

The complaint

Mr S complains that Phoenix Life Limited gave him incorrect information about the value of his pension. He was also unhappy about the length of time it took Phoenix to rectify the error.

What happened

In August 2022, Mr S received a pension statement from Phoenix, which showed the Guaranteed Fund Value of his non-protected rights (NPR) as £81,949, and former protected rights of £43,377. In October 2022, Mr S telephoned Phoenix and asked them to check the figures that he'd been sent in the letter. Phoenix's representative confirmed to him that the information that they'd sent him was correct.

In January 2023, Mr S discovered that the information that he'd been sent in August 2022, which Phoenix explained was correct, was in fact inaccurate. That's because, in April 2022, the NPR element of his Phoenix pension had been switched to a new provider.

Unhappy, Mr S decided to complain to Phoenix, explaining that he was unhappy with the mistake that they'd made. Immediately after his complaint was lodged, Phoenix subsequently corrected the error from the August 2022 letter and sent Mr S a corrected value. In the plan update he received in March 2023, the correct details of his plan were reflected.

After reviewing Mr S's complaint, Phoenix concluded that they'd given Mr S the wrong information, both in the letter they sent him in August 2022 and during their telephone call of October 2022. Phoenix went on to say that, as they were upholding his complaint, they were offering to pay him £310 for the trouble that they caused.

Mr S was unhappy with Phoenix's response, so he referred his complaint to this service. In summary, he said that he was unhappy with Phoenix's response and that it was indicative of the wider issues that he'd experienced when dealing with them. He initially explained that he'd like Phoenix to honour the incorrect information that they'd given him, but then explained that he would consider a larger distress and inconvenience payment above the £310 instead, given the extent of trouble that he felt that Phoenix had caused.

The complaint was then considered by one of our Investigators. He concluded that, whilst Phoenix had given incorrect information to Mr S, the resolution that they'd set out was fair and reasonable.

Mr S, however, disagreed with our Investigator's findings. In summary, he raised a number of further points about the interactions that he'd had with Phoenix. Specifically, those related to the retirement age that had been set out on the plan, where his funds were invested, the fact that he subsequently decided to move part of his pension to an alternate provider because of Phoenix, and concerns that he'd not been able to benefit from their with-profits fund.

Our Investigator was not persuaded to change his view as he didn't believe that Mr S had presented any new arguments that he'd not already considered or responded to. He went on to explain that he felt the further points that Mr S has raised are new complaint points, and as such, he should complain directly to Phoenix on those issues to give them an opportunity to respond, before this service would be able to consider them. Unhappy, Mr S 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.

The purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by Mr S and Phoenix to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm upholding Mr S's complaint and it's largely for the same reasons as our Investigator, but importantly, I won't be asking Phoenix to take any further action beyond what they've already proposed. Whilst I appreciate that Mr S will likely be disappointed by my decision, I'll explain why below.

To be clear, this complaint is about Mr S's interaction with Phoenix in October 2022, when he telephoned their helpline, asking them to check the figures that he'd been sent in their August 2022 letter. I've listened to the call that our Investigator had with the consumer on 11 September 2023 - Mr S raised further points with our Investigator about the decision he made to move part of his pension away and the impact that then had on him, along with wider concerns about where his monies were invested. I should be very clear in that I'm not considering those points or the further concerns that Mr S set out in his email to our Investigator following the receipt of his initial view (on 31 July 2023), because before I could do, Phoenix would need to be given the opportunity to first consider those new concerns and decide what action, if any, they would wish to take.

It seems to me that there's no doubt that in the October 2022 telephone discussion that Mr S had with Phoenix, their representative confirmed to him that the information he'd been sent was correct. Phoenix have admitted as much and apologised for their mistake. They've also gone on to offer Mr S £310 for the trouble that they've caused. So, it seems my decision only needs to focus on whether the £310 that Phoenix set out in settlement of this complaint point is fair and reasonable in the circumstances.

Using financial services won't always be hassle free and when mistakes occur, we'd ordinarily expect businesses to place the consumer back in to the same, or as close as possible to the same position, that they would've been in had the error not occurred. In short, what this means is that 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, Phoenix have already put the mistake right – they identified the error that they made (which was informing Mr S of the incorrect value) and then advised him of the correct fund value. However, as Mr S had already transferred part of his pension away at the point that he was given the incorrect information, I wouldn't expect Phoenix to recompense him for something that he no longer held with them.

Importantly though, part of Mr S's pension pot had already been switched away to a new provider in April 2022, so I think it's more likely than not that Mr S partly suspected the

amount shown on the August 2022 letter was incorrect, given that he was telephoning to query the amount – he said as much in his initial discussion with our Investigator when his complaint was set up with us.

I've seen no evidence that Mr S has suffered a financial consequence of being given incorrect information by Phoenix in October 2022. So, I've then thought about the £310 that they have offered to Mr S to put things right for him. Phoenix have said that part of the payment is to recognise the length of time that it took them to respond to his complaint, £10 is to cover the costs of Mr S's telephone calls and £150 is for the trouble that they caused to him. Whilst Mr S says that he's reluctant to accept the £310 because he feels it may impact his case if he were to raise further complaint points about his other concerns with Phoenix, that's not the case. That's because, as I've already explained, the focus of this decision is purely on the incorrect information that he received. His wider complaint points will need to be submitted to Phoenix, who will make a decision on those as and when he raises them. And, if those concerns are subsequently escalated to this service, they'll then be considered independently. So, thinking about the impact that this error has had on Mr S, I'm satisfied that £310 is reasonable and fair in the circumstances.

My final decision

Phoenix Life Limited has made an offer to pay Mr S £310 to settle the complaint, and I think that this offer is fair in all of the circumstances.

So, my decision is that Phoenix Life Limited should pay Mr S £310 if they've not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 December 2023.

Simon Fox
Ombudsman