

Ombudsman's Determination

Applicant	Mrs S
Scheme	Teachers' Pension Scheme (the Scheme)
Respondent	Teachers' Pensions (TP)

Outcome

1. The complaint is upheld and to put matters right Teachers' Pensions shall pay Mrs S £1,000 in recognition of the serious distress and inconvenience she has suffered.

Complaint summary

2. Mrs S has complained that TP provided poor service following her death benefits claim and delayed payment of her spouse's pensions, causing distress and inconvenience.

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. On 1 February 1994, Mrs S' husband (**Mr S**) joined the Scheme.
5. On 1 September 2008, Mr S' retirement benefits went into payment.
6. On 8 February 2022, Mr S died.
7. On 1 March 2022, Mrs S emailed TP, the Scheme's administrator, to confirm Mr S' death and claim a widow's pension. TP replied to Mrs S the next day and provided an application form (**the Death Benefit Form**) for her to complete and return regarding her claim.
8. On 6 March 2022, Mrs S completed the Death Benefit Form and returned it to TP with Mr S' death certificate and their marriage certificate. TP received these documents on 9 March 2022.
9. On 11 April 2022, Mrs S emailed TP to ask for an update on her benefits claim.

10. On 25 April 2022, Mrs S telephoned TP confirming that she had submitted all required documents and asking for an update on her benefits claim.
11. On 3 May 2022, TP wrote to Mrs S and said the death benefits were in the process of being calculated and that she would subsequently be informed of the outcome.
12. On 27 June 2022, Mrs S wrote to TP complaining about the delay in confirming her benefit entitlements. TP replied the same day and said that her spouse's pension was in the process of being calculated.
13. On 1 September 2022, Mrs S wrote to TP complaining that it had been almost seven months since she made her benefits claim. She said that due to the delay there were widow's pension arrears of over £4,000 due to her.
14. On 6 September 2022, TP wrote to Mrs S acknowledging her complaint and confirmed that a response should be sent within 15 days, but there may be a delay in some instances.
15. On 26 September 2022, TP wrote to Mrs S and said that investigations into her complaint were continuing. A "comprehensive" response would be provided within a further 15 working days.
16. On 6 October 2022, Mrs S wrote to TP asking for her complaint to be lodged under the Scheme's Internal Dispute Resolution Procedure (**IDRP**) and said:-
 - There had been almost an 8-month delay in calculating her spouse's pension, causing her financial hardship, resulting in distress and inconvenience. She had initially been informed that the process would only take up to 10 working days.
 - She had calculated that her spouse's pension arrears were over £4,000. Interest should be added to that sum. TP had not considered the distress and inconvenience she was suffering from when writing in response to her claim.
17. On 17 October 2022, TP wrote to Mrs S regarding another matter and confirmed that:-
 - Mr S' retirement pension had been recalculated, due to a previous error, and the following revised benefits would be paid into her account within 10 working days:

Pension commencement lump sum (PCLS)	£387.08
Interest on the PCLS	£32.61
Pension instalment arrears	£131.33
Interest on pension instalment arrears	£7.39
 - There had been an overpayment of £18.67 relating to Mr S' retirement pension instalments as the benefits were paid up to 9 February 2022 but pension payments should only be made covering the period up to and including a member's date of death. The overpayment would be deducted from her spouse's pension.

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- A short-term spouse's pension was due for three months from 9 February 2022 to 8 May 2022 at the same rate as Mr S' final retirement pension of £8,660.87 per year increasing to £8,917.11 a year from 11 April 2022.
 - To avoid any further delays, a one-off sum of £2,710 would be paid into her bank account within 10 working days. This payment represented approximately 60% of the spouse's pension instalment arrears covering the period from 9 February 2022 to 28 September 2022, less a deduction of the £18.67 overpayment. After the short-term pension ended, a long-term pension of £4,478.54 gross per year became payable.
 - She would need to write to the Department for Education (**DfE**), the Scheme's managing authority, should she wish to take up her complaint under the IDR. She could do so online or by letter using contact details provided.
18. On 17 December 2022, Mrs S wrote to TP and said that the letter of 17 October 2022 had not been in response to her complaint under the IDR.
19. On 16 January 2023, TP wrote to Mrs S and said that she should write to DfE directly regarding the IDR, as previously advised in the letter dated 17 October 2022. TP was unable to do so on her behalf.
20. On 19 January 2023, Mrs S resubmitted her complaint of 6 October 2022 to DfE.
21. On 6 February 2023, DfE wrote to Mrs S and said there was a lengthy delay between 1 March 2022, when she made her benefits claim and October 2022 when her widow's pension commenced. DfE said that a £100 award in recognition of this poor service was appropriate but TP had acted in accordance with the Scheme Regulations so her complaint was not upheld.

TP's position

22. Under normal procedures a death benefits claim should be processed within seven working days. However, in cases where additional processing is required there may be delays. When this occurs, the beneficiary making a claim is normally informed. However, "administrative oversights" caused a delay in informing Mrs S that there would be a delay in paying her death benefits.
23. There was a delay in processing Mrs S' death benefits claim between March 2022 and October 2022 to ensure that her spouse's pension was paid correctly. A sum of underpaid retirement benefits owed to Mr S had also been identified and a recalculation was required so that those funds could be paid to the estate.
24. Interest has been added for the late payment of Mrs S' spouse's pension. An increased award of £500 to Mrs S would also be appropriate in recognition of the distress and inconvenience she suffered due to the delay in processing her death benefits claim.

Mrs S' position

25. The £500 award offered by TP is insufficient recognition of the distress and inconvenience she suffered as a result of its poor service.

Adjudicator's Opinion

26. Mrs S' complaint was considered by one of our Adjudicators who concluded that TP should award Mrs S £1,000 in recognition of the serious distress and inconvenience she suffered. The Adjudicator's findings are summarised below:-

- Mrs S sent the completed Death Benefit Form with Mr S' death certificate and their marriage certificate to TP on 6 March 2022. TP acknowledged that it had received these documents on 9 March 2022. But it was not until 17 October 2022 that TP wrote to Mrs S confirming the benefits that would be paid to her.
- TP has confirmed that a death benefits claim is normally processed within seven working days, and that when this is not possible, the beneficiary is normally informed. However, in Mrs S' case TP failed to advise of such a delay promptly due to "administrative oversights". In the Adjudicator's opinion this failure amounted to maladministration by TP and would have exacerbated Mrs S' distress.
- During the period 9 March 2022 to 17 October 2022, Mrs S chased payment of her benefits on several occasions, including on 25 April 2022. In the Adjudicator's view TP had missed an opportunity to inform Mrs S that the benefits were in the process of being calculated on that occasion. It was not until 3 May 2022 that TP wrote to Mrs S and provided this information, which was subsequently reiterated on 27 June 2022, following another chaser from Mrs S.
- TP issued no immediate update or estimated timescales to Mrs S for the processing of her death benefits claim, even following her complaint about the delay on 1 September 2022. TP had simply acknowledged the complaint on 6 September 2022 and had sent a holding letter on 26 September 2022 stating that the matter was under investigation.
- Mrs S had attempted to formally complain under the IDRP by writing to TP on 6 October 2022. On 17 October 2022, TP had clarified that she would be required to write to DfE. However, although Mrs S had enquired about the IDRP on 17 December 2022, it was not until 16 January 2023 that TP had responded by reiterating that she would need to write to DfE.
- In the Adjudicator's view, TP had failed to consider the impact its poor service would have on Mrs S at a difficult time following her bereavement. The numerous chasers that she had communicated to TP between May 2022 and October 2022 ought to have made it clear that Mrs S required the death benefits urgently.

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- In the Adjudicator's opinion, it was excessive that it took around seven months to process Mrs S' claim. Even taking into account the time allowed for recalculation of the benefits, this amounted to maladministration by TP, especially, in view of the fact that TP normally expected to process a death claim within seven working days.
- In the Adjudicator's view, there was no evidence of financial loss to Mrs S as TP had paid her interest for the late payment. However, the maladministration would have caused Mrs S serious distress and inconvenience. An award of £1,000 is in line with the Ombudsman's guidance for non-financial injustice of this type.

27. Mrs S accepted the Adjudicator's Opinion, but TP did not and the complaint was passed to me to determine. Neither Mrs S nor TP provided further comments, I agree with the Adjudicator's Opinion.

Ombudsman's decision

28. I note that there was a significant delay between Mrs S submitting the Death Benefit Form on 6 March 2022 and 17 October 2022 when TP confirmed the benefits to be paid. During this period there were several instances of poor service amounting to maladministration by TP, including an initial failure to confirm that there would be a delay in paying the benefits.
29. TP subsequently also failed to update Mrs S with an estimated timescale for processing her claim in spite of the numerous chasers and complaints that Mrs S had made. Under TP's normal procedures a death benefits claim should be processed within seven working days. There is no evidence of any urgency or empathy on the part of TP in dealing with Mrs S' claim following her bereavement, which, it was quite likely, would have made her financial circumstances more difficult.
30. While there is no evidence of financial loss to Mrs S, she has complained about the financial hardship caused by the excessive delay of around seven months before receiving the expected payments. I find that this would have aggravated Mrs S' difficult situation, causing her serious distress and inconvenience.
31. I uphold Mrs S' complaint.

Directions

32. Within 28 days of the date of the Determination, TP shall pay Mrs S £1,000 for the serious distress and inconvenience she has suffered.

Anthony Arter CBE

Deputy Pensions Ombudsman
19 September 2024