

## The complaint

Mrs M complained that she has suffered a financial loss as a result of Scottish Widows Limited (Scottish Widows) causing a delay in her pension withdrawal.

Mrs M would like to be compensated for any financial loss she has suffered as a result, as well as £2,000 in respect of her distress and inconvenience.

## What happened

Mrs M had a personal pension which was managed by Scottish Widows. On 24 February 2023, Scottish Widows received a letter from Mrs M asked for her pension to be fully encashed as an uncrystallised fund pension lump sum (UFPLS). She asked that this be completed by 5 April 2023, the last day of the current tax year.

On 3 March 2023 Mrs M called and spoke with Scottish Widows. During the call she was advised that the best way to complete the request was using an online service, and that a link would be sent to her. She was also informed that the process could take approximately ten days if she provided all the information it required via the online service.

Scottish Widows subsequently emailed the link to Mrs M, although she stated she did not receive it. Mrs M called Scottish Widows again on 6 March 2023 and said she hadn't received the link, and it was sent to her again during that call.

Scottish Widows said that to use the online form, Mrs M would need:

- *her policy/ plan number*
- *her national insurance number*
- *her bank details*
- *about 10 minutes to spare*

On 10 March 2023 Mrs M submitted identity documents for verification by Scottish Widows. She provided a bank statement dated September 2022 but did not provide an image of her holding her photographic identification document.

Scottish Widows subsequently contacted Mrs M on 16 March to explain that it was unable to accept the identification evidence she had provided. It said:

*we need some more details from you to satisfy our compliance checks*

*A copy of a recent bank statement (dated in the last 3 months) for the account you'd like us to pay the funds into. Please ensure you do not cover any part of the statement and that it is also in date .*

*A selfie of you holding your photographic ID — please ensure both yourself and the document are legible.*

Mrs M replied to the email to say that she was on holiday but did not supply any of the information requirements at that time. Mrs M emailed Scottish Widows again on 27 March 2023 submitting a selfie and a copy of her bank statement.

This information was again rejected, as the images she supplied were unclear and the bank statement did not contain her name and address or provide a clear view of her account number or sort-code.

Mrs M called Scottish Widows once more on the same day who advised her it would try to speed up the payment but needed her to resend the selfie image and make sure it was clear. Scottish Widows also asked for a clearer photograph of the bank statement, ensuring that the account number and sort code were clearly visible. It also undertook to ask its claims team to confirm the new images were acceptable and call her if there were any further issues. Mrs M resent the selfie image in the format Scottish Widows had asked for and resent the bank statement on 3 April.

On 4 April 2023 Mrs M was informed by Scottish Widows that it could not accept the image of the bank statement, as it needed to include her full name, current address and be dated within the last three months.

Mrs M provided this on 5 April 2023 and Scottish Widows proceeded to process the encashment, with payment being received by Mrs M on 14 April 2023.

As she had been clear that she required the money before 5 April 2023, Mrs M complained to Scottish Widows. It investigated her complaint and responded to her on 10 May 2023. It did not uphold her complaint and explained that

*As part of our due diligence checks, we'd need to verify your identity to make sure the correct person has contacted us before we process any payment. As part of this, we can accept information provided using the 'selfie' option, as long as the image is clear and shows the required information. This information isn't based on the value of funds being requested and it's required for all claims.*

It explained that the information she had provided had not met its requirements as the images were unclear and the original bank statement she supplied was out of date.

Unhappy with Scottish Widows response to her complaint, Mrs M brought it to this service. She also explained that the late receipt of the money had caused her to lose the opportunity to invest in a bond with another provider, that had been withdrawn before she had a chance to invest. She first contacted this provider on 21 April 2023, after receiving her pension funds.

Our investigator reviewed the evidence and formed the view that the complaint should not be upheld. Mrs M was unhappy with this view, so this case has been passed to me to review the evidence again and make 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.

Having reviewed all the evidence in this case, I agree with our investigator and do not uphold this complaint.

I can appreciate that this will be disappointing to Mrs M, so I will explain how I have reached my decision.

Firstly, I think it's important to reflect upon the role of this service. Our role is to impartially review the circumstances of a complaint and make a decision on whether a business has made errors or treated a customer unfairly.

In the circumstances of this case, I must also say that Scottish Widows, as with all other financial services companies, has a regulatory requirement to verify a customer's identity when dealing with them, to make sure that they are indeed dealing with the correct person. This is to safeguard customers' information and investments from unauthorised access. Given this, I conclude that it was both reasonable and appropriate for Scottish Widows to seek to verify Mrs M's identity. What I have to conclude is whether it treated Mrs M fairly when doing so.

To do this, I've looked carefully at the evidence provided and the timeline of actions related to this case.

In the first instance, I can see that Scottish Widows responded to Mrs M's original letter on 3 March 2023 within the five working days it allows for this. I see that Mrs M has said that she did not receive the email link to the online service which she was promised, but I can see that an email was sent to her correct email address. The link was resent to her during the call on 6 March, so I can't see that Scottish Widows did anything wrong here.

The online service gave details of the evidence Scottish Widows required from Mrs M. These were:

- *A picture of you holding your photo identification in your hand and beside your face to allow us to compare the likeness to your photo ID (Passport/Driving License). Please make sure the picture is clear and that the document is not covered and legible. Your Passport/Driving License must be in date.*
- *A photo of your photo ID (Passport/Driving License) used up close. Your Passport/Driving License must be in date.*
- *A bank statement for the destination bank account that you want your money to be paid into. This needs to be dated from within the last 3 months.*

Looking at the images that Mrs M provided to Scottish Widows on 10 March, they do not appear to satisfy the criteria laid out above, so I think that Scottish Widows was correct to ask Mrs M to resubmit them. It contacted Mrs M on 16 March, again within five working days of Mrs M providing the initial images. Mrs M responded to say she was on holiday, but did not supply any further images until 27 March 2023. Given this, I can't see that I can hold Scottish Widows responsible for any delay up until 27 March 2023.

The evidence for the period of 27 March onwards is less clear.

I've examined the images Mrs M sent on 27 March and can't see that these would meet the requirements for identification verification either. When Mrs M called Scottish Widows to check that the latest images were OK, and to complain about the verification process, it told her that she needed to resend the selfie image and make sure it was clear. The image of the bank statement needed to be resent, clearly showing the account number and sort code. This information was, unfortunately, less clear than it could have been, so even though

Mrs M resent the image on 3 April in the way she had been told, the bank statement remained uncompliant.

Mrs M was finally able to submit the bank statement in a format Scottish Widows could accept on 5 April 2023, after it clarified the required format with her on 4 April 2023. I find that it would have been reasonable to assume that this information should have been provided to Mrs M on 27 March 2023, so Scottish Widows did make an error here, causing a delay of six working days.

Finally, the payment was made to Mrs M on 12 April 2023, received by her on 14 April 2023. This was within the ten day period that Scottish Widows had said payment should be made after all its requirements for identification verification were received, so I can't see it made a mistake in processing the payment.

Considering all the above information, I find that Scottish Widows introduced a delay of six working days into Mrs M's pension payment.

In terms of financial loss, I can see from the evidence that the value of Mrs M's policy increased in value between 27 March and 5 April 2023, resulting in her receiving c£80 more than she would have done if the payment had been processed on the earlier date. So I can't see that she has suffered a loss here.

She also states that she missed the opportunity to invest into a bond with another provider as a result of the delays. I've considered this point, and have concluded that I can't find Scottish Widows responsible for this. For me to do so, I would have to be convinced that I had strong evidence that this was Mrs M's intention all along. As she did not contact the provider until 21 April 2023, I am not convinced on this point.

Consequently, and disappointingly for Mrs M, I do not uphold her complaint.

### **My final decision**

Your text here

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 17 June 2024.

Bill Catchpole  
**Ombudsman**