

Scottish Widows Complaint: PO-14071 (Preface)

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This document mirrors one of the main web pages on the above website. This contains proof of criminal misconduct by two organisations that one would expect to act with the highest standards of probity. Their contempt for the law amounts to a gross breach of the trust the public must place in them.

Scottish Widows is guilty of fraudulent evasion of personal pension encashment (amongst numerous other instances of [cavalier customer treatment](#)). In particular, the assertion that their onerous (and in my case, impossible to satisfy) "verification" demands "are required under UK legislation" is a blatant false pretence. In fact, the government requires no verification whatever when there is an ongoing business arrangement, let alone the draconian, changing, and dreadfully documented demands of Scottish Widows.

The Pensions Ombudsman is guilty of criminal protection of Scottish Widows in its refusal (after a year of quite deliberate inaction and prevarication) to investigate and determine the above, as is required under the Pension Schemes Act 1993/2017. Instead, it has forced an [illegal "pragmatic solution" with SW](#).

Both the above organisations are also guilty of lies, deceit, and evasiveness. And if I were mistaken about SW's fraudulent verification requirements, the numerous statements on the matter that I have made to SW, TPO, and also TPAS would have been rebutted; instead they have met only with silence.

If my comprehensive website is accessible via the above link, please review this instead. This document nonetheless contains active links (underlined) to [web pages](#) in blue and [PDF documents](#) in crimson. It is also more suited to printing than the corresponding web page.

Links to Main Web Pages

Key Facts	Key Facts of the case in numbered paragraph format.
Case Overview	Case summary and narratives for SW and TPO.
Verification Issues	Analysis of the "verification" requirements imposed by SW.
Event Summary	Chronological lists of events (two separate timelines).
Details (SW)	Detailed chronology with correspondence involving SW.
Details (TPO)	Detailed chronology with correspondence involving TPO.
Determination	Analysis of the TPO Final Determination.
Epilogue	Summary and analysis of the main issues of the case.
Questions for SW	Questions sent to SW to probe their "verification" measures.
Document List	Complete list of documents (including this one).

Links to Main Sections within This Document

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Note that the first three sections above were written before TPO refused to investigate, amid connotations of its collusion with Scottish Widows. Thus these older sections express general concerns over the perceived lawlessness of the pensions "industry" and the weak position of the pensioner, even before considering TPO's blatant criminal protection of the pension provider.

Scottish Widows Complaint: PO-14071 (Content)

Epilogue

Customer Perspective (SW, and the Pensions "Industry" in General)

I am dismayed by what I have seen of the UK pensions industry, having also experienced serious difficulties in obtaining an Army pension due to me from 13 September 2015, but not received until 18 April 2016. In this case, whilst there were delays in the early stages due to the post, the main issue was a ludicrously-erroneous [Bank Details Form](#) produced and administered by the paying agent, Equiniti Paymaster. This required me to supply a 3-digit bank code plus an account number of up to 34(!) digits, when Mexican banks require a single 18-digit CLABE. Despite my repeated exhortations, plus those from Veterans UK (the pension administrator), Equiniti Paymaster refused to accept my form, until an out-of-the-blue payment notification of 8 April 2016 finally acknowledged the bank details that I had supplied several months ago.

Moreover, during my attempts to deal with the above, it transpired that **Equiniti Paymaster has no IDRPs**. Their [Complaints Procedure](#) describes a two-stage pseudo-IDRP (which it states one must complete even before approaching TPAS). However, it gives no timeframes; moreover (as Equiniti Paymaster's document does not even mention the term IDRPs) it would not be accepted by TPO as a valid IDRPs. It seemed that I had nowhere to go in pursuing this matter, and that it would be futile to continue my efforts to get redress in the interests of justice. *The [website](#) referenced by the above links is unfinished, since I dropped the matter on receiving my pension.*

But bad as all this is, the issues with Scottish Widows are considerably worse, and will clearly affect many of their customers. Their unacceptable policies and conduct include:

- imposing burdensome and completely unjustified "verification" requirements on those wishing to encash (certain types of) pension policies
- further vexing the customer with dreadful documentation of these requirements
- falsely implying that these measures are required by the UK government
- insisting on responding to emails only by post (moreover requiring replies within 14 days of the date of the letter), when it was made clear that post is not viable as it takes months
- disregarding statements I made explaining my circumstances, and unreasonably closing my application (for alleged lack of verification when they had clear proof of my identity, and assuming that I did not want to proceed with it when I had recently sent a follow up)
- dishonest and evasive handling of my complaint (e.g. over the IDRPs, in referring me invalidly to FOS, and in offering only telephone as a medium for its resolution)

The fundamental issue is Scottish Widows' "verification" requirements. These demonstrably have nothing to do with verification, but instead are quite clearly aimed at evading customer pension encashment. They will cause all customers applying to take a lump sum (at best) substantial difficulties; in my case they resulted in denial of payment as I was unable to fulfil them, and Scottish Widows ignored the clear proof of my identity. And their [Final Response](#) disregards these facts, again insisting that I supply documents that I had made clear I could not obtain.

It appears that Scottish Widows intended their requirements to be as burdensome as possible, without being patently impossible to satisfy (as their invalidity would then be clear). They are thus not willing to accept or admit that they cannot be satisfied in my case (without resorting to devious manipulations that would make a nonsense of what would in any case be an invalid verification criterion - that of the mailing address I supplied to receive their paper).

The statement "*Scottish Widows are required under UK legislation to verify your identity(ies)*" implies that their verification demands have legitimacy in government regulations (which could only be anti-money laundering measures). But this is clearly not the case; see [Verification](#) and the (unanswered) [Questions](#). Instead, I believe that it is an oblique and deceitful reference to the Pension Freedom legislation introduced in April 2015; and that these "verification" requirements are designed to prevent their customers from taking advantage of the 25% tax concession that forms part of it. This is surely a case of fraud, demanding a criminal prosecution.

It may seem astounding that a major financial services company would resort to such a strategy. But Scottish Widows would have a cogent financial motive here, to counter the prospect of numerous customers taking year-on-year pension encashments. These "verification" measures would cost Scottish Widows little to implement, requiring (as we have seen) only the lowest grade of documentation and administrative staff; the bulk of the cost would be borne by the customer. They would therefore be well worthwhile, even if they resulted in only a relatively small reduction in pension encashments. The length of time they spent on the telephone in their thinly-disguised efforts to dissuade me from encashing my pension suggests their willingness to invest in this area. And their cavalier attitudes and my experiences with the pensions industry indicate that they might reasonably believe that they could carry out this strategy with impunity. I can only pray that The Pensions Ombudsman will show that this is not so.

Many people are reliant on Scottish Widows for their pensions, and would expect this company to have the highest standards of probity and customer service. But instead, one sees only the very lowest standards. My experiences with Equiniti Paymaster and now Scottish Widows demonstrate that the pensions industry is a law unto itself, holding all the cards as well as all the money. It is manifestly in urgent need of proper regulation and oversight in its treatment of customers.

The current consumer protection processes appear to rely on the customer to make complaints via a rigid and lengthy procedure. I believe that such a reactive and ad-hoc approach is apt only for resolution of disputes involving alleged failings that are specific to the customer; proactive regulation and oversight are needed to prevent and where necessary deal with the more serious issues arising from abusive company policies, such as are exemplified by this case.

As things stand, the pension provider has the firm upper hand; at worst, it may have to pay an occasional (usually trivial) sum in compensation if TPO rules against it. But rarely would even this happen, as the company only has to "*put things right for you*" to avoid it. Scottish Widows would have expected that their (initially telephoned) "concessions" would have silently ended my complaint, and thus have precluded any possibility of sanctions; most customers would have taken up this "offer" in order to get their money. My case is probably unusual in that their attempts to snuff out my complaint failed. This was partly because I was not willing to lose thousands of pounds on exchange rates as a result of their execrable policies, and partly a matter of principle and because they had lost all credibility in my eyes. But they were never going to admit that their "verification" requirements are one huge lie, and discontinue them.

This strategy of "putting things right" to avoid trouble is frequently employed by shady tin-pot companies operating in the grey margins of the law: if the customer complains, they offer redress (for example, return the money) to avoid legal issues. This way they win most of the time, as most customers are led along and do not complain (even about an abysmal product). And a reactive complaints process that requires the customer to carry out a lengthy procedure before any possibility of legal redress can only encourage this reactive attitude by companies, rather than the creation of policies aimed at providing decent customer service.

I am worried that since my case arises from company procedures, the present dispute resolution processes seem impotent to deal with it. They appear instead to be orientated towards dealing with issues only on an individual case basis; I have the impression that there is at the very least reluctance, or perhaps even a complete inability to interfere with company policies, no matter how odious they are. In the case of Scottish Widows, these policies include not only those involved in their outrageous "verification" requirements, but replying to emails only by ordinary post; and it also appears that the only process through which customers can encash a pension plan involves a prolonged telephone interview. From my experiences, Scottish Widows sets the medium type (post or telephone), even though they initially appear to allow several options.

That pension encashment requires a telephone interview (after which it is necessary to fulfil their "verification" requirements) is indicated in Scottish Widows' [email of 18 March](#) that describes their "paperless" process (note the singular). *This is notwithstanding their "Take it in Cash" web page, which I now believe to be another piece of deception that would not avoid these issues.* If this is so, I think it is quite unacceptable, and can only be another part of their strategy to deter pension encashment. In my case the interview took a total of about an hour and a half, nearly all of which comprised questions and "advice" that (at least in my case) were quite pointless and clearly aimed at dissuading me from encashment. Not only was this very stressful and a waste of time, it also wasted a significant sum of my money, since calls from Mexico to the UK are very expensive. And I cannot be the only one who finds it difficult to understand over the telephone and for whom this means of communication is troublesome.

The use of only ordinary post to respond to an email is generally quite inappropriate; but especially so here since they require replies within 14 days of the date of their letters (and it is clear that these replies must also be by post). In my case (having given clear warning that post can take three months or more to arrive) it was egregious; but as Scottish Widows ought to realise, it is quite unreasonable for many others living overseas. Mexico cannot be the only country to which ordinary post is likely to take more than 14 days just to arrive; to simply blame a foreign postal service for the delays only further manifests their cavalier attitudes. And there was no indication that, after some initial communication by email, they would force the use of post. They only reverted to the use of email on entering complaint-management mode. There was no practical reason whatever to not use email throughout, and every reason for its use.

Yet their Final Response seems confident in its assertions that those are their processes, and nobody can interfere with that. It sustains both their verification demands (which it states are applied to all customers "*prior to the settlement of these types of pension policies*"), and forcing the use of post (blaming the issues from this on the Mexican postal service). Scottish Widows may have good reason to believe that, even if TPO did rule in my favour, it would only be the occasional one they lose against the vast majority they win, and would do nothing to prevent them from continuing to inflict these abusive policies on other customers exactly as before.

Consumer protection in the pensions industry is particularly important since its customers may be vulnerable through infirmities of age, making it all the more difficult for them to comply with the pension provider's demands (such as "verification"), or to pursue action against them. But in any case, when applying to encash a pension, one is clearly in no position to challenge Scottish Widows' demands; one feels obliged to make every effort (as I did) to comply with them in order to get payment.

And this case shows that Scottish Widows has no qualms about denying payment to those who cannot satisfy its demands, even when there is rock-solid verification of identity. *But of course, verification of identity is not what these demands are about.* In my case, only in order to stifle a complaint did Scottish Widows change their stance so as to potentially allow encashment. But this was later abrogated by their obdurate Final Response, which reasserted the original "verification" requirements (*again offering only telephone as a medium for any follow up*). I thus continue to be illegitimately denied access to my funds.

Another reason why the pensions industry requires strong consumer protection is that it has a captive market. As my instincts were against having money tied up in this way, I ceased to make contributions soon after the policies were created, and so can (potentially) fully encash these funds in just two tax years and pay little or no tax. But most people will have a substantial investment tied up in their pension plans that cannot be liquidated quickly without a heavy tax burden. And people who invest in pensions cannot know what kind of regime they will be subjected to as pensioners, until it is too late.

In the case of Scottish Widows, this regime is a dictatorial one. Requiring customers to undergo a prolonged telephone interview, and then supply several certified "verification" documents in order to access their money is one example of this. Amongst its other cavalier treatment, this strategy can only be aimed at undermining the tax concession given by the UK government in its Pension Freedom legislation. Scottish Widows is clearly more concerned about its balance sheet than the welfare of its customers.

Another area that is dictated by Scottish Widows is the communications medium, even though they feign the provision of several options. From my experiences, Scottish Widows imposes the use of telephone for communications that they do not want to be on the record, otherwise post. And in this context they claim that *"our processes are set to suit the majority of our customers"*. They eschew the use of email, except when it suits their purpose; an example of this was in reverting to email in their attempts to extinguish my complaint.

The utter contempt with which Scottish Widows treats its pensioners deeply troubles me; I cannot imagine ever seeing anything like this here in Mexico. And this company would only behave in this way if it believed that it could do so with impunity. I can only hope that such a belief will prove to be mistaken. In the interests of justice and to deter further mistreatment of the pensioner, Scottish Widows' despicable business practices must be met with a potent legal remedy. And this should involve a **criminal prosecution for fraud**.

A Case of Fraud by Scottish Widows?

Making financial gains under false pretences is fraud. Clearly, Scottish Widows loses financially whenever they are required to encash a customer's pension; the corollary of this is that they gain financially whenever they manage to evade encashment. And the false pretences are evident in the bogus "verification" demands that Scottish Widows asserts are "*required under UK legislation*".

Their encashment-reduction strategy appears to also include the telephone interview; however, Scottish Widows would claim that its purpose is to offer customers advice on their options (even though this "advice" would normally be unsolicited and unwanted).

But it should be easy to show that Scottish Widows could not have implemented their "verification" measures in the genuine belief that they are "*required under UK legislation*". And the corollary of this is that their only purpose could be to reduce customer pension encashment, and thus increase profits. This intent with potential financial gains may be sufficient to establish a case of fraud.

Actual financial gains may be more difficult to prove, as one could not in practice determine those who would have encashed their pensions but for Scottish Widows' strategy. However, dividends would be yielded (and victims created) in the following ways:

1. **In causing customers who make encashment applications to abandon them.** This could either be through being browbeaten during the telephone interview, or due to the onerous verification requirements that follow (*this might well have happened in my case*).
2. **In deterring customers who are already aware of the difficulties in encashment,** and who therefore make no attempt to encash their pensions. Whilst this situation might be less common in the short term, customers are likely to be deterred from making future (perhaps yearly) encashments by previous experience of the difficulties involved.
3. **In justifying refusal of payment on the basis of unsatisfactory verification documents** (*this did happen in my case*). Their strategy appears to be to make their requirements difficult but (for obvious reasons) not manifestly impossible to satisfy. However, their demanding requirements give them many possible reasons for rejection, and this could also be a "nice little earner". Whilst there is a risk here that the customer may complain, Scottish Widows only has to "put things right". *My circumstances and contumacious disposition are clearly untypical; people would normally accept the "concessions" in order to get their money. Their ultimate refusal to encash my pension is a specimen case of an actual financial gain here.*

Those who do manage to encash their pensions are also victims of this strategy, as a result of the needless trouble and expense they will have been put to in satisfying the requirements.

Scottish Widows' Fraud = Means + Motive + Opportunity

It goes without saying that Scottish Widows has the means to commit this fraud. And the motive for SW's verification demands is simple: to prevent losses due to increased pension encashment, especially after the 25% tax concession of the Pension Freedom legislation. The rest of this section shows that they were introduced with an excellent opportunity to escape justice.

1. People encashing their pensions feel obliged to comply with SW's requirements in order to get their money. This is especially so since they are stated to be "required under UK legislation"; and this statement from a major financial services company would be accepted as truthful. *One reason I took some time to conclude that their requirements are a total sham is that it seemed implausible that a blue chip company could issue such a blatant lie.*

I too felt bound to accept their requirements, and did my best to comply with them, despite having at least two good reasons at the time to question them:

- a) My identity was absolutely clear to SW at the time of the telephone interview.
- b) No documents were required for a much more substantial encashment of SW investment and mortgage plans about two years earlier (in exactly the same circumstances).

I assumed that this government legislation was specific to pensions, and required verification documents even when one is known to the business with clear proof of identity. Not so.

2. Although the requirements are very cumbersome and problematic, they are not obviously impossible to satisfy. SW clearly makes them as burdensome as they can be, without making their invalidity plain. But they had obviously not considered my particular circumstances (including living overseas, with no postal delivery to my residential address). Nonetheless, SW's Final Response would not entertain any consideration that I legitimately could not satisfy their requirements - to do so would be to acknowledge their invalidity.

But the demanding and very specific nature of their requirements (exacerbated by their confusing, erroneous, and changing documentation), apart from causing customers considerable difficulties, would also give SW numerous grounds for rejection. I suspect that this will have resulted in many others being refused payment; however, if the customer complains, SW only has to "put things right" to avoid any possible issues...

3. Pension holders must attempt to resolve complaints with the pension provider before any possibility of legal redress. For personal pension plans, TPO requires that the pension provider has issued a Final Response; for occupational pension schemes, a lengthy IDRPs must have been completed. **This gives the pension provider ample opportunity to "put things right" or otherwise manipulate the situation, to avoid the matter going to TPO.**

In my case, SW made two "concessions":

1. On 30 June (when they realised a complaint was brewing, after I had enquired about their IDRPs), the documents that they had rejected became valid (they asked me to send them by post).
2. On 1 August (after I had stated that my investigation showed that SW had no business to require proof of both Address and Date of Birth), they offered to accept a scan of my certified ID alone as verification (this gives proof of Name and Date of Birth only, and is a substantial reduction from the original requirements).

Most people would have taken up one or other of these "offers" in order to get their money, thus nullifying the complaint. I was probably unusual in refusing, for the following reasons:

- After Brexit, my lump sum was considerably devalued due to the very weak pound.
- I spent some time investigating government AML requirements; I could consequently no longer trust SW's statements, and was therefore no longer willing to comply with their invalid requirements.
- Further to the above, I felt it important to expose this matter in the interests of justice.

Even after the involvement of TPO, SW evidently made efforts to get me to withdraw my case. They attempted to telephone me several times on 8/9 November (I assume after being put on notice by TPO). *They did not respond to my email in connection with these calls, so clearly did not want to put any of what they had to say in writing.* Again, I think that most people would have been talked into a "deal" in order to get their money. I personally would not have done this (even though in need of funds), as I would consider it to defeat justice and be morally reprehensible.

If a burglar is apprehended for stealing a television, the police would hardly be satisfied by an offer to give the TV back. And neither should SW's offer to "put things right" in the event that the customer complains in any way nullify their fraudulent and abusive policies. Yet the current system encourages just this corrupt "solution".

And SW did everything they could keep complaint management off the record, by the use of telephone. The first "concession" was only emailed (as a password-protected PDF!) after several unsuccessful attempts to telephone me (in contrast to their previous use of post). Only telephone discussion was offered to resolve my formal complaint, even after I had stated that my hearing impairment would make this difficult. This was on the pretext of security and privacy issues with email, even though they had recently emailed me two password-protected PDFs with secure reply. Only telephone was offered for any follow up to their Final Response. And, as noted above, they did not want their final telephoned attempt to get me to withdraw my case to be on the record. *Another reason they like to use telephone is that it gives them an opportunity to manipulate/browbeat people, as in the initial telephone interview.*

It also seems that SW would have preferred me to take my complaint to the Financial Ombudsman Service rather than TPO. Both their [Final Response](#) and their [complaint information](#) posted in response to my formal complaint refer to this organisation prominently; however nowhere did they mention either TPAS or TPO. The remit of FOS does not include pensions, except their sales and marketing; and their website states that any complaints involving administration of pensions will be forwarded to TPO. However, this is not so; a brief search on SW pension complaints within the last year revealed at least six involving purely pension administration - and not a single one of these was upheld. The Financial Ombudsman Service conspicuously advertises its services, and it is apparently paid on a per-case basis. I must question what kind of relationship this organisation has with SW.

There was also serious misinformation from Equiniti Paymaster. Their complaint information makes no mention of an IDRPs, only a two-stage pseudo-IDRP without timeframes, which it states one must complete even before approaching TPAS. In fact there is no IDRPs for Equiniti Paymaster, and they are thus immune to any investigation by TPO.

This misinformation appears to be intended to deliberately mislead the customer to neutralise complaints, and is much worse than providing no information at all. It demonstrates a complete lack of regulation and scrutiny of complaints procedures; and I can hardly believe that this is the only area of company policy that goes unchecked.

4. TPO's jurisdiction is limited to assessing instances of "maladministration"; TPO is therefore impotent to deal with fraudulent and abusive policies, such as those of SW.

There was no mention of this very limited scope in TPO's information; this is why I left the matter in the hands of TPO rather than reporting the fraud to the police.

Although the most serious cases such as mine are likely to arise from abusive company policies and affect numerous customers, TPO has no power to change these; this can only be done by the Pensions Regulator. And I suspect that conduct in line with company policies (even abusive ones) would not be considered "maladministration". But even if it were, any redress would be based mainly on individual provable financial losses, which may be trivial. Especially as few cases reach TPO, this would do nothing to prevent or deter the company from continuing its abuses as before.

And even when the complaint does reach TPO, there is likely to be a considerable delay before it is investigated. There has been complete inaction on my case since it was assigned to an adjudicator in October 2016. This is despite my having repeatedly stated that it was a very serious one involving fraud, which would affect many others.

The apparent complete lack of proactive regulation and oversight of pensions, the reactive, ad-hoc, and dilatory complaints processes, and the limited scope of TPO's jurisdiction are being exploited by SW (and doubtless other pension providers), leading to the abusive policies demonstrated by this case (and doubtless numerous others).

But all this has been subsumed by the fact that TPO will not investigate my case at all, instead forcing a criminal and corrupt "pragmatic solution" that would allow SW to escape justice - see the next section.

5. Unravelling and adequately documenting SW's web of deceit and manipulative practices requires a great deal of work. The false pretence of SW's assertions that their "verification" demands are "required under UK legislation" was evident only after information from TPAS led me to spend some time investigating government AML regulations. This was prompted by my documents becoming valid once they knew a complaint was in progress, and my refusal to take up this "offer" (initially because of the devaluation of my funds).

Even so, for a while I considered that their requirements, whilst excessive, must have some validity; it was only after about a week that I rejected them entirely. And even when it was clear that their requirements were completely bogus, it was not immediately apparent that this constituted fraud, and should be reported as a criminal matter.

Surrounding the central issue of their encashment-reduction strategy are numerous other instances of deceitful and manipulative conduct. Apart from the false pretence, this strategy is disguised by feigning willingness to encash; examples are their "Take it in Cash" website (when this would not avoid the lengthy telephone interview and provision of "verification" documents), and posting numerous unnecessary letters and (changing and erratic) forms requesting documents. Their Final Response extolled the sending of all these forms. And my failure to respond to three such letters/forms posted within a few days of each other was used to justify their terminating my application.

SW also feigns the provision of flexible means of communication, when the opposite is the case; they force either post or telephone, with good reason (from their point of view). Apart from requiring complaints to be resolved by telephone, they require postal responses to the above forms within 14 days of the date of the letter (even though the initial requirements documentation was supplied by email, and gave 30 days to respond). With the difficulty of fulfilling their requirements, and the fact that their allowed 14 days includes post both ways, this might well be impossible even for those living in the UK. For those living overseas, the delivery times alone may well greatly exceed 14 days; as I explained to SW at the outset, post from the UK is likely to take well over three months to arrive.

Deceit and underhandedness, together with a cavalier disregard for the pensioner, are SW's modus operandi.

SW must have considered carefully before introducing their "verification" demands whether they would get away with it. If I am the first to report this matter, despite the considerable delay, their calculation was not without merit. My particular circumstances make my case exceptional.

But even with the condemning evidence I present, SW is still likely to escape justice. This is due in no small part to a dysfunctional, unregulated, and reactive system that stacks the odds in favour of the pension provider and against the pension holder. And with SW's entrenched position and its considerable financial and political clout, these odds are even more heavily loaded against a complainant. SW seems to have somehow acquired a high reputation; and those who do not take the trouble to study my evidence carefully will tend to assume that SW is in the right, and dismiss my findings.

I have spent hundreds of hours dealing with the issues from SW; this time includes attempting to fulfil their "verification" requirements, correspondence, detailed analysis, and documentation. I have also suffered chronic stress and depression; especially now that the serious financial difficulties that I having been facing for several months are taking hold, and the prospects of achieving a just outcome are becoming ever bleaker (as will be seen in the next two sections).

Unlawful Conduct of the Pensions Ombudsman

The above was written before TPO's shocking [email of 3 October 2017](#) (after a year of complete and unexplained inaction). In this, the adjudicator confirmed that he would not investigate my case. Instead, he imposed a "pragmatic solution" that would allow SW to escape justice, by asking me to supply yet more (irrelevant) "verification" documents. This is the most blatant protection of Scottish Widows, with clear implications of collusion. Moreover, in his [email of 31 October 2017](#) the adjudicator asserted that he had the discretion to do this, and required me to either accept his "pragmatic solution" or withdraw my case. It also became plain that the delay and prevarication of a year was quite deliberate. All this underlines the concerns I expressed above that the pensions industry (at least entrenched businesses with government connections) operates in a protected environment in which it can act with total impunity.

Many other circumstances and cases I am aware of indicate that, far from being impartial as it claims, TPO's business is about protecting the pension provider. In my case at least, TPO has resorted criminal measures to do this. I am especially worried about the direction TPO is taking since the appointment of Anthony Arter as Pensions Ombudsman, whose 4-year term started in May 2015. His own statements, combined with my experiences and those of others, shed some light on what he is up to.

Anybody who has seen the register of interests for TPO will be astonished that Mr Arter could possibly be considered appropriate for a position in which impartiality is paramount. This shows that he has shares in no fewer than 22 pension providers; furthermore, his background is as a solicitor acting for such companies. This is consistent with his self-publicity in which he was asked "*What's the best advice you've received in your career?*"; to which he answered "*To maximise my savings in pensions*". This duplicitous reply appears to advocate putting money into schemes as a personal pension holder; but Mr Arter with his background knows better than to do that. His interests lie overwhelmingly on the side of the pension provider, not holder.

Mr Arter (like his predecessor Mr King) has also touted the 50/50 rate of upholding complaints as an indication of even-handedness. This specious figure might persuade some that TPO is impartial, but there is no rational basis for such a belief. Considering the obstacles involved in bringing a complaint to TPO (not to mention cavalier and abusive pension providers that show no regard whatever for the pensioner), this figure strikes me as surprisingly low. Whilst there will always be cases with unreasonable customer expectations, I suspect that there will be many more like mine that result from abuse by the company.

In fact the latest figures (in the Pensions Ombudsman Update - July 2017) show that 2/3 of the complaints determined by the PO or his Deputy were totally rejected, only 20% fully upheld, and 13% partially upheld. This is particularly surprising given that in 2016/17 only 30% of cases were determined by the PO or his Deputy (as required by the Pension Schemes Act 1993), the remainder being resolved "informally" (see later).

As this 30% will be complainants who have not been persuaded by the inevitable manipulations of the adjudicator in avoiding a formal determination, one might expect the majority of these to have a good case. So these figures (and consideration of the new policies described later) support my contentions that TPO routinely evades investigation and determination, and certainly of serious cases such as mine.

As an illustration of TPO industry friendliness, in a well-publicised case (PO-7126), Mr Arter sustained Royal London's refusal to transfer funds to a "suspicious" SSAS in Cape Verde, claiming that it was to protect the customer. Even in nanny-state Britain, I find it extraordinary that the basic right to use one's money as one sees fit can be overridden by a pension provider with a vested interest in retaining it.

There was nothing illegal about the transaction, as this determination was thankfully later overturned by the High Court. And the customer was clearly aware of the issues, and chose to complain and appeal on an informed basis (notwithstanding Mr Arter's implication to the contrary in his lengthy, strained, and serpentine determination, with its frequent deviations from legitimate legal considerations).

It would be to go only a little further down this road to uphold denial of pension encashment on the grounds that the customer might fritter away the money. Mr Arter has demonstrated amply, in my case and in others, the degree of concern he has for protecting the pension holder, and I find his claims to be acting in the interests of the customer in this case to be duplicitous.

This is Mr Arter's widely published comment on the above case: *"If you think about liberation, it's a difficult area. How much do you protect the individual if they have been warned and told of the dangers? You may be wrong, and how far do you go before you allow someone to take their money and throw it into the river?"*.

I find this comment quite astounding. Neither the pension provider nor Mr Arter have any business to judge whether the liberation is a good idea; that is the customer's business. Mr Arter's duty is to uphold the law, which he clearly did not do in this case. *And I would much sooner throw money into the river than give it to Scottish Widows, with the resultant dreadful experiences in attempting to obtain justice and lawful access to my funds; if instead the money were in the river, it would simply be lost, and that would be the end of it.*

The above case, like mine, is one in which TPO has supported an illegitimate refusal by the pension provider to relinquish their hold on the customer's money. However, in my case the conduct of the pension provider (SW) is criminal, and the means by which TPO has protected SW (which must also be criminal) makes certain that the case is not exposed to legal scrutiny.

It seems that such pension liberation cases, which he described as "fraud" (*by those who would deprive pension providers of their money, of course*) have been a thorn in the side for Mr Arter, comprising at that time some 20% of determined cases. *There will no doubt have been a profusion of these arising from the tax concessions in the "Pension Freedom" of April 2015, and the likelihood of people wishing to make yearly encashments.* But with remarkable prescience he foretold that the incidence of such cases would diminish substantially; and indeed it has, as the latest figure is only 8%. The following will give some idea of how he managed to achieve this.

Mr Arter introduced some significant changes on assuming office. Investigators are now called "adjudicators"; and this is no mere name change, as they are now authorised to give "opinions" that may (*and now usually do*) become final resolutions. It is stated that such an "opinion" must be agreed to by all parties for it to become a binding determination; otherwise the determination will be made as before by the PO or his Deputy. This nonetheless appears to contravene the Pension Schemes Act (which does not allow the function of determination to be delegated). Still, according to the stated policy, the complainant could obtain a proper determination by an Ombudsman by not accepting the "opinion" (*although the fact is that few now actually do this*).

The motivation for these changes appears to arise from experiences with the previous PO (Mr King), who was known for making flawed determinations in favour of the pension provider that were overturned in the courts. Probably for this reason, his contract was prematurely terminated. Perhaps with this in mind, it seems Mr Arter wishes to avoid having to make determinations; by either delegating this role, or by avoiding the determination of cases altogether.

And it will be seen later that the changes introduced by Mr Arter give him plenty of scope for avoiding legal scrutiny, and for burying cases harmful to the pension provider.

So the new policy seeks resolution through the adjudicator, thus avoiding the involvement of the PO or his Deputy. One problem with this is that these "adjudicators" are not properly qualified for their new role (*although this might also be said of some of the past Pensions Ombudsmen*). But perhaps even more significant is that there is no statute empowering them to carry out a judicial role, or holding them responsible for the judgments that they make. Their "opinions" are for internal use only, and will not be subjected to external legal scrutiny.

Although Mr Arter stated that from April 2016, he would publish opinions "considered to be of particular interest" and all opinion determinations, I could find only details of cases resolved by formal determination on the TPO website. It thus appears that even on the basis of the stated policies, the majority of TPO resolutions are not published, as at least 70% are done informally through the adjudicator.

Instead, assessment of the "opinion" is placed in the hands of the parties involved. And to promote an easy resolution (in the absence of legal scrutiny), the adjudicator will be inclined to produce an "opinion" that would be accepted by all parties, not necessarily one that is legally sound. To facilitate such a "solution", the adjudicator is able to mislead the complainant as to the legal viability of the case; the lack of expertise and responsibility on the part of the adjudicator (not to mention industry-friendly attitudes) makes such distortions a serious likelihood.

These informal resolutions are thus tantamount to arbitrated settlements, but with the adjudicator not only acting as mediator, but also being in a position to swing the dispute in favour of the pension provider. Moreover, they are becoming increasingly common: in 2014/15, some 44% of cases were resolved informally, in 2015/16, this figure had increased to 58%, whilst the latest figure for 2016/17 is 70%. And this, it appears, is only the thin end of the wedge.

In my case, there would be little scope for the adjudicator to skew the argument to obtain my consent to an "opinion" that would let SW escape justice, as I have explained that SW's conduct is demonstrably fraudulent. So instead, the adjudicator (after delaying as long as possible) has forced a "pragmatic solution", thus allowing SW to continue to maintain the legitimacy of its unlawful "verification" demands. Moreover, he claimed to have the discretion to impose this against my will, stating that his role allows him to *"find solutions to problems"* as he sees fit. If there is any truth in this, the instructions that Mr Arter has issued to adjudicators go way beyond his stated policies, and amount to utter contempt for the Pension Schemes Act.

Apart from this, the telephone calls from SW, and the strange delay by the assistant adjudicator in response to my reporting of them, are evidence that TPO did a deal with SW shortly after my case was assigned; and this must surely have been initiated by the adjudicator. I cannot be sure to what degree the adjudicator was acting under instructions, and what part of his conduct was autonomous. But in any event, since Mr Arter has been given full details of my case and has not responded or taken any action, he must be considered complicit in the adjudicator's actions.

This silence and inaction on the part of Mr Arter implies protection of the adjudicator, which in turn suggests strongly that he bears responsibility for the adjudicator's actions; then to report the matter to the police (as he clearly should have done) would be to incriminate himself.

Even if there was no specific "deal" with SW, TPO is guilty of knowingly covering up SW's fraudulent policies, which amounts to a conspiracy to pervert the course of justice. And there must surely be a stronger motive for committing this offence than plain industry-friendliness, or the desire to produce what it considers to be good "performance" statistics.

The lack of even an "opinion" in my case means that in any event there would be no requirement to publish what would be highly self-incriminating details. I know of other complainants who are in the same situation. I wonder how many other cases have similarly been buried?

Another of Mr Arter's policy changes is that TPO will no longer publish names and addresses of complainants, claiming that this is to protect personal privacy. But the reason stated by TPO for publishing such details previously was to demonstrate transparency, and support scrutiny of its decisions. If the motive really were privacy concerns, why did he not give the complainant the option of withholding such details from publication (as is done for the Electoral Register)?

He also clearly wants to dismiss complaints by telephone: *"The traditional way has been with papers going backwards and forwards. We should be picking up the phone and explaining to the customer why a complaint will or won't go somewhere. It can be dealt with then and they know it is being dealt with, instead of having to draft letters and wait for a response. We have cut that down now"*. Dispatching cases in this way would be even better (for Mr Arter) than an "informal determination", as it would leave no record whatever. It is clearly of no concern to Mr Arter that those offering this (off-the-cuff) "advice" will have no legal qualifications or accountability. And, at the time the statement was made, this advisory role was a function of TPAS, and TPO had no legitimate business to duplicate this role.

However, on 1 April 2018, the functions of TPAS were transferred to TPO. These were notionally independent organisations, with non-overlapping remits; the complainant could only deal with one at a time (my case with TPAS was closed as soon as I had approached TPO). My case illustrates why the functions of TPAS and TPO must be carried out independently. I do not know the architect of this change, but it is certainly consistent with those made by Mr Arter.

Notwithstanding Mr Arter's duplicitous statements, his policies are clearly aimed at eroding TPO's transparency and accountability, and opening the floodgates to corruption and collusion to protect the pension provider. It should be obvious that to allow the same organisation to either arbitrate or make legally-binding determinations is highly conducive to illicit deals.

In my dealings with TPO, I have found its culture to be tightly-knit and highly self-protective. Its personnel are clearly aware of its serious misconduct, but will not rock the boat; instead they close ranks and protect their own. TPO is very much in the position of the hijackers of an airliner, who through their inside knowledge and cohesion can prevail over a mass of confused, uncoordinated and unconnected passengers.

This is one reason why such organisations (TPO and pension providers) can flout the law and get away with it. Mr Arter has done this most ably. TPO's ultimate complete lack of response (as with that of Scottish Widows) is symptomatic of an organisation that knows its guilt.

A Conspiracy of Silence

Unfortunately, there is reason to believe that TPO is not the only government organisation protecting SW from criminal prosecution. There is an apparent conspiracy of silence also involving The Pensions Advisory Service and possibly others. It is becoming increasingly apparent that Scottish Widows, and no doubt other deeply-entrenched businesses and other organisations with strong government connections, are able to operate above the law.

My charge of fraud is founded on the simple premise that Scottish Widows' justification for their draconian verification demands (that they "*are required under UK legislation*") is a false pretence. I have made this point clear in all my correspondence. If this premise were false, it would be very easy for others to point this out, and thus defuse my charge. But nobody has done so, even though several organisations would have had the knowledge to do this, and would also have a strong motive to debunk my case.

As I have mentioned, Scottish Widows did not respond to questions surrounding this issue that I put to them on two occasions. If their measures were justified, they would have been able to provide satisfactory answers, and would have had every incentive to do so.

TPO's blatant protection of SW has been amply documented above and elsewhere; but it is also obvious from this that if there were any justification for these "verification" measures, TPO would have explained why, rather than simply forcing its "pragmatic solution".

The Pensions Advisory Service initially stated that government verification requirements are based on anti-money laundering regulations, which are not pension-specific. They also provided useful links to government anti-money laundering documents.

However, they ducked the "verification" issue once I put my findings to them, on the grounds that they were not experts in this area. They would not even put to Scottish Widows the list of questions I had prepared (although when I stated that I would send this myself, they did offer to comment on any answers I received, probably realising that I was hardly likely to get any). They would mediate only on the non-criminal matter of postal responses to my emails.

This seemed strange at the time, and with hindsight I have little doubt that TPAS is also well aware of the illegality of SW's demands. I can hardly believe that an organisation that is stated to comprise mainly pension professionals could not know that the government does not require any verification for pension encashment in the normal case of an ongoing business relationship between pension provider and pension holder (even though they knew that these measures could only relate to AML regulations, and were not pension-specific).

The [TPAS email of 8 September 2016](#) states in relation to AML requirements that "*If Scottish Widows' process is to ask for more verification, we can't interfere with that*". This statement gives the green light to the imposition of unreasonable demands by pension providers on the customer, which is an example of maladministration. Moreover, AML requirements are laid down by the government, and SW has no business to require additional verification, especially while asserting that it is "*required under UK legislation*". And he must surely have known that no verification at all is required under AML regulations in these circumstances.

I also reported the matter to Action Fraud, who in [their reply](#) a month later stated that they had reviewed my case and "*had not identified sufficient leads*"; however, they also stated that they had not closed my report, and it would continue to be reviewed. This is absurd. I explained the false pretence plainly in the first paragraph of [my report](#) and they should easily have been able to determine whether or not my claim was true. If it was not, they should have rebutted it on that basis, and closed the case. If it was, it should have been easy to pursue a case against Scottish Widows. A [follow up](#) I sent in an effort to clarify what should have been clear in the first place was unanswered, as was [another](#) sent a year later. *This indeterminate response (fobbing off) only serves to protect the fraudster. However, after reading the extraordinarily negative posts on [this forum](#), this grossly-negligent response now appears to be the norm.*

I sent an email to Wixted & Co solicitors, without even the courtesy of a reply. I do not know whether this was in protection of Scottish Widows, or a typical British response to an email (and this was about the only solicitor I could find that even published an email address).

I also requested help from The Pensions Regulator, who stated in their [reply](#) that they had no jurisdiction over TPO, and that their role was enforcement of legislation surrounding work-based pension schemes (leaving me wondering just who is supposed to fulfil this role for personal pension schemes). They did mention the Financial Conduct Authority, and the completely useless Action Fraud.

So I then sent a report to the Financial Conduct Authority. This organisation must surely be well aware of criminal misconduct that has been perpetrated by a major financial services company for well over two years. The [response](#), whilst apparently helpful, did nothing to offer any action over the matter. As with Action Fraud, they said that they had "*logged the concerns*"; however, although this information may be used to "*form guidance*" or if necessary disciplinary action could be taken, no information relating to this would be available to the complainant.

On 5 May 2018, I managed (via a contact) to convey [details of the case](#) to all members of the Parliamentary Select Committee for Work and Pensions (to whom TPO is answerable), the Secretary for Work and Pensions, and the Pensions Minister. This committee was apparently inviting such information, with a deadline of 18 May. *An attempt I made a few weeks earlier to contact the members, using the email addresses published on the parliamentary website, was rejected as spam.*

Whilst this may be something of a coup, all my experiences indicate that it is unlikely to yield any positive results, especially since this committee is responsible for the oversight of TPO and appointment of its Ombudsmen. Moreover, there are increasing indications that the British government itself is embroiled in corrupt protection of big businesses with the right connections. Nonetheless, the members of this committee have changed over time, and now appear to be quite different from those who appointed Mr Arter. So I will reserve judgment for the time being.

But in the absence of any satisfactory resolution through the honourable members of parliament, it seems that my only recourse is whistle-blowing through the mass media, to expose SW, TPO and others for the lawless organisations that they are. Otherwise, they will continue to inflict their abuses on pensioners with impunity, and many others will have been not only robbed of their pension funds, but also have suffered great stress in their vain attempts to get justice.

A Satisfactory Resolution

I have been motivated to put considerable effort into pursuing this case by both outrage at the maltreatment it reveals, and a sense of moral duty to help other victims of both Scottish Widows and The Pensions Ombudsman.

Scottish Widows should be prosecuted for its fraudulent imposition of "verification" measures. Amongst other sanctions, Scottish Widows must pay compensation to all those who have been forced through a telephone interview and required to supply "verification" documents in order to encash a pension, even if encashment was successful (with higher compensation for denials).

Additionally, a major shake up of Scottish Widows is required over its general malpractices in customer treatment, with the aim of ending its deceitful modus operandi and cavalier disregard for its pensioners. Their current rigidly-set policies must be replaced by new ones aimed at serving the customer. These should include straightforward and honest options for pension encashment, and flexible means of communication. Here, instead of forcing the use of telephone or post, the customer should be offered a choice, including email.

As Scottish Widows is clearly unworthy of its position as a major financial services company, it cannot be trusted to make these changes by itself. Instead, they must be introduced by policies created and/or reviewed externally, and adherence to them checked by frequent inspections.

The machinations within TPO are of even greater concern than the criminal misconduct of Scottish Widows. While some of Mr Arter's early changes appear to be in contravention of the Pension Schemes Act 1993/2017, the move to incorporate TPAS within TPO (which was planned by 24 August 2017) is clearly a gross violation. Under this, the two legitimate functions of TPO are investigation and determination; there is no mention of arbitration, or any of the other functions of TPAS. But I fear that this Act will be (or already has been) changed to fit the new scheme.

All this indicates that these artifices are not merely the work of Mr Arter and the TPO, but must involve (at least) the Department of Work and Pensions, which is responsible for the activities of TPO and for appointing its Ombudsman. I can think of no other way of dealing with what appears to be a corrupt government than by blowing the whistle on it, through the mass media. I have third-party access to the Parliamentary Select Committee for Work and Pensions, but representations made to it appear to be going nowhere. I take it the UK still has a free press.

For my own part, I would like a route to encash the two policies to which this case relates with full compensation, and without having to satisfy "verification" requirements or to suffer another stressful and costly telephone interview. Furthermore, it should come as no surprise that I also wish to encash the remaining policy I have with Scottish Widows (7410049) at the beginning of the next tax year, and thus terminate my business with this company. This would preferably be arranged in advance with the instruction to encash the two policies involved in this case, to avoid any further dealings with Scottish Widows.