

The complaint

Ms W has complained that, due to fraudulent activity on her annuity account with Just Retirement Limited, she's been paid pension income late and that there is still one pension payment missing.

What happened

Just Retirement received a call on 20 June 2023 from a third party purporting to be Ms W, who knew all the answers to the personal details it requested, along with Ms W's existing bank details.

The caller passed through security and Ms W's bank details were changed. As a result, Ms W began to miss her pension payments. When she realised this in October 2023, she contacted Just Retirement to rectify the matter, but there was then a delay during which Ms W had to provide satisfactory address and identification verification to return the account to her name. This completed in January 2024.

Once this had been resolved, a payment was made, which Just Retirement considered returned Ms W to the position she should have been in had the error not occurred.

However, no additional compensation was offered in respect of the trouble and upset caused to Ms W, nor did Just Retirement say it would be making an interest adjustment for the fact that Ms W had been without her pension income for many months.

Dissatisfied with Just Retirement's handling of the matter, Ms W referred the matter to this service.

Our investigator considered the matter and, having requested a copy of the call in which the bank details were changed, along with other information, but having received no response, he issued his assessment of the matter. He said the following in summary:

- The whole situation had caused Ms W a great deal of trouble and upset. Not only had her pension been fraudulently taken over, but it had taken a considerable amount of time and effort on Ms W's part to rectify the situation.
- Further, based upon Ms W's own calculations, she was still owed one month's payment.
- To resolve the matter, Just Retirement should review its calculation in relation to the missing payment, and if it was its view that this had been paid, it should provide evidence of this directly to Ms W, along with a full breakdown of its calculations.
- 8% pa simple interest should also be applied to the payments which Ms W had missed, including the further missing payment if appropriate.
- In respect of the considerable distress and inconvenience Ms W had suffered due to what had happened, Just Retirement should also make a payment of £500 to her.

Ms W accepted the investigator's assessment, but Just Retirement didn't respond.

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.

And having done so, I agree with the investigator's conclusions, and for broadly the same reasons.

It appears to be Just Retirement's position that it paid out the annuity income to the wrong recipient as a result of Ms W being the victim of fraud – hence it paying the missed annuity income to Ms W. It's presented no arguments that it shouldn't be held responsible for the payments to the different account, and so I haven't considered this aspect.

However, Ms W is clearly still of the view that she's missing a pension payment and I can't see that Just Retirement has done enough to address that concern.

Further, as noted by the investigator, Ms W was without her pension payments for a number of months, and so she was deprived of the use of the funds. As such, I consider this should be addressed as well.

Putting things right

As recommended by the investigator, Just Retirement Limited should comprehensively review its redress calculation and ensure that it had made the correct payments to Ms W, such that it ensures that she hasn't missed out due to the fraud.

If Just Retirement Limited remains of the view that it's made the correct payments, it should provide to Ms W the evidence in the form of the breakdown of the payments which should have been made from the point that the bank details were changed, compared to those (or the total of those) which has in fact since been made.

If, however, it transpires that that it has indeed missed one payment, it should make this to Ms W.

To reflect the fact that Ms W has been denied the use and enjoyment of the income payments, to each of the above payments (including the missing one if relevant) should be added interest at 8% simple pa from the date that each payment should have been made up to the date that it was in fact made. And then to that interest amount should be added 8% pa simple interest from the date that it was paid up to the date of settlement.

Further, as noted by the investigator, Ms W will have been caused not inconsiderable distress and inconvenience by this matter. Ms W hasn't been the only victim of fraud here, as Just Retirement Limited has effectively paid double the amount in pension payments, but as the individual who's been denied her income payments, Ms W will certainly have been caused the greater amount of distress and inconvenience in both realising that she'd become the victim of fraud, and in then needing to resolve the matter.

I accept that Just Retirement Limited may have taken what it considered to be appropriate steps in its verification of Ms W's identity to reverse the change to the bank details, especially given the circumstances here, but there are aspects where I think it could have handled matters better.

Ms W has said that she's needed to return forms relating to her details three times (to be later told that earlier forms had in fact been received), and that she's also needed to make numerous phone calls, whilst sometimes being placed on hold for lengthy periods. She was also promised return calls when the member of staff was unable to assist her, but she said this never happened.

Ms W has said that she's felt poorly served, and at times ignored during a process which was already challenging. She said that her stress levels have been "off the scale" and I fully appreciate that this will have been the case.

All of this was put to Just Retirement Limited for its comments by the investigator in May 2024, in addition to other queries relating to the case, but he received no response. Although complaint handling isn't in itself a regulated activity, we can consider a standard of overall customer service, and I think this further prolonged and exacerbated an already stressful situation for Ms W. And I think it's credible that this was reflective of the overall standard of service which Ms W has received in this particular instance.

It took from October 2023 when Ms W first alerted Just Retirement Limited to the fraud to January 2024 for her payments to be reinstated and to receive the missed pension payments (with the possible exception of a further payment as set out above).

And so, thinking about awards which this service might make in similar situations, and the distress which Ms W has suffered here, I think the sum of £500 is appropriate – and therefore Just Retirement Limited should also pay this to Ms W.

My final decision

My final decision is that I uphold the complaint and direct Just Retirement Limited to undertake the above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 25 October 2024.

Philip Miller
Ombudsman