

The complaint

Mrs M complained about service from The Royal London Mutual Insurance Society Limited (The Royal).

What happened

Mrs M said she approached The Royal for further information to help make a decision about her pension options. Her questions were not answered fully which delayed key parts of her decision-making process. As a result, she was unable to decide upon which pension options to select. She feels she's been delayed by more than a year. This caused significant stress and potential financial implications. She had planned to retire in April 2022 and felt she had missed out on the use of her 25% tax free cash entitled and the interest gained on depositing into her ISA. She was also still paying charges on the policy that would have stopped if she had taken her benefits.

The Royal said it had provided Mrs M with the answers to her questions and clarified matters where needed.

The investigator didn't think that the lack of information prevented Mrs M accessing her policy. The Royal had been attempting to help and there was nothing to show that this prevented Mrs M accessing her pension. He didn't think she could claim for loss of access to her money as The Royal had not prevented it. The policy remained invested. However it had taken her a long time to get the information she wanted with lots of calls, email and waiting. Ideally the Royal would have pointed her in the direction of getting financial advice. This has caused distress. He felt that an award of £300 for the distress was fair and reasonable in the circumstances.

Royal London accepted the outcome.

Mrs M didn't agree. She felt that The Royal had prevented her from starting her pension. She said the process had been horrendous and she still did not have answers to her questions. She had sent over 21 emails/letters and 20 phone call that probably took around 10 hours in total including the time on hold.

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.

It is clear that Mrs M has not as yet decided to take her pension benefits or to transfer them.

She has not therefore reached the end of the road in terms of her communication with The Royal. My purpose therefore in this complaint is to consider what The Royal has done so far.

I can see that there has been a large amount of correspondence between the parties regarding Mrs M's policy. For example about;

- the Guaranteed Annuity Rates applying to the different parts of the policy,
- whether the different parts of the policy increased in payment,
- whether bonuses have been declared and if not whether they were required to be declared and if not should she have been told that no declaration was being made,
- whether there would be a terminal bonus and if so how much and at what age this would be added,
- what fees and charges had been applied,
- whether the terms of the policy changed when The Royal took over the business from the previous provider who set up the policy at the time Mrs M took it out.

I can see that Mrs M has been seeking to get answers to these questions for many months. I can also see that different parts of the Royal's business needed to answer these and this had caused delays. The Royal has therefore suggested that Mrs M work through a single point of contact who could co-ordinate matters and help avoid further delays. This service has also been involved but I am not persuaded that this has helped and may in fact increase delay by adding another person between the Royal and Mrs M. In reality the Royal needs to answer the questions she has asked.

The Royal has not disputed that there have been difficulties and delays so I do not need to consider these in detail. I say that because The Royal accepted the investigators view to that effect. I can therefore consider an award for distress and inconvenience and any financial loss arising from what has happened so far.

Financial loss

The purpose of an award for financial loss is to put Mrs M back in the position she would have been in but for the delay/error. It does seem that there has been some delay due to the time taken to answer her questions.

But I need to understand what would have happened. Just because she was enquiring about her pension does not mean she intended to take her pension. In fact based on her replies it seems she has been considering this for a number of years as she said she first spoke to Pension Wise several years ago.

Based on the evidence it is difficult to be clear whether she has formed a settled intention to take her pension as opposed to making enquiries about it and considering if she wished to take it.

I also don't think The Royal has *prevented* her taking her pension, I say that because she has been provided with information and answers. While I can understand that she would prefer to have answers to all her questions this does not mean that the Royal has prevented her taking her benefits.

I note that Mrs M believes she has lost annuity income and the use of her tax-free cash since she started enquiring, but for the reasons given that is not necessarily the measure of her loss. She also says that The Royal told her that

NOTE: March 2022 Robert discussed compensation by phone and distinctly said I would be compensated for monthly amount until questions answered, pension started. This is why I stalled starting pension and waited for answers and final

response. I had repeatedly asked him to email subjects discussed and Amy has stated on several occasions she would get him to do so!!"

Mrs M believes this means she will receive the annuity income she would have had plus compensation for loss of use of her tax-free cash since she enquired. However in addition to my comments about whether she had a settled intention to take her pension, her policy may have increased in value and the amount of any pension finally paid may also increase because it will be paid for a shorter period of time so she may not have lost out.

Finally I would also say that Mrs M has a duty to mitigate any loss. That might for example require her to differentiate between the questions that need to be answered before she can take her pension and those that could be answered afterwards. For example the dispute between the parties about bonuses and fees could be resolved after her benefits are taken whereas details of the terms of the GAR annuity and whether it increased in payment are relevant to deciding which is the better option for her. Further she might find she needs further help and support or advice. I note from recent correspondence that she said she was in contact with someone for this, but I don't have any details as to whether this is a financial adviser or information agency such as Pension Wise.

So for all those reasons I don't *currently* think there is any financial loss.

But even if I am wrong in that conclusion, as she hasn't taken her pension as yet it isn't possible to measure whether there has been any loss.

Distress and inconvenience

An award for distress and inconvenience is intended to reflect the impact on Mrs M not to punish The Royal. We all experience inconvenience in day-to-day life but I think this is clearly beyond that. I can see that Mrs M has asked many questions and had to wait for a prolonged period to get the answers she wants. I can understand that this has been both frustrating and distressing for her. I have also considered how the Royal has responded. It accepts there have been delays and seems to be actively seeking to support Mrs M by offering a single point of contact to coordinate replies from the different parts of the business. On balance having considered all the evidence and the time period over which this matter has persisted I think the impact has been material and an award of £500 is fair and reasonable in the circumstances.

Putting things right

The Royal should pay Mrs M the amount referred to above for distress and inconvenience.

My final decision

I propose to uphold this complaint and make an award of £500 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 8 February 2023.

Colette Bewley
Ombudsman