

## Ombudsman's Determination

Applicant	Ms L
Scheme	SMART Pension ( <b>the Scheme</b> )
Respondent	Let Loose Foods Limited ( <b>the Employer</b> )

## Outcome

1. Ms L's complaint is upheld and, to put matters right, the Employer shall pay the missing contributions in respect of her pension and make good any shortfall in units. In addition, the Employer shall pay Ms L £500 for the significant distress and inconvenience it has caused her.

## Complaint summary

2. Ms L has complained that the Employer, despite deducting contributions from her pay, has failed to pay into the Scheme.
3. Ms L has said that the missing contributions amounted to £50.08.

## Background information, including submissions from the parties

4. In November 2021, Ms L began her employment with the Employer.
5. Between February 2022 and June 2022, the Employer failed to pay pension contributions into the Scheme.
6. On 27 June 2022, Ms L brought her complaint to The Pensions Ombudsman (**TPO**).
7. Ms L provided copies of the payslips that she held for the period from February 2022 to June 2022, which detailed the pension contributions deducted from her pay and the corresponding employer contributions. These deductions amounted to £50.08. A breakdown of the deductions has been included in the Appendix.
8. On 20 January 2023, TPO wrote to the Employer for more information in response to Ms L's complaint. This request was repeated on 24 January 2023, 3 February 2023 and 17 February 2023. None of these requests received a response.
9. On 23 February 2023, TPO chased the Employer again. But the Employer failed to respond by the deadline.

## **Caseworker's Opinion**

10. Ms L's complaint was considered by one of our Caseworkers 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 Caseworker's findings are summarised below:-
  - The Caseworker 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. He said that, as the Employer had not responded to any of TPO's communications, he had to base his Opinion solely on the information provided by Ms L.
  - The Caseworker said that he had no reason to doubt the information provided by Ms L. So, in the Caseworker's Opinion, on the balance of probabilities, contributions had been deducted from Ms L'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, Ms L was not in the financial position she ought to be in.
  - In the Caseworker's view, Ms L had suffered significant distress and inconvenience due to the Employer's maladministration. The Caseworker was of the opinion that an award of £500 for non-financial injustice was appropriate in the circumstances.
11. The Employer did not respond to the Caseworker's Opinion and the complaint was passed to me to consider. I agree with the Caseworker's Opinion.

## **Ombudsman's decision**

12. Ms L has complained that the Employer has not paid all the contributions due to her Scheme account.
13. 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 either my Office or Ms L. It has also failed to respond to the Caseworker's Opinion.
14. The Employer's failure to pay employee and employer contributions into the Scheme amounts to unjust enrichment and has caused Ms L to suffer a financial loss. The Employer shall take remedial action to put this right.
15. Ms L is entitled to a distress and inconvenience award in respect of the significant ongoing non-financial injustice which she has suffered. In my view, Ms L's distress and inconvenience was exacerbated by the Employer's failure to respond during my Office's investigation into Ms L's complaint.

## **Directions**

16. To put matters right, the Employer shall, within 28 days of the date of this Determination:
  - (i) pay Ms L £500 for the significant distress and inconvenience she has experienced;
  - (ii) produce a schedule (**the Schedule**) showing the employee contributions deducted from Ms L's pay in respect of the period of her employment. The Schedule shall also include the corresponding employer contributions that were due to the Scheme; and
  - (iii) forward the Schedule to Ms L.
17. The Employer shall, within 14 days of receiving a request by Ms L, provide her with any reasonable additional information, in order for her to be able to check the details in the Schedule.
18. Within 14 days of receiving confirmation from Ms L that she agrees with the information on the Schedule, the Employer shall:
  - (i) pay the missing contributions to the Scheme;
  - (ii) establish with the Scheme whether the late payment of contributions has meant that fewer units were purchased in Ms L's Scheme account than she would have otherwise secured, had the contributions been paid on time; and
  - (iii) pay any reasonable administration fee should the Scheme administrator charge a fee for carrying out the above calculation.
19. Within 14 days of receiving confirmation from the Scheme administrator of any shortfall in Ms L's units, pay the cost of purchasing any additional units required to make up the shortfall.

**Dominic Harris**

Pensions Ombudsman  
7 August 2023

**Appendix**

Date	Employee Weekly contributions	Employer Weekly contributions
07/02/22 to 13/02/22	£0.96	£0.72
14/02/22 to 20/02/22	£0.00	£0.00
21/02/22 to 27/02/22	£0.87	£0.66
28/02/22 to 06/03/22	£2.76	£2.07
07/03/22 to 13/03/22	£0.24	£0.18
14/03/22 to 20/03/22	£0.51	£0.39
21/03/22 to 27/03/22	£5.19	£3.90
28/03/22 to 03/04/22	£2.58	£1.94
04/04/22 to 10/04/22	£4.23	£3.17
11/04/22 to 17/04/22	£3.37	£2.53
18/04/22 to 24/04/22	£1.47	£1.11
25/04/22 to 01/05/22	£3.47	£2.60
02/05/22 to 08/05/22	£5.08	£3.81
09/05/22 to 15/05/22	£4.23	£3.17
16/05/22 to 22/05/22	£2.52	£1.89
23/05/22 to 29/05/22	£3.09	£2.32
30/05/22 to 05/06/22	£4.02	£3.02
06/06/22 to 12/06/22	£2.65	£1.99
13/06/22 to 19/06/22	£2.84	£2.13