

## Ombudsman's Determination

Applicant	Mr Y
Scheme	British Coal Staff Superannuation Scheme (the <b>Scheme</b> )
Respondents	Capita  Coal Staff Superannuation Scheme Trustees Limited ( <b>the Trustee</b> )

## Outcome

1. I do not uphold Mr Y's complaint and no further action is required by Capita or the Trustee.

## Complaint summary

2. Mr Y complained that Capita and the Trustee have refused to pay his pension into his wife's bank account.

## Background information, including submissions from the parties

3. Mr Y is a deferred member of the Scheme.
4. On 9 December 2021, Mr Y emailed Capita requesting to change his bank details from the joint account he held with his wife, to his wife's own bank account. He explained that he wanted his pension to be paid into his wife's account in order to maximise the interest earned on the savings held in that account.
5. On 20 December 2021, Capita responded to Mr Y clarifying that his pension payments could only be directed to a bank account that was solely or jointly in his name. It confirmed that Mr Y's pension could not be paid into his wife's bank account as she was a third party. However, if Mr Y managed to have his name added to her account, it would update his bank details accordingly.
6. On the same date, Mr Y emailed Capita claiming that it had failed to explain why his request to change his bank details was refused, especially since he was willing to authorise the monthly pension payments into his wife's account. He pointed out that Capita often made exceptions for Scheme members when a power of attorney was

involved so he did not understand why it was not exercising the same leniency in his case.

7. On 29 December 2021, Capita responded to Mr Y explaining that it had a responsibility to ensure that Scheme members received their pension each month as directly as possible, to a bank account in their name. It said that there are extenuating circumstances where a member may not be able to handle their own affairs, however, this was not applicable in Mr Y's case. Capita reaffirmed that the simplest solution would be for Mr Y to have his name added to his wife's bank account.
8. On the same date, Mr Y emailed Capita saying that it had not read his previous email and elaborated on the reason he wanted to change his bank details. He explained that he had a personal bank account earning interest on amounts up to £20,000 and a joint account with his wife, also earning interest on the same amount. He specified that it was his wife's personal bank account that he aimed to maximise interest earned on. He said that in order to qualify for interest on this account, a monthly deposit of £500 was required, which would be covered by the monthly pension payments he received from the Scheme.
9. Subsequently, Capita responded to Mr Y acknowledging that it had read his previous email, and confirming that when a Scheme member was able to manage their own affairs, it did not allow the member to receive their pension in a third-party bank account.
10. On 7 January 2022, Mr Y raised a complaint under the Scheme's Internal Dispute Resolution Procedure (**IDRP**). He said that he had asked Capita to change his bank details from the joint account he held with his wife, to his wife's bank account on several occasions. Mr Y was dissatisfied that Capita had refused his request. Mr Y mentioned that he had attempted to change the bank details through the Scheme's online portal (**the online portal**), but he was uncertain if this change would be successful.
11. On 12 January 2022, the Trustee issued its Stage One IDR response. It stated that pension benefits from the Scheme could only be paid into a bank account that was in the member's name, unless there were extenuating circumstances. It expressed concern that Mr Y's complaint suggested that he had changed his bank details via the online portal as this was in breach of its standard policy and could potentially result in Mr Y's January pension payment being withheld due to security checks. The Trustee said that in order to ensure that Mr Y received his January payment, it intended on changing his bank details to those used to pay his pension in previous months which was the joint account he held with his wife.
12. On 12 and 14 January 2022, Mr Y emailed the Trustee claiming that Capita had unreasonably refused his request to pay his pension into his wife's bank account and had ignored his subsequent enquiries. He asked if it was illegal for his pension to be paid into his wife's account and wanted to be informed of the extenuating circumstances the Trustee had mentioned in its response on 12 January 2022.

13. On 20 January 2022, the Trustee emailed Mr Y, informing him that if he was dissatisfied with the Stage One response, he had the right to escalate his complaint to Stage Two of the IDR. It confirmed that after reviewing the communication between Capita and Mr Y, it was satisfied that Capita had responded appropriately to his enquiries. The Trustee emphasised that in order for it to best exercise its duty to provide Scheme members with the pension they are entitled to, its standard policy was to only pay a member's pension into a bank account which was in their name. It stated that this policy could be waived if there were extenuating circumstances such as the existence of a power of attorney. This did not include paying a pension into a third-party bank account so that a member could secure a better level of interest. The Trustee concluded that while it was not illegal for it to pay Mr Y's pension into his wife's bank account, it was unwilling to breach its standard policy.
14. On 21 January 2022, Mr Y asked the Trustee to consider his complaint under Stage Two of the IDR. He reiterated the complaint points he had previously raised and said that his complaint about receiving poor communication from Capita had been ignored by the Trustee. He also said that the way in which Capita and the Trustee had dealt with his request to pay his pension into his wife's account had been authoritarian and unhelpful.
15. On 4 February 2022, the Trustee issued its Stage Two IDR response. It stated that after considering the matter, it was not upholding Mr Y's complaint for broadly the same reasons as set out in its response of 12 January 2022.
16. On 5 February 2022, Mr Y emailed the Trustee saying that it had again failed to consider his complaint in relation to the poor communication he received from Capita. He also felt that it had not provided any reasons as to why his pension could not be paid into his wife's bank account. He said that as the Trustee had reversed the changes, he made to his bank details on the online portal without his consent the Trustee had breached the General Data Protection Regulations (**GDPR**).

## **Adjudicator's Opinion**

17. Mr Y's complaint was considered by one of our Adjudicators who concluded that no further action was required by Capita or the Trustee. The Adjudicator's findings are summarised in paragraphs 18 to 21 below.
18. The Pensions Ombudsman (**my office**) only makes directions on cases if maladministration has been identified in relation to the complaint. In the case of Mr Y, it was the Adjudicator's opinion that, there had been no maladministration on the part of Capita or the Trustee.
19. The need for Mr Y's pension to be paid directly into a bank account in his name was a business decision that Capita and the Trustee were allowed to make to meet their duty to pay his pension benefits appropriately. My office would only intervene in a business decision if it could be shown to be perverse or unreasonable. In the Adjudicator's opinion, the business decision Capita and the Trustee had made in Mr

Y's case was not perverse or unreasonable and had been made for the protection of the Scheme assets to ensure that they were paid to the correct parties. The Adjudicator appreciated Mr Y's frustration that his pension could not be paid into his wife's bank account as this meant that he was unable to benefit from the interest he could earn on that account. However, Capita and the Trustee had not done anything wrong as both parties were correctly carrying out the duties of the Scheme to ensure pension benefits were being paid correctly to all members.

20. It was not disputed that Mr Y had made attempts to change his bank details through the online portal, and that the Trustee had reverted the changes, restoring the bank account to that which Mr Y's pension payments were previously made to. However, in the Adjudicator's opinion, this did not constitute a breach of GDPR as the Trustee had a legal right to continue processing Mr Y's pension payments to satisfy its obligation to provide Scheme members with the pension they were entitled to.
21. The Adjudicator had reviewed the email exchanges that took place between Mr Y and Capita and stated that she had not seen any evidence in support of Mr Y's claim that he had received poor communication and service from Capita. Consequently, she was satisfied that both Capita and the Trustee had effectively considered Mr Y's request to pay his pension into his wife's bank account and refused it on reasonable grounds in accordance with their standard policy. Taking this into account, she concluded that in her opinion, Mr Y's complaint should not be upheld.
22. Mr Y did not accept the Adjudicator's Opinion and the complaint was passed to me to consider.
23. Mr Y provided his further comments which do not change the outcome. In summary he said that:
  - The Adjudicator seemed to be acting in favour of Capita and the Trustee in her Opinion.
  - He did not accuse Capita of breaching GDPR but of fraudulently changing his bank details without his consent. The change was made before informing him which he considered unprofessional and an attempt to undermine him.
  - The enquiries he raised with Capita were reasonable, but Capita ignored his request to pay his pension into his wife's bank account, ceased communication when it was inconvenient and provided him with unreasonable responses. In his view, Capita's actions were authoritarian and focused on winning rather than helping.
  - The Trustee acts to maximise Scheme finances, so why was he being denied the same opportunity. His request to receive his pension into his wife's bank account was reasonable and was not a security risk.
24. I note the additional points raised by Mr Y, but I agree with the Adjudicator's Opinion.

## **Ombudsman's decision**

25. Mr Y has not provided any new submissions in response to the Adjudicator's Opinion and in some regards has repeated arguments already made. In the absence of any alternative evidence to consider, I see no reason to reach a different outcome from that in the Adjudicator's Opinion.
26. Mr Y is dissatisfied because Capita and the Trustee have refused to pay his pension into his wife's bank account. I agree with the Adjudicator that Capita and the Trustee have acted reasonably in this decision, and that this decision does not amount to maladministration. It is both acceptable and common for a pension scheme to have a policy requiring that pension benefits be paid directly into the member's bank account where they are of sound body and mind.
27. I find that Capita was justified in reverting Mr Y's details without his consent after he had attempted to add his wife's bank account on the online portal. This is because Mr Y's actions in this instance, were in breach of the policy of only paying a pension into a bank account in the member's name and allowed for Mr Y's pension to continue to be paid. Further, there is no evidence that Capita ignored Mr Y's request or provided him with unreasonable responses. Capita clearly informed Mr Y that it could not deposit his pension into a bank account that was not in his name. While this may not have been the response Mr Y was hoping for, it does not mean that the response was unreasonable or inadequate.
28. I understand that Mr Y would prefer to have his pension paid into his wife's account, but since I cannot find maladministration in this case, I am unable to uphold his complaint against Capita or the Trustee.

**Dominic Harris**  
Pensions Ombudsman  
25 June 2024