

## The complaint

Mr M complains that Scottish Widows Limited (Scottish Widows) failed to provide the usual online access to his personal pension plan (PPP) for several months. And that functionality through the online application (app) is poor. He wants compensation for the inconvenience caused.

## What happened

Mr M says he regularly checked the value and performance of his PPP via the app and occasionally made fund switches through it. He says there were problems accessing information about his plan which lasted several months. This was despite multiple calls and emails with Scottish Widows and his employers' pension administrator seeking to resolve the issue. He says he was given conflicting explanations of the issue and various solutions were suggested that didn't work before the problem was resolved in March 2023.

Mr M complained to Scottish Widows about the problems, the time taken to resolve them, and about the lack of functionality of the app itself. It upheld his complaint about the problems accessing the system and paid him £75 for the inconvenience caused. Which was caused by it taking "*longer than expected*" to move some policies over to a new online system. It said it would refer his comments about functionality to the relevant team for consideration.

Mr M referred his complaint to our service. He said in total, there had been around 100 emails, calls and Teams meetings trying to get to the bottom of the problem. So, the £75 compensation was "*derisory*" compared to the overall inconvenience caused. He said Scottish Widows hadn't provided notice it was making changes to IT systems which might cause issues and should have done so.

Our investigator looked into the complaint, but she didn't uphold it.

Our investigator said the provision of online access to Mr M's policy details wasn't something Scottish Widows needed to provide under the terms and conditions (T&C's) of the plan. And other contact options were available to him during the time the app wasn't available. She said she agreed Mr M had been inconvenienced but thought the £75 it had paid was fair and in keeping with what our service would award in similar circumstances.

Mr M didn't agree. He said our investigator hadn't considered Scottish Widows failure to provide advance notice of its IT update and it should have done so. And he would have contacted it by other means had he been made aware of the issue. He said the £75 compensation was derisory and our service was washing over the matter giving Scottish Widows no incentive to engage with its customers properly. Our investigator said our service wasn't there to penalise firms and looked at the overall impact of any error in awarding compensation.

Mr M said Scottish Widows had been "*disingenuous*" in the information it provided our service. As he disputed he hadn't suffered any financial loss as it had claimed. Because he'd not been able to see fund values and had a history of making fund switches. He said its

*“incompetence was not acceptable in any organisation”*. He said further compensations should be paid for the;

*“inability to communicate, manage a process, resolve IT issues, address evident errors and an inability to consider appropriate customer care.”*

As Mr M doesn't agree it has come to me to decide.

### **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 am not upholding the complaint.

The correspondence between Scottish Widows and Mr M suggests it had some difficulty initially identifying what the problem was, and I understand that would be frustrating. And I agree with Mr M that it would make good sense for Scottish Widows to have flagged there was an IT change planned which might impact some customers for a period.

However, our service doesn't regulate financial businesses and it isn't my role to tell Scottish Widows to change its administration procedures, but I can consider whether these have resulted in an unfair outcome and award compensation if appropriate. But I also need to treat both sides fairly and to do that I need to consider what the T&Cs of the contract between Mr M and Scottish Widows say.

Having done so, I agree with our investigator that provision of online services isn't something Scottish Widows is contractually obliged to provide. The policy provisions and Key Features document provided when the PPP was set up set out the T&C's. They are silent about online access, despite only dating from 2019. These documents provide a postal address and a telephone number for queries about the plan, including valuations. And that only the unit prices of the various funds offered will be available online. They also say that an annual valuation statement would be sent, which from the evidence seems to have been provided.

What this means is that whilst I agree explaining and resolving the problem did take some time, under the terms of the contract, Scottish Widows provided what it was required to. So, whilst there was inconvenience for Mr M unfortunately it is relatively minor when put in that context because those alternative contact methods, specifically provided for in the T&Cs were available to him. Had he wanted to switch, he could have done so by calling or writing. So, I think Scottish Widows has already paid reasonable compensation in the circumstances.

The same principle applies in respect of Mr M's complaint about poor functionality of the app, and his further point that some features he formally made use of are no longer available post the IT update. Scottish Widows and other providers might offer other pension plans with the sort of features and service Mr M wants. But for this plan, there is no obligation on Scottish Widows to provide any more than is set out in the documents I've referred to above.

So, for the reasons given above I can't uphold Mr M's complaint and Scottish Widows needn't do any more than it has.

### **My final decision**

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 October 2023.

Nigel Bracken  
**Ombudsman**