

Ombudsman's Determination

Applicant	Mr S
Scheme	NEST (the Scheme)
Respondent	ST Solihull Ltd (the Employer)

Outcome

1. Mr S' complaint is upheld and, to put matters right, the Employer shall pay £886.21 into the Scheme. The Employer shall ensure that Mr S is not financially disadvantaged by its maladministration. So, it shall arrange for any investment loss to be calculated and paid into the Scheme.
2. In addition, the Employer shall pay Mr S £1,000 for the serious distress and inconvenience it has caused him.

Complaint summary

3. Mr S has complained that the Employer, despite deducting contributions from his pay, has failed to pay them into the Scheme.
4. Mr S has said that the missing contributions amounted to £886.21.

Background information, including submissions from the parties

5. In March 2023, Mr S began his employment with the Employer.
6. Between April 2023 and September 2023, the Employer failed to pay pension contributions into the Scheme.
7. On 22 January 2024, Mr S brought his complaint to The Pensions Ombudsman (TPO).
8. Mr S provided copies of the payslips that he held for the period from April 2023 to September 2023, which detailed the pension contributions deducted from his pay and the corresponding employer contributions. These deductions amounted to £886.21. A breakdown of the deductions has been included in the Appendix.
9. On 21 May 2024, TPO asked the Employer for its formal response to Mr S' complaint.

10. On 5 June 2024, TPO chased the Employer again. But the Employer failed to respond by the deadline.

Adjudicator's Opinion

11. Mr S' complaint was considered by one of our Adjudicators who concluded that further action was required by the Employer as it had failed to remit the contributions that were due to the Scheme. The Adjudicator's findings are summarised below:-
 - The Adjudicator stated that TPO's normal approach, in cases such as these, was to seek agreement from all parties on the facts of the complaint, including the dates and amounts of contributions involved. She said that, as the Employer had not responded to any of TPO's communications, she had to base her Opinion solely on the information provided by Mr S.
 - The Adjudicator said that she had no reason to doubt the information provided by Mr S. So, in the Adjudicator's Opinion, on the balance of probabilities, contributions had been deducted from Mr S' salary but had not been paid into the Scheme. In addition, the Employer had not paid any of the employer contributions that were due over the same period. As a result of its maladministration, Mr S was not in the financial position he ought to be in.
 - In the Adjudicator's view, Mr S had suffered serious distress and inconvenience due to the Employer's maladministration. The Adjudicator was of the opinion that an award of £1,000 for non-financial injustice was appropriate in the circumstances.
12. The Employer did not respond to the Adjudicator's Opinion and the complaint was passed to me to consider. I agree with the Adjudicator's Opinion.

Ombudsman's decision

13. Mr S has complained that the Employer has not paid all the contributions due to his Scheme account.
14. I find that employee contributions were deducted but held back by the Employer and not paid into the Scheme. The Employer failed to rectify this and did not engage with TPO or Mr S. It has also failed to respond to the Adjudicator's Opinion.
15. The Employer's failure to pay employee and employer contributions into the Scheme amounts to unjust enrichment and has caused Mr S to suffer a financial loss. The Employer shall take remedial action to put this right.
16. Mr S is entitled to a distress and inconvenience award in respect of the serious ongoing non-financial injustice which he has suffered. This was exacerbated by its failure to respond during TPO's investigation into Mr S' complaint.

Directions

17. To put matters right, the Employer shall, within 28 days of the date of this Determination:
 - (i) pay Mr S £1,000 for the serious distress and inconvenience he has experienced;
 - (ii) pay £886.21 into Mr S' Scheme account. This figure represents the amount that, according to the figures provided by Mr S, have been deducted from his pay, but not paid into the Scheme account. It also includes the employer contributions for the relevant period which should also have been paid but have not been paid to date;
 - (iii) establish with the Scheme administrator whether the late payment of contributions has meant that fewer units were purchased in Mr S' Scheme account than he would have otherwise secured, had the contributions been paid on time; and
 - (iv) pay any reasonable administration fee should the Scheme administrator charge a fee for carrying out the above calculation.

18. Within 14 days of receiving confirmation from the Scheme administrator of any shortfall in Mr S' units, pay the cost of purchasing any additional units required to make up the shortfall.

Anthony Arter CBE

Deputy Pensions Ombudsman

9 September 2024

Appendix

Date	Employer contributions	Employee contributions
April 2023	62.50	83.33
May 2023	67.31	89.75
June 2023	62.50	83.33
July 2023	62.50	83.33
August 2023	62.50	83.33
September 2023	62.50	83.33