



Case study: Pensions

DELAYS WITH PENSION PAYMENT LEADS TO COMPLAINANT'S DISTRESS AND INCONVENIENCE

Themes: private pension; delays; pension annuity; false assumptions; incorrect information.

This complaint relates to a pension plan member who suffered distress and inconvenience when pension payments were not paid on-time.

Mr B held a private pension with a pension provider and received monthly pension payments of approximately £800. In January 2022 Mr B did not receive his monthly pension payment. Mr B's pension provider confirmed that this was due to an administration error and made the January 2022 payment along with the February 2022 payment. In May 2022 Mr B again did not receive his monthly pension payment. This time Mr B's pension provider advised it was due to a human error and paid his May 2022 payment along with his June 2022 pension payment, again one month overdue.

In September 2023 Mr B's pension provider once again paid Mr B's monthly pension payment late, this time by a week and advised that this was because of an issue with the standing order. Mr B made a complaint to his pension provider for the delays he had experienced when receiving his pension payments. Mr B's pension provider offered to compensate Mr B £250 for the inconvenience they had caused and advised that they had updated their payment process to avoid future issues with their payments. Mr B rejected their offer and referred his complaint to CIFO.

CIFO investigated and noted that Mr B's pension provider had not provided the professional service reasonably expected. This is because Mr B was reliant upon his monthly pension payments and had to resort to his savings to cover his living expenses each time the monthly payments were missed. CIFO also noted that Mr B needed to contact his pension provider on multiple occasions each time these payments had been missed and request them to rectify their errors. Each time Mr D was advised that the error was due to a different issue.

As there were multiple errors made, CIFO upheld the complaint and recommended Mr B's pension provider compensate Mr B £500 for the distress and inconvenience caused.