

## Ombudsman's Determination

Applicant	Mr S
Scheme	Target Life Personal Pension Plan ( <b>the Plan</b> )
Respondent	Phoenix Life ( <b>the Administrator</b> )

### Outcome

1. I do not uphold Mr S' complaint and no further action is required by the Administrator.

### Complaint summary

2. Mr S complained that the value of the Plan has decreased by a substantial amount since 1987.

### Background information, including submissions from the parties

3. The sequence of events is not in dispute, so I have only set out the salient points. I acknowledge there were other exchanges of information between all the parties.
4. Mr S joined the Plan in May 1986. The Plan was invested in the Target Life Managed Pension Fund (**the Fund**) and the administrator of the Plan was Target Life. From May 2007, the administration of the Plan was taken over by Abbey Life and subsequently by the Administrator.
5. Mr S paid a monthly contribution of £75 into the Plan until May 1987, at which point he stopped paying contributions and his active membership of the Plan ceased. At that time, the value of the Plan was £900.
6. Mr S was sent annual pension illustrations until 2021. The pension illustrations showed that the overall value of the Plan was decreasing.<sup>1</sup> The pension illustrations issued between 2017 and 2021 contained information about charges applied to the Plan.
7. Mr S said he lived at 'Address 1' from November 1987 until August 2006, 'Address 2' from August 2006 until December 2015 and that he has lived at 'Address 3' since December 2015.

---

<sup>1</sup> See the Appendix

8. Mr S said that he arranged with the Post Office to have his mail redirected on all three properties.
9. Between 2001 and 2019, Mr S' pension illustrations were sent to Address 1. In 2020 and 2021, Mr S' pension illustrations were sent to Address 3.
10. On 22 January 2020, Mr S telephoned the Administrator to enquire about the Plan. The Administrator informed him that the value of the Plan was £19.37. In response, Mr S made a complaint to the Administrator. Mr S claimed that he had been mis-sold the Plan and that he had not been made aware of the applicable charges.
11. On 5 February 2020, the Administrator informed Mr S that it was not upholding his complaint. The Administrator said, in summary:-
  - The advice to join the Plan was given by an independent financial adviser (**the IFA**), so any complaint about it should be directed to the IFA. As the IFA is no longer trading, the complaint should be directed to the Financial Services Compensation Scheme.
  - Mr S was informed about the value of the Plan and the applicable charges through the annual pension illustrations sent to him.
  - The Fund value is dependent on stock markets, so it fluctuates and cannot be guaranteed.
  - While the Fund continued to be invested, the monthly charges and the charges regarding the relevant benefits continued to apply. So, the value of the Plan decreased over time.
  - It was made clear to Mr S in the Plan conditions that monthly charges would continue to apply after he ceased making contributions to the Plan.
12. On 17 April 2023, the Administrator sent Mr S an End of Policy notice. It stated that the Plan had lapsed, as the charges applied to the Plan since his payments into it ceased, had exceeded the value of the Plan.

### **Adjudicator's Opinion**

13. Mr S' complaint was considered by one of our Adjudicators who concluded that no further action was required by the Administrator. The Adjudicator's findings are summarised in paragraphs 14 to 18 below:-
14. It is understandable that Mr S is disappointed about the decrease in the value of the Plan. Mr S made contributions to the Plan for just one year, and the charges continued to apply after he stopped making contributions. So, in the Adjudicator's opinion, Mr S should have been aware that as the value of the Plan in 1987 was relatively small, in the following years it may eventually be depleted by the charges. There is no evidence that the Administrator made any errors in applying the charges.

15. From 2001 until 2019, Mr S' pension illustrations were sent to Address 1, despite the fact that he relocated to Address 2 in August 2006. In the Adjudicator's opinion, it is reasonable to assume that, on the balance of probabilities, Mr S received the pension illustrations from 2001 until 2006, when he moved to Address 2, which should have alerted him to the fact that the value of the Plan was decreasing.
16. The pension illustrations issued between 2019 and 2021 contained detailed breakdowns of the applicable charges.<sup>2</sup> So, in the Adjudicator's view, Mr S should at least at that point have been aware that the value of the Plan was decreasing. If he had any questions about the charges, he could have put these to the Administrator before 2020, or sought independent financial advice.
17. Mr S said he received no contact from any of the administrators of the Plan from 2007 until he telephoned the Administrator in 2020. Given that Mr S was no longer contributing to the Plan, there was no reason for any of the administrators to contact him other than by providing annual pension illustrations.
18. Mr S said that he arranged with the Post Office to have his mail redirected each time he changed address. In the Adjudicator's opinion, it is reasonable for the Administrator to have expected Mr S to contact it directly to inform it of his changes of address, or to let it know if he was no longer receiving annual pension illustrations. No evidence has been provided to show that Mr S sent change of address notifications to the Administrator. It was the Adjudicator's view that, on the balance of probabilities, the Administrator did not receive notification of Mr S' change of address in 2006. For these reasons, it was the Adjudicator's opinion that the Administrator cannot be held responsible for Mr S' pension illustrations being sent to the wrong address after 2006.
19. Mr S did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr S provided his further comments, which I have considered but they do not change the outcome. Mr S said:-
  - He trusted the investor to produce a return on the Plan. According to his calculations, the £900 he contributed to his pension should now amount to approximately £2930. If that amount were invested in the FTSE 250 from May 1986 until today, it would amount to more than £40,000, excluding charges.
  - Because of the low value of this pension and the lack of information he received regarding it, Mr S kept the policy documents in storage. Because he did not receive pension illustrations, he was unaware that value of the Plan had been depleted by the charges.
  - His concern about the loss of the value of the Plan comes only from a moral perspective. His other investments were profitable.

---

<sup>2</sup> See the Appendix

## **Ombudsman's decision**

20. Mr S complained that the value of the Plan decreased by a substantial amount since 1987. He said that he was not made aware that the charges were reducing the value of the Plan as he did not receive all of the annual pension illustrations and he was not contacted by the Administrator.
21. It is the responsibility of a pension scheme member to ensure they have all of the information they need regarding their pension, and to contact the administrator of the relevant pension scheme if they do not. Mr S said that he moved address and then stopped receiving pension illustrations. I find that it was Mr S' responsibility, at the point at which he stopped receiving annual pension illustrations, to contact the Administrator and inform it that that was the case.
22. It was also Mr S' responsibility, at each change of address, to contact the Administrator and update it on his relocation. There is no evidence that Mr S did so. So, I find that the Administrator cannot be held responsible if Mr S stopped receiving information about his pension after he had relocated. Similarly, it was open to Mr S to make contact with the Administrator at any point if he wished to establish the value of the Plan. Mr S joined the Plan in 1986 and stated that he stopped receiving pension illustrations in 2006. It would have been more supportive of his stated wish to remain updated on the value of the Plan for him to have contacted the Administrator in 2006, rather than waiting until 2020.
23. Mr S said he expected his investment to produce a return. Any investment into the financial market is a risk; it can render a profit or a loss. So, it was unreasonable for Mr S to assume that his pension investment would definitely produce a return. The only certainty Mr S could have reasonably had regarding the value of the Plan was that it would be impacted by the monthly administrative charges. I find that there was no maladministration on the part of the Administrator.
24. I do not uphold Mr S' complaint.

## **Anthony Arter CBE**

Deputy Pensions Ombudsman  
22 September 2023

## Appendix

1. The pension illustration dated 28 November 2001 stated that the projected value of Mr S' pension from the Plan was £267 for the lower illustration and £554 for the higher illustration. It said the transfer value was £230.39.
2. On 6 December 2004, Abbey Life sent Mr S a letter informing him that it could not send him a projection of benefits due to the low value of the Plan.
3. The pension illustration dated 17 May 2005 stated that the value of the Plan on 14 May 2005 was £591 and the transfer value was £179.
4. The pension illustration dated 16 May 2006 stated that the value of the Plan on 14 May 2006 was £663 and the transfer value was £203.
5. The pension illustration dated 17 May 2007 stated that the value of the Plan was £651.87 on 14 May 2007 and the transfer value was £202.
6. The pension illustration dated 16 May 2008 stated that the value of the Plan on 14 May 2008 was £581 and the transfer value was £180.
7. The pension illustration dated 19 May 2009 stated that the value of the Plan on 14 May 2009 was £413 and the transfer value was £125.
8. The pension illustration dated 18 May 2010 stated that the value of the Plan on 14 May 2010 was £436 and the transfer value was £125.
9. The pension illustration dated 17 May 2011 stated that the value of the Plan on 14 May 2011 was £408 and the transfer value was £108.
10. The pension illustration dated 17 May 2012 stated that the value of the Plan on 14 May 2012 was £323 and the transfer value was £73.
11. The pension illustration dated 17 May 2013 stated that the value of the Plan on 14 May 2013 was £311 and the transfer value was £43.
12. The pension illustration dated 16 May 2014 stated that the value of the Plan on 14 May 2014 was £253 and the transfer value was £11.
13. The pension illustration dated 19 May 2015 stated that the value of the Plan on 14 May 2015 was £251 and the transfer value was £0.
14. The pension illustration dated 17 May 2016 stated that the value of the Plan on 14 May 2016 was £247 and the transfer value was £0.
15. The pension illustration dated 17 May 2017 stated that the value of the Plan on 14 May 2017 was £295.76 and the transfer value was £0. It also stated that annual management charges and fund expenses between 14 May 2016 and 14 May 2017 had amounted to approximately £3.50 in total.

16. The pension illustration dated 17 May 2018 stated that the value of the Plan on 14 May 2018 was £310.27 and the transfer value was £0. It also stated that Mr Y had outstanding charges amounting to £251.98 which could only be taken if he retired or transferred to another pension provider.
17. The pension illustration dated 17 May 2019 stated that the value of the Plan on 14 May 2019 was £21.96 and the transfer value was £10.98. It also stated that annual management charges and fund expenses between 14 May 2018 and 14 May 2019 had amounted to approximately £1.93 in total.
18. The pension illustration sent to Mr S on 19 May 2020 stated that the value of the Plan on 14 May 2020 was £15.48 and the transfer value was £10.37. It stated that a charge of £5.11 would be applied if Mr S transferred to another pension provider. It also stated that between 14 May 2019 and 14 May 2020, charges amounting to an estimated £5.98 had been applied to the Plan. It contained a breakdown of the reason for each charge.
19. The pension illustration sent to Mr S on 18 May 2021 stated that the value of the Plan on 14 May 2021 was £11.73 and the transfer value was £11.73. It stated that between 15 May 2020 and 14 May 2021, charges totalling an estimated £6.04 had been applied to the Plan. It provided a breakdown of the reason for each charge.