

The complaint

Mr P says Scottish Widows Limited didn't pay his regular pension payment before the end of December 2023. This meant he had to move savings into his payment account to cover direct debits, which caused him stress and unnecessary work.

What happened

Mr P's pension payment is scheduled for the 23rd of every month. But his December 2023 payment didn't appear in his account until 3 January 2024. So he raised a formal complaint.

Scottish Widows sent Mr P a final response dated 3 January 2024. It told him he had selected the 23rd of the month for his payments to be released. And if that date falls on a weekend or a non-working day, it released funds on the next working day. In this instance the next available date was 27 December 2023. As the payments are made by BACS, this can take up to a further 3-5 working days to be received. It said Mr P was able to change his pension payment date to avoid the situation arising again in the future.

Mr P remained unhappy and he referred his case to this Service. An Investigator considered his arguments but concluded Scottish Widows hadn't done anything wrong. Mr P disagreed.

As both parties couldn't agree with the Investigator's view Mr P's complaint has been passed to me to review afresh and to issue a final decision.

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.

Where there's conflicting information about the events complained about and gaps in what we know, my role is to weigh the evidence we do have and to decide, on the balance of probabilities, what's most likely to have happened.

I've not provided a detailed response to all the points raised in this case. That's deliberate; ours is an informal service for resolving disputes between financial businesses and their customers. While I've taken into account all submissions, I've concentrated my findings on what I think is relevant and at the heart of this complaint.

I'm not upholding Mr P's complaint. I'll explain why.

The first thing I've considered is the extensive regulation around the services like those performed by Scottish Widows for Mr P. The FCA Handbook contains twelve Principles for businesses, which it says are fundamental obligations firms must adhere to (PRIN 2.1.1 R in the FCA Handbook). These include:

- Principle 2, which requires a firm to conduct its business with due skill, care and diligence.
- Principle 6, which requires a firm to pay due regard to the interests of its customers and treat them fairly.

- Principle 7, which requires a firm to pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.

So, the Principles are relevant and form part of the regulatory framework that existed at the relevant time. They must always be complied with by regulated firms. As such, I need to have regard to them in deciding Mr P's complaint.

In responding to the Investigator's view Mr P told this Service:

"I fully understand how this [his delayed payment] came about as it happened previously with them and I moved the date to the earlier date of the 23rd to circumvent their poor service. Interestingly no employee of Scottish Widows nor any of their own pensioners had a delay to their payments."

"Having worked in IT all my working life and with BACS since its creation I find it incredulous that as a so called service provider they cannot have a simple routine that would ensure payment at their holiday periods was expedited on time and thus no issue would arise. In this day and age I think it's unacceptable that they cannot deliver payments on time no matter the circumstances."

I don't doubt what Mr P says in terms of his understanding of how BACS works and what is technically possible to deliver. I also appreciate what happened caused him inconvenience.

However, I don't think Mr P has provided any evidence or arguments that causes me to conclude Scottish Widows has acted outside of industry standards as they operate at this time.

Mr P does have the option of moving his pension payment date again, although I recognise that would involve some initial administration on his part to realign his household financial arrangements.

My final decision

For the reasons I've already set out, I'm not upholding Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 August 2024.

Kevin Williamson
Ombudsman