

Ombudsman's Determination

Applicant	Mr D
Scheme	Santander (UK) Group Pension Scheme (the Scheme)
Respondents	Trustees of the Santander (UK) Group Pension Scheme (the Trustee) JLT Benefit Solutions Limited (JLT)

Outcome

1. Mr D's complaint against the Trustee and JLT is partly upheld. To put matters right, JLT shall pay Mr D £500 for the significant distress and inconvenience he has experienced.
2. My reasons for reaching this decision are explained in more detail in paragraphs 70 to 78 below.

Complaint summary

3. Mr D complained that JLT caused delays to the commencement of his pension payments and that it was not made clear to him that his pension payment date could have been delayed.
4. He also stated that he lost out on over 50 days of pension payments.

Background information, including submissions from the parties

5. Issues relating to the advice given by Chris Bibb Independent Financial Advice Ltd (the **IFA**) were not accepted for investigation. This Determination will still include information relating to the IFA where it is relevant to delays, but it will not directly comment on any issues relating to this party.
6. In late 2018, JLT advised Mr D that he would cease accrual of pension benefits in the Defined Benefits section of the Scheme from 11 January 2019, as he had reached the maximum two thirds of his final pensionable salary.
7. On 31 December 2018, Mr D ceased making contributions into the Scheme.

8. In February 2019, Mr D gave his three months written notice to his employer, indicating a retirement date of 30 April 2019.
9. On 13 May 2019, Mr D signed and returned his Retirement Option Form. The form showed a retirement date in July 2019, when he reached age 60.
10. On the same day, JLT contacted Mr D and confirmed that the partial transfer of his benefits to another pension arrangement had been completed and advised him that he had a preserved annual pension of £15,000 left within the Scheme.
11. On 14 May 2019, JLT confirmed that it had received Mr D's Retirement Option Form. It stated that it would contact him with further details nearer to his retirement and payment date.
12. On 16 May 2019, Mr D telephoned JLT to enquire about his payment date. In summary, the following was discussed:-
 - The Retirement Option Form returned by Mr D on 13 March 2019 contained a retirement and payment date in July 2019. So, JLT had placed his application into "dormancy" with a view to processing the application and following up with further information in June 2019 to arrange payment of his preserved benefits.
 - Mr D noted that he had intended to receive his benefits around 30 April 2019. He had reached the maximum accrual possible, so there was no point in him withholding his pension until July 2019.
 - The telephone call handler proceeded to transfer the telephone call to an administrator. The following two points occurred during the conversation between the administrator and the telephone call handler. Mr D was on hold and could not hear the conversation:
 - The administrator confirmed that Mr D could elect to receive his benefits at an earlier date but that a new Retirement Option pack would need to be sent out, alongside revised benefit quotations.
 - The administrator also stated that the payment would not be immediate as it would need to wait for the revised Retirement Option Form to be returned before the payment process could be initiated. It confirmed that choosing to do so would only result in payment being made a week or two prior to the date in July 2019.
 - The telephone call handler informed Mr D that it could change his retirement date but would need to restart the retirement process, likely resulting in him receiving benefits approximately a week or two prior to the date in July 2019.
 - Mr D opted to maintain the current retirement date but would confer with his IFA and contact JLT again if his position changed.

13. On 13 June 2019, Mr D telephoned JLT as he had not received any further correspondence from it ahead of his pension commencement date of 6 July 2019. He queried whether any further action was required on his part ahead of this date.
14. On 26 June 2019, Mr D telephoned JLT again as he still had not received any correspondence. JLT stated he would need to sign another Retirement Option Form and arranged for it to be sent via first class post. It has later confirmed that these forms were sent out in error.
15. On 27 June 2019, Mr D signed and returned the Retirement Option Form which quoted a retirement date in July 2019.
16. On 19 August 2019, Mr D received the first instalment of his monthly pension, along with arrears in recognition of the delay in making payment from the date in July 2019 to 19 August 2019. It also offered Mr D a goodwill gesture of £250.
17. On 22 October 2019, Mr D complained to JLT. He said:-
 - His IFA had informed him that the Retirement Option Form that he had signed had been pre-populated with a retirement date in July 2019.
 - His IFA had also stated that he (Mr D) was misled in the telephone conversation on 16 May 2019 and that whilst he may not have received payments prior to the date in July 2019, the start date of his pension payments could have been changed to the day of the telephone conversation and consequently backdated.
 - Mr D requested confirmation whether this was the case.
18. Mr D did not receive a response to his email of 22 October 2019.
19. On 1 November 2019, Mr D submitted a complaint under stage one of the Scheme's Internal Dispute Resolution Procedure (**IDRP**). He said:-
 - JLT had accepted that it had made errors and provided a poor service in setting up his pension. However, it had denied responsibility for the delay in commencing his pension payments.
 - He was not aware of the payment date that JLT was working towards and once he informed it that he wished to alter the payment date, he was told that his options were made clear and that he had made an informed decision to stick with the later date.
 - He had also lost out on over 50 days of pension payments and part of his annual increase.
 - He had been offered £250 as a full and final settlement but he did not consider this amount appropriate.
 - JLT's Retirement Option Form did not provide for a partial transfer, so he could not use the form to indicate that choice. His IFA's advice was to prioritise the

completion of his partial transfer and later turn his attention to the retirement process. While he could not complete the form in its entirety, he signed the incomplete form on 13 March 2019. He had not specified a date on which he wanted his pension to start.

- On 13 May 2019, he was informed that his transfer out had been completed. JLT then contacted him on 14 May 2019, to confirm that it had received his Retirement Option Form and would provide further details nearer to his pension start date.
 - The email confused him, so he called JLT on 16 May 2019. JLT then confirmed it had been working to a payment date in July 2019, when he would reach age 60.
 - During the conversation, he had asked to begin receiving his pension payments earlier. He was informed that in order to alter the payment date, he would have to restart the Retirement Option Form process, and this would only permit payment of his benefits a week or two earlier than the date in July 2019. He was worried that restarting the retirement process could result in other unforeseen delays before receiving his benefits. So, he decided not to alter the payment date.
 - It had later become clear to him that his pension payment date could have been backdated and paid with effect from the date of his call with JLT, on 16 May 2019.
20. On 5 November 2019, JLT confirmed that it had received Mr D's complaint under stage one of the Scheme's IDRP.
21. On 7 February 2020, JLT responded to Mr D's complaint under stage one of the Scheme's IDRP. It said:-
- A Retirement Option Form with a retirement date in July 2019 was issued to Mr D's IFA on 11 March 2019.
 - At no point had Mr D indicated that he wished to commence payment of his benefits at an earlier date.
 - On 16 May 2019, Mr D spoke to JLT and discussed the option of requesting a further quote of his benefits and beginning his payments earlier. Having opted against this, an updated, accurate retirement quote was issued on 21 June 2019, to reflect his final benefits following the partial transfer of his benefits to Liberty SIPP.
 - On 26 June 2019, Mr D had called JLT again for an update on the retirement process. His IFA had not returned his Retirement Option Form, so a new one was sent out. The retirement date in July 2019 was clearly visible on this form. As mentioned in paragraph 15 above, JLT has since confirmed that these were issued in error. So, the explanation provided to Mr D was incorrect.
 - It could find no evidence that Mr D had been informed that his retirement benefits could have been backdated to the date of his telephone conversation on 16 May 2019.

- It also noted that had he retired on 16 May 2019, his benefits would have been actuarially reduced to reflect the earlier payment date. This would have resulted in a lump sum reduction of £714.60 and a pension reduction of £107.19 per annum.
22. On 19 February 2020, Mr D requested that his complaint be reconsidered under stage two of the Scheme's IDRPs. He said:-
- JLT did not seem to understand the main complaint points that he had raised.
 - His understanding from the telephone conversation on 16 May 2019, was that the earliest he could start his pension payments was in July 2019.
 - This was inaccurate and he could have received backdated payments, as early as the date of the telephone conversation on 16 May 2019.
 - He had been misled and had missed pension payments as a result.
23. On 21 February 2020, JLT acknowledged Mr D's complaint under stage two of the Scheme's IDRPs.
24. On 17 April 2020, JLT issued its stage two IDRPs decision. It said:-
- It had considered the details of his complaint and did not accept that Mr D had received any incorrect advice or suffered a financial loss due to any error or omission.
 - It maintained its offer of £250 as a full and final settlement of the complaint.

The Trustees' position

25. Mr D's completed Retirement Option Form was received on 7 May 2019.
26. Receipt of the Retirement Option Form was acknowledged on 14 May 2019, and his retirement calculations were diarised for three to four weeks prior to his elected retirement date in July 2019. This information was relayed to Mr D's IFA.
27. It accepted that JLT had incorrectly requested further retirement forms from Mr D and that this caused a delay of approximately five weeks. The date of retirement indicated on the returned forms was in July 2019.
28. Mr D received his monthly pension, along with all arrears, on 19 August 2019. It had offered him a goodwill gesture of £250 in recognition of the distress and inconvenience caused.
29. It maintained that it had only ever been informed of an intended retirement date in July 2019, which was when Mr D would reach age 60.
30. During the telephone conversation on 16 May 2019, Mr D had been informed that a recalculation of his benefits would likely only result in the payment of his benefits a week or two prior to his original retirement date in July 2019. Mr D explained that he did not want to risk any further unforeseen delays associated with generating a new

set of calculations which could have resulted in payment being made later than July 2019, so he concluded that he would retain the existing date.

31. Mr D had also been informed that if he had elected to retire prior to age 60, he would have had his pension reduced in line with early retirement factors.
32. The £250 goodwill offer of was still open for acceptance.

JLT's position

33. It had received his completed and signed Retirement Option Form on 14 May 2019. The retirement date was clearly stated as being in July 2019.
34. It accepted that it could have processed his pension using the documentation received on 14 May 2019 and that it should not have requested further forms from him on 26 June 2019.
35. His tax-free cash lump sum had been released within its standard timescale of 10 working days of his retirement date and his monthly pension was set up for 19 August 2019, which included arrears backdated to his retirement date.
36. Had it acted upon the initial forms, it may have been able to make payment on his original retirement date in July 2019, but this was not guaranteed so it did not consider that it had made late payment of his pension.

Mr D's position

37. His IFA had made him aware that his pension could have been paid with effect from 16 May 2019.
38. Until then, he had been under the impression that it would not have been possible to have his pension paid before July 2019.
39. During the telephone conversation on 16 May 2019, his understanding of "re-starting the process" was that JLT would begin to re-calculate the figures and progress its administration with a view to commencing the pension as soon as possible.
40. He was led to believe that he could potentially commence his pension a week or two prior to July 2019 but that this was not guaranteed. So, he declined the offer.
41. The crucial piece of information which would have resulted in him changing his elected retirement date was that his pension could have been paid with effect from 16 May 2019, albeit this might have taken an additional several weeks before he received the first payment.
42. JLT did not make that option clear to him and no distinction was made between an effective pension start date and the date of his first payment.
43. The £250 goodwill offer should be increased to reflect the protracted complaints process and lack of adequate explanation received.

44. The JLT Retirement Option Form which he originally signed was not fit for purpose because it did not allow him to reflect the choice that he was making, namely a partial transfer and retirement. He was unable to adequately communicate his requirements and relied on his IFA submitting such information correctly.
45. JLT and the Trustee had referred to his retirement date as being in July 2019. He retired when he left employment on 30 April 2019. While that issue was separate from his pension decision, it did not aid clear communication.

The Pensions Ombudsman's position on the provision of incorrect information

46. Where an applicant brings a complaint based upon having been given incorrect information, the Ombudsman will usually consider two legal concepts; "negligent misstatement" and "estoppel." The Ombudsman will also consider whether there has been "maladministration."
47. This section sets out the Ombudsman's views very generally on the application of negligent misstatement, estoppel, and maladministration. It is for guidance only; every case depends upon its own facts. The facts of this complaint are considered in the paragraphs which follow.
48. The starting point where incorrect information has been provided is that a scheme is not generally bound to follow incorrect information – a member is only entitled to receive the benefits provided for under the scheme rules. For example, if Trustees have given inaccurate early retirement quotes, the quotes would not generally be binding.
49. Broadly, the Ombudsman will provide redress from a negligent misstatement if it can be shown that financial loss has flowed from the incorrect information given. For example, the member may have acted differently in the expectation of receiving the higher benefits, such as retiring early.
50. With regard to estoppel, the Ombudsman will not allow either party to rely on a fact contrary to that which they have previously represented, or contrary to a common assumption that something is accurate, if it would not be fair to do so. This may mean that a respondent will be prevented from arguing that something that they said before was wrong and must, instead, give benefits as if what was said were accurate.
51. Regardless of whether compensation is awarded for negligent misstatement or estoppel, the Ombudsman may make an award for distress and inconvenience if what was done amounted to maladministration. Maladministration covers various types of issues or failings in how a scheme is administered or how members are dealt with.

Adjudicator's Opinion

52. Mr D's complaint was considered by one of our Adjudicators who concluded that JLT should pay £500 for the significant distress and inconvenience caused. The Adjudicators findings are summarised below in paragraphs 54 to 67.
53. Mr D had complained that JLT caused unnecessary delays to the payment of his pension and provided him with incorrect information in relation to changing his retirement date during a telephone conversation on 16 May 2019.
54. Mr D stated that his original intention was to complete a partial transfer of his benefits and drawdown from the remaining benefits. The Retirement Option Form, which he had completed, did not cater to his circumstances and so he was unable make his wishes accurately known. He had explained that as his partial transfer took priority, he had returned a partially completed Retirement Option Form on 15 March 2019, but had previously handed in his notice to his employer with an intended retirement date of 30 April 2019. The Adjudicator acknowledged the urgency associated with his partial transfer but stated that if any information included in the Retirement Option Form was unclear or insufficient to convey his intentions, it would have been prudent for him to notify JLT of this issue and address the matter before entering into a financial agreement.
55. Mr D was also unhappy as he believed JLT had not heeded his requested retirement date. It was noted that the Retirement Option Form clearly stated Mr D's retirement date as being in July 2019. Consequently, he should have been aware, without input from an IFA, that this was the date on which his benefits had been based. He had argued that he left the retirement provisions to his IFA. However, any confusion as to the correct retirement date could not be attributed to any maladministration by JLT as it had been clear in stating the basis on which it had provided the Retirement Option Form.
56. Mr D stated the pension payment date was pre-populated. It clearly showed a payment date in July 2019. Had Mr D wanted to put his pension into payment at an earlier point, it would have needed to have been actuarially reduced. There was a reasonable expectation for Mr D to review and satisfy himself that the information contained in the Retirement Option Form was correct. Had Mr D reviewed the Retirement Option Form, he may have noticed the indicated payment date in July 2019 and contested the date prior to 16 May 2019.
57. Mr D's Normal Retirement Date (**NRD**) in the Scheme was in July 2019. So, it was reasonable, without being informed otherwise, that JLT issued the Retirement Option Form calculated to this date. Given the information that was provided, Mr D had reasonable opportunities to notice that his payment date was set to July 2019, so, there had been no maladministration by JLT in this regard.
58. Mr D had also complained that he had been provided with incorrect and misleading information during a telephone conversation with JLT on 16 May 2019. During this telephone call, Mr D stated that he was informed that he would need to restart the

retirement process and that doing so would only bring forward the date on which he would receive his retirement benefits by a week or two.

59. Mercer, who had since purchased JLT, confirmed that during his telephone conversation with JLT on 16 May 2019, Mr D could have hypothetically requested a retirement date prior to July 2019, for example, the day after the telephone conversation. If he had selected that option, the process would have been for Mr D to receive an updated benefit quotation for the retirement date of his choosing which would not have arrived until after 16 May 2019. He would also have needed to complete a new Retirement Option Form. Once the completed forms were returned, as the forms would have been received after his retirement date, Mercer would have put the benefits into payment as soon as possible and backdated the payment to his chosen retirement date along with any tax-free cash lump sum. Nonetheless, once the payment process was completed the payment would have been received only a few days earlier than the original date in July 2019.
60. For Mercer to have been found responsible for providing incorrect information, Mr D's questioning during the telephone conversation on 16 May 2019 would have had to have been clear and unequivocal. At no point did Mr D communicate a new specific retirement date. The Adjudicator had reviewed the telephone conversation in full. At 6 minutes and 20 seconds, Mr D stated that he "wants the pension now." The language he had used during the telephone conversation had not directly referred to a new effective retirement date. Mercer's response was appropriate and reasonably reflected the process. Mercer could only be liable for misinformation where it was, or ought to have been, absolutely aware of Mr D's intention. On that occasion, Mr D's request had not been clear enough.
61. During the telephone conversation with JLT on 16 May 2019, Mr D confirmed that he would discuss the matter with his IFA and would contact JLT again if he wished to alter his decision. Considering that Mr D was seeking urgent and immediate payment of his pension, it would have been reasonable to contact his IFA with haste. Mr D first informed JLT that his IFA claimed he could have received his benefits earlier on 22 October 2019, more than five months after the telephone conversation on 16 May 2019. I would have considered it prudent to contact his IFA, as he advised he would, at his earliest convenience. Had he done so, Mr D may have been able to raise the issue of incorrect information prior to July 2019. Given Mr D's statement, and the fact he did not contact JLT again until his original retirement date had passed it was not reasonable to have expected JLT to have been aware of his desire to arrange a different effective retirement date.
62. Mr D's eventual lump sum and pension payments were not processed until 19 August 2019, over 50 days after the date in July 2019. The Adjudicator noted that backdated payments were made to reflect the correct retirement date and that it successfully returned Mr D to the position that he would have been in had the late payments not occurred. Redress would only be considered where Mr D made reasonable financial arrangements during the delay period that directly required those benefits to have

been paid. Mr D had not submitted any evidence of such arrangements, so he had not suffered financial loss during that period.

63. The generalised queries made by Mr D on 16 May 2019 in conjunction with the clear unequivocal retirement date signed and agreed to by Mr D on his Retirement Option Form, meant that JLT was not responsible for any financial loss suffered through the provision of incorrect information. Had Mr D claimed payment of his pension earlier than 6 July 2019, his pension would have been actuarially reduced for earlier payment.
64. The Adjudicator also considered whether the service provided by JLT resulted in any non-financial injustice, also known as distress and inconvenience.
65. JLT had provided Mr D with a poor level of service. This was because:-
 - The standard expectation when responding to IDRPs complaints was to provide an outcome within eight weeks or 40 working days. It took JLT 13 weeks and 1 day or 61 working days to provide a response to the stage one IDRPs. As it significantly exceeded this timescale, Mr D's distress and inconvenience would have been exacerbated.
 - Throughout the investigation of Mr D's complaint JLT had been asked to provide comments, documentary evidence and explanations, on numerous occasions. JLT consistently failed to respond to queries for periods exceeding 10 weeks. This had undoubtedly caused undue delay to the investigation of Mr D's complaint and negatively impacted the investigation process. This had contributed to Mr D's distress and inconvenience.
 - JLT failed to make payment of Mr D's preserved benefits on the date in July 2019, exceeding this date by over 50 days.
66. Given the consistent delays and poor quality of JLT's responses, Mr D had experienced significant distress and inconvenience and an increased payment of £500, up from the £250 originally offered, in the Adjudicator's view, would have reflected the Ombudsman's guidance on non-financial injustice.
67. Mr D did not accept the Adjudicator's Opinion, and, in response, he reiterated his previous position and provided the following further comments. In summary he said:-
 - On 26 June 2019, he had telephoned JLT as he had still not received a Retirement Option Form. JLT assured him that it would "do its best" to send the letter through first class post that evening. He required first class post as he was due to leave the country the following evening.
 - He telephoned the next morning to find that the letter had not been sent by first class post. This angered him particularly because it was clear that, but for his prompting telephone call, it would not have sent the requisite letter at all.

- Retirement Option Forms were typically something that an individual only ever completed once. Irrespective of any inadequacies he may have raised with JLT over the Retirement Option Form, it was clear that these issues would have been brushed aside, since his IFA has experienced similar difficulties with JLT.
- The dialogue of the telephone conversation on 16 May 2019 should be considered as sufficiently clear to have conveyed his desire to bring forward his pension start date. Mr D quoted various time stamped sections of the telephone conversation that he believed supported this assertion.
- Mr D had recalculated his financial position accounting for the repayments he would have to make, alongside the increased payments he would receive if his pension had been paid from 16 May 2019. He calculated the difference due to be £808.92. It was clear that since the overall effect of his pension payments starting earlier was an increase in his financial position, he would have elected to confirm an earlier start date.
- The £500 distress and inconvenience payment supported his decision to reject the earlier offer of £250.00. However, he did not consider it to be a sufficient increase as it did not reflect the anger and frustration he had experienced.

68. Mercer also provided further comments in response to the additional submissions made by Mr D. In summary it said:-

- In his IDRPs stage one complaint, Mr D stated that his IFA was solely dealing with his partial transfer, not the pension payment. This conflicted with other statements he had made that his IFA dealt with both elements of his retirement planning.
- The Adjudicator considered JLT to be in breach of its IDRPs complaints response time requirements as it had failed to provide a response within 40 working days. The employers IDRPs response requirement, which it was obligated to follow, was that its IDRPs responses should take no longer than four months. This provision was stated on the Forms that were sent to Mr D on 31 October 2019.

69. I have considered the additional points made by Mr D and Mercer, but they do not change the outcome, I agree with the Adjudicators Opinion.

Ombudsman's decision

70. Mr D complained that JLT caused delays to the commencement of his pension payments and misinformed him regarding his effective retirement date options during a telephone conversation on 16 May 2019.

71. Mr D has stated that his IFA's experience with JLT led him to believe that any issues raised regarding the Retirement Option Form would have been brushed aside. As mentioned by the Adjudicator, I am unable to provide comment on the advice given, or actions taken by Mr D's IFA. While I understand that Mr D may have assumed that contacting JLT would not have been of any benefit, I must assess whether

reasonable preventative measures were taken by Mr D to have avoided any errors or issues from occurring. In this case, it was not reasonable for Mr D to have signed the Retirement Option Form where it was clear that the available options did not permit him to adequately portray his intentions. I find that Mr D should have contacted JLT before signing the form if he had concerns.

72. I note that Mr D provided several quotations from the telephone conversation on 16 May 2019 which he considered supported his assertion that he made it sufficiently clear that his desire was to alter his effective retirement date. I have listened to the telephone recording in full.
73. While I appreciate Mr D may have intended to convey otherwise, I do not consider it unreasonable for JLT to have interpreted his questioning as a request for payment of his pension benefits with immediate effect. A pension payment date differs to an effective retirement date, and the questions asked, and statements made by Mr D did not utilise any specific terminology to differentiate his request for an earlier effective retirement date, from an earlier payment date, which JLT understood him to be asking. I find that Mr D was unclear in his intentions and so JLT is not responsible for the suggested omission of information during this call.
74. Mr D argues that had JLT used a retirement date of 16 May 2019, he would be in a better financial position than he is now with an actual effective retirement date in July 2019. While I do not dispute Mr D's intention was to receive payment as quickly as possible, I do not believe he made this intention clear enough and JLT could not have reasonably been aware this intention included moving his effective retirement date. JLT provided the appropriate information and answered the specific questions Mr D asked, I cannot penalise JLT for providing the information that it did. It follows then that I do not believe JLT has caused Mr D any direct financial loss as a result of misinformation.
75. I would also note that Mr D may eventually be in a better financial position as his pension was put into payment without reduction and the increased income over his retirement may offset his perceived loss.
76. The above notwithstanding, JLT has provided Mr D with a poor level of service at times. As submitted by Mercer, JLT's actual response time limit is four calendar months. Therefore, JLT has not exceeded its response time requirement. Nonetheless, given the nature of Mr D's complaint, I do not consider the full response time to have been required to adequately consider his complaint.
77. In addition, during a telephone conversation with Mr D on 13 June 2019, JLT informed him that it did not require any further information prior to his retirement date in July 2019. JLT had previously told Mr D on 16 May 2019, that it would contact him again, approximately one month prior to his retirement date but it did not do so. As such, on 26 June 2019, Mr D telephoned JLT as he was concerned over the lack of contact, at which point JLT informed him that he needed to sign another Retirement Option Form. After chasing, receiving and returning a second Retirement Option

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Form, Mr D was informed that the second Form was incorrectly issued and was not required. This will have caused Mr D distress.

78. The poor level of service provided by JLT will have undoubtedly caused Mr D significant distress and inconvenience. I find that a payment of £500 is appropriate recognition of this.

79. I uphold this complaint in part.

Directions

80. Within 28 days of the date of this Determination, JLT shall pay £500 to Mr D for the significant distress and inconvenience he has experienced.

Anthony Arter CBE

Deputy Pensions Ombudsman
7 November 2024