

Ombudsman's Determination

Applicant	Miss A
Scheme	Scottish Widows Personal Pension Plan (the Plan)
Respondent	Scottish Widows (the Administrator)

Outcome

1. I do not uphold Miss A's complaint and no further action is required by the Administrator.

Complaint summary

2. Miss A complained that she was unable to access her online pension account (**the Account**) from 5 March 2021 until 22 March 2021 (**the Relevant Period**). She said this caused her to experience stress and financial loss.

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. The Plan commenced on 1 August 2013. Miss A's membership of the Plan started on 1 September 2019 and ended on 18 February 2021.
5. On 10 March 2021, Miss A telephoned the Administrator and said she was unable to access the Account. The Administrator informed Miss A that this was because of an I.T. issue which would be fixed. Miss A raised a complaint about this.
6. On 14 March 2021, Miss A informed the Administrator by email that she had been unable to access the Account since 5 March 2021 and that she was very frustrated. She said she had been informed four days beforehand that she would receive a telephone call about this from the complaints team; she said she had not received one. She requested a complete record of her case.
7. On 15 March 2021, the Administrator responded to Miss A by email. It upheld her complaint and offered her £50. It said:-

- Miss A had been unable to access the Account because of system maintenance activities.
 - She should have access to the Account before the following week.
 - The loss of her access to the Account had not caused the value of her benefits in the Plan to depreciate.
 - The value of Miss A's benefits in the Plan was lower than the value of the contributions she had made to it. However, their value was not guaranteed and could increase or decrease because the funds in the Plan are unit-linked.
8. The Administrator informed Miss A that she could switch to a different fund if she wanted to, and advised her to seek independent financial advice.
9. On 19 March 2021, Miss A emailed the Administrator. She said she had been unable to access the Account for over two weeks. She asked the Administrator to provide evidence that this had not affected the value of her benefits in the Plan.
10. On 23 March 2021, Miss A emailed the Administrator. She said that she was able to access the Account but the value of her benefits in the Plan had not increased, despite the fact that the fund she invested in had increased in value. She said this was because her account had been 'stalled' for three weeks. She claimed that this had caused her to experience financial loss.
11. On 25 March 2021, the Administrator sent Miss A another response to her complaint. It upheld her complaint and offered her an additional £40. It said:-
- It had an issue with the system maintenance and that was why Miss A could not access the Account within the time period the Administrator had told her she would be able to.
 - She should now be able to access the Account.
 - Her previous inability to access the Account had not caused the value of her benefits in the Plan to depreciate.
 - The value of the funds in the Plan could not be guaranteed as they are unit-linked. Between 15 February 2021 and 24 March 2021, the value of the Plan had fluctuated between £14,623.59 and £14,531.89.

Summary of Miss A's position

12. She experienced stress and financial loss because she was unable to access the Account. If she had had access to the Account during the Relevant Period, she would have noticed that the value of her benefits in the Plan was decreasing and switched to another investment to stop the decline.

13. She should be paid £1,500 in recognition of the distress and inconvenience she experienced.

Summary of the Administrator's position

14. Miss A's inability to access the Account did not cause the fund value to depreciate. The fund value could not be guaranteed as it is unit-linked.
15. The Administrator is not obliged to offer Miss A access to the Account. The terms and conditions of the Plan do not provide for that.
16. The Administrator increased its payment to Miss A to £90; this is a fair and reasonable sum in recognition of the inconvenience of the short, temporary loss of access to the Account that she experienced.

Adjudicator's Opinion

17. Miss A'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 18 to 23 below:-
18. Miss A did not have access to the Account for more than two weeks and did not receive an explanation as to the reason for this until after submitting complaints. So, it was the Adjudicator's opinion that there was maladministration on the part of the Administrator.
19. There was no evidence that if Miss A had had access to the Account during the Relevant Period, she would have switched to another investment fund. The Administrator's letter, dated 25 March 2021, indicates that before 5 March 2021, when Miss A did have access to the Account, the Plan's value had fluctuated, yet she did not switch funds. Further, there is no evidence of which fund Miss A might have switched to, nor was there any guarantee that if Miss A had switched to another investment fund, that fund would have appreciated in value. In the Adjudicator's view, any perceived loss in the value of the Plan during the period during which Miss A did not have access to the Account, is speculative and not definitive.
20. There is no evidence that Miss A experienced financial loss.
21. It is understandable that Miss A would have experienced stress due to the issues she encountered with accessing the Account and communicating with the Administrator about this. In the Adjudicator's view, during Miss A's email exchanges with the Administrator in March 2021, she could have asked the Administrator to update her on the value of her benefits in the Plan.
22. Miss A's inability to access the Account lasted less than three weeks. In the Adjudicator's view this was a short period of time. Further, the Administrator gave

Miss A full explanations for the problem that occurred and paid her £90 in recognition of its impact.

23. In the Adjudicator's opinion, an apology would have been sufficient recognition of the non-financial injustice Miss A experienced. So, it was the Adjudicator's view that the £90 the Administrator paid to Miss A was adequate redress for any distress and inconvenience caused.
24. Miss A did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Miss A provided her further comments, which I have considered but they do not change the outcome. Miss A said:-
 - She had previously switched funds when they were not performing well. This shows that she would have done the same if she had had access to the Account during the Relevant Period.
 - Three weeks was a long time to have been unable to access the Account. The Administrator did not keep her updated on the matter and £90 is not adequate redress for this.

Ombudsman's decision

25. Miss A was unable to access the Account from 5 March 2021 until 22 March 2021. She said that this, combined with the Administrator's failure to keep her updated on the matter, caused her to experience stress and financial loss.
26. Miss A complained to the Administrator on 10 March 2021, regarding her inability to access the Account and was informed immediately that this was due to an I.T. issue which would be resolved. She complained to the Administrator again on 14 March 2021. The Administrator emailed her the next day, on 15 March 2021, upholding her complaint and offering her £50, an apology, and an explanation of the reason for the access issue. In that complaint response, the Administrator told Miss A that she should regain access to the Account before the following week. Miss A had access to the Account seven days later.
27. It is understandable that Miss A was disappointed that she was not informed of the issue at the start of, or before, the temporary loss of access to her Account. I note that she prompted the Administrator before it had informed her of the issue. However, the Administrator updated Miss A as soon as she made contact with it. The Administrator followed this up with a full explanation of the reason for the problem and paid her an amount in recognition of the inconvenience caused. Due to the short-term nature of the event, and the fact that the Administrator addressed Miss A's complaints promptly, I find that while there had been maladministration, the distress and inconvenience that it caused Miss A was not of a significant nature.

28. For these reasons, I find that while Miss Y did experience non-financial injustice, this was more than adequately addressed by the Administrator's apology and payment to her of £90.
29. Miss A expressed dissatisfaction that when she regained access to the Account on 25 March 2021, the value of her benefits in the Plan had decreased. She contended that if she had been able to access the Account during the Relevant Period, she would have avoided or reversed this depreciation by switching the funds in which her pension benefits were invested. I note that the Administrator has pointed out previous instances where the value of the Plan fell, and Miss A did not take any action, despite having access to the Account.
30. I do not find, on the balance of probability, that Miss A would indeed have switched funds, or that if she had done so, the value of the Plan would have increased.
31. I do not uphold Miss A's complaint.

Anthony Arter CBE

Deputy Pensions Ombudsman
27 September 2023