distress and inconvenience the failure to follow his switch instruction caused him. But I note that Mr B still has the right to make a separate complaint to Halifax on the new complaint points our first investigator considered.

In summary, when looking at the actual complaint Mr B made to Halifax, and which it addressed in its 29 June 2022 final response letter, I'm satisfied that Halifax didn't take an unreasonable amount of time to complete the second stage of the retirement process. And I consider that the £50 compensation it has already paid Mr B for the unclear information was fair.

I haven't fully considered Mr B's other complaint points. But he is still entitled to raise any

new points with Halifax for it to consider.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 November 2023.

Jo Occleshaw  
**Ombudsman**