

## Report of Fraudulent Misconduct by Scottish Widows

**Complainant:** Ian Clive McInnes  
**Pension Plans:** P56879Q & N80803X  
**Full Details:** [www.elpobrecorderito.com/PersonalPensionFiasco/](http://www.elpobrecorderito.com/PersonalPensionFiasco/)

I firstly present an overview of this case, and secondly the evidence and details.

### Abstract

I brought before The Pensions Ombudsman a very serious case against Scottish Widows, involving several counts of maladministration and one of fraudulent misconduct. Its core is difficult (and in my case impossible) to fulfil "verification" requirements that SW states are "*required under UK legislation*". This is a **false pretence**; the UK government does not require any customer verification whatever when there is an ongoing business relationship, and SW could not possibly have believed otherwise.

Even if the UK government did require verification (which could only be under anti-money laundering regulations), the demands of Scottish Widows are grossly excessive in relation to AML requirements. My documents were rejected due to my inability to satisfy SW's invalid requirements for verification of address; but the government does not require proof of address with proof of date of birth (for which I supplied both my birth certificate and my national identity card).

The numerous complications and very specific stipulations associated with these requirements make them difficult (in my case impossible) to satisfy; and rejection of applications by SW easy. All this is compounded by dreadful and changing documentation and other unreasonable conditions (for example requiring postal responses within 14 days from the date of the letter, including post both ways; this alone makes compliance impossible in my case (post can take well over three months to arrive from the UK).

These draconian measures can only have been contrived as part of a strategy to evade/reduce pension encashment. and I have accordingly reported the matter to ActionFraud. *But it now seems clear that this organisation does nothing whatever even when there is the clearest evidence, instead issuing a standard fob-off response that there are "insufficient leads" (but that the case remains open).*

The illegitimacy of SW's verification requirements is clear from analysis of government documents. And these requirements appear to have been contrived to be as difficult as possible to fulfil without being manifestly impossible. But apart from this, there are other indications that SW imposed them knowing that they are illegitimate. These are documented and discussed fully later, but some key points are:

- Scottish Widows always had the most definitive proof of my identity in the HSBC (Mexico) bank account my full name of Ian Clive McInnes to which the transfer was to be made. There is no legitimate basis to refuse payment under government AML regulations in this situation.
- Moreover, about two years earlier Scottish Widows had paid a much more substantial sum into the above account in liquidation of investment and mortgage plans, without any "verification" requirements, in exactly the same circumstances. AML regulations are not pension-specific.
- Once SW realised I was about to make a complaint, after denying familiarity with the term Internal Dispute Resolution Procedure, the invalid documents I had emailed became valid (this could hardly be so if they were required by the government).
- After my initial examination of AML requirements I told SW that they should not have required proof of address with proof of date of birth. In response to this, they were then prepared to accept a scan of my permanent resident ID card (which does not contain address) alone as verification. Another case of "putting things right" to avert problems (although they clearly need not have worried).

My case would be very damaging for SW (but avert much misery for SW pensioners) if brought to justice. But The Pensions Ombudsman refuses to carry out its statutory duty of investigation and determination (the latter of which must be by an Ombudsman); instead it has imposed a blatantly illegal "pragmatic solution" through the Adjudicator. It seems clear that TPO considers it a serious case; otherwise why not investigate and determine it? If my claim about the false pretence is mistaken, then why have TPO (and others) not rebutted it; nor has TPO done anything to question SW about it? My questions over these requirements have been met with silence.

Please note that both SW and TPO ceased to respond when I raised the above matters. I sent questions about SW's verification requirements on two occasions (each time to two email addresses) without response; yet SW could easily have answered these if their demands had any justification. And the last four emails I sent to TPO following their forced "pragmatic solution" remain unanswered.

## Evidence and Details

The key evidence lies in the correspondence. My website contains the entire correspondence relating to the case, including that with SW, TPO, The Pensions Advisory Service, and several other parties; however only that with SW is likely to be of interest here. This includes some letters from SW, the remainder being in the form of emails, except for voicemails from SW that I recorded (evidently in response to being contacted by TPO). I include in this report the unedited textual content of the most relevant correspondence with SW.

All the emails reside on the Yahoo email server. If required, I will issue a temporary password to my account to enable some appropriate person to verify them. Whilst this would impinge on my privacy, this is secondary to achieving justice in a case that reveals dreadful treatment of the pensioner by both SW and TPO. I have in my possession all the paper correspondence from SW.

In this section, I present a list of items extracted from my website. However, for comprehensive information, please view this website instead. This also contains a complete up-to-date list of PDF documents, including those mirroring web pages, for use where printouts are required.

The items are in the following categories:

1. the most relevant correspondence with SW
2. analysis of SW's verification requirements in relation to government documents
3. a list of questions sent to SW without response
4. summary and narrative of my dealings with SW
5. analysis of why SW's verification demands are fraudulent

*The copies of emails I present here and on the website were created by selecting the entire text in the Yahoo email browser window, and copying it and pasting it into a Word document. There may have been some adjustments to whitespace for better presentation (mainly removing redundant blank lines), but the textual content is completely unaltered.*

<b>Page</b>	<b>Description</b>
3	Email from Scottish Widows of 05 April 2016 specifying the document requirements.
5	PDF attachment to the above, with further specifications.
8	My email of 11 April 2016 in response to the above, with 8 scans attached.
9	My follow up to the above of 21 May 2016, having heard or received nothing.
10	Letter and form dated 14 April 2016 (received 16 June), rejecting my documents.
16	Two emails in response to my request of 26 June 2016 for SW's Internal Dispute Resolution Procedure; the first denying familiarity with this term, the second asking me to post the (now valid) documents.
19	My interim email complaint of 10 July 2016.
21	Scottish Widows' response of 13 July 2016, offering only communication by telephone.
22	My reply of 17 July 2016 to the above, insisting on written communication.
23	Email from SW of 01 August 2016 offering to accept my ID card alone as verification.
25	Letter from SW of 16 June 2016 (received 04 August) terminating my application.
27	Final Response from Scottish Widows of 24 August 2016.
30	Analysis of Scottish Widows' "verification" requirements.
36	Questions for Scottish Widows (sent on two occasions, without response).
40	Summary and narrative of my dealings with Scottish Widows.
47	Analysis of the fraudulent nature of SW's "verification" requirements, and how they escape justice.

## Email from Scottish Widows of 05 April 2016, specifying the documents required for pension encashment

[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160405DocRequirements.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160405DocRequirements.pdf)

Summary of requirements ("verification" documents and their certification) required by SW (*not the UK government*) in order to encash a pension. It was accompanied by a PDF document [Individual Identification and Verification Form](#) that lists the accepted means of verifying name and address, plus other specifications, and which should be viewed in conjunction with the document below. It will be seen that these two documents to some degree duplicate and conflict with each other.

The very next day, a quite different version of the form was sent by post, and several other varying versions later. This can only have been to create still more difficulties for the customer, to what are already draconian and onerous demands that are falsely stated by SW to be "required under UK legislation". *This email followed a telephone interview lasting an hour and a half, which was clearly designed to dissuade me from the encashment.*

**These documents are key to the core issue of my case against SW.**

Also note that, whilst the email below appears to offer several means of returning the documents, without clear requirements for their certification, it is apparent (only after studying the form) that they must all be certified and posted. The manner of certification is unduly specific, and is likely to be unachievable for those living in other countries. Furthermore, whilst the email gives 30 days to reply, the letter sent the next day allows only 14 days. As this period includes post both ways, this requirement is also likely to be impossible to fulfil for those living overseas. *Yet the Final Response of Scottish Widows lays the blame entirely on a foreign postal service.*

### Information Requested

- [\\$Scottish Widows Email Output, Mailbox <VSCEmailOutput@scottishwidows.co.uk>](mailto:VSCEmailOutput@scottishwidows.co.uk)
- 
- abr 5 a las 10:06 A.M.

Para

- [ian.mcinnis@yahoo.com.mx](mailto:ian.mcinnis@yahoo.com.mx)

Texto del mensaje

**PLEASE NOTE THAT THIS MAILBOX IS NOT MONITORED FOR RESPONSES**

Dear Mr Mcinnes,

Thank you for your recent telephone enquiry. As requested, I can confirm that I have attached the following information regarding the aforementioned policy:

- Identification and verification form

We will need 1 document confirming proof of name, 1 document confirming proof of age and 1 document confirming proof of address. Please find in the above form a list of documents you can send in for name and address as well as this, we will need a certified copy of your birth certificate.

To certify a document, here is a list of people who can certify your documents.

Employee of a UK registered bank or other UK registered and regulated financial institution, including an employee of Scottish Widows.

Financial Adviser or Broker regulated in the customer's country of residence by the country's primary financial regulator

Lawyer/Attorney or Notary Public (either UK based or in the country of residence of the customer)

- Certified or Chartered Accountant (either UK based or in the country of residence of the customer)
- In relation to members of the British Armed Forces based abroad only, an officer in the forces.

To certify a copy, 1 of the above people will need to see the original, make a copy and then include the below requirements on this copy.

- Full name and address of the person certifying the documentation
- The position or status of the person certifying the documentation
- Dated and signed by the person certifying the documentation



**Attachment to Email from Scottish Widows of 05 April 2016, specifying accepted means of verifying Name and Address and other stipulations**

**[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/Individual Identification and Verification Form.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/Individual%20Identification%20and%20Verification%20Form.pdf)**

PDF document specifying the accepted means of verifying name and address, plus other details for the certified "verification" documents that SW (*not the UK government*) requires in order to encash a pension. This document accompanied an [Information Requested](#) email that summarises the requirements, and which should be viewed in conjunction with the document below. It will seem that these two documents to some degree duplicate and conflict with each other.

The very next day, a quite different version of this form was sent by post, and several other varying versions later. This can only have been to create still more difficulties for the customer, to what are already draconian and onerous demands that are falsely stated by SW to be "required under UK legislation". *This email followed a telephone interview lasting an hour and a half, which was clearly designed to dissuade me from the encashment.*

**These documents are key to the core issue of my case against SW.**

Also note that, whilst the email below appears to offer several means of returning the documents, without clear requirements for their certification, it is apparent (only after studying the form) that they must all be certified and posted. The manner of certification is unduly specific, and is likely to be unachievable for those living in other countries. Furthermore, whilst the email gives 30 days to reply, the letter sent the next day allows only 14 days. As this period includes post both ways, this requirement is also likely to be impossible to fulfil for those living overseas. *Yet the Final Response of Scottish Widows lays the blame entirely on a foreign postal service.*

**Individual Identification and Verification Form**

Name of Individual(s) to be verified:

Scheme/Policy Number:

Nationality:

Residency:

**A EVIDENCE OF NAME DOCUMENTS – UK RESIDENTS ONLY (Do not send originals we only require certified copies)**

	Please Tick Appropriate Evidence Sent	
	Person 1	Person 2
Current Signed Passport		
(EEA) member state identity card		
Northern Ireland Voter's Card		
Residence permit issued by Home Office to EU Nationals		
Current (EEA) UK photo card driving licence or blue disabled driver's pass		
Current full UK driving licence (old version)		
Benefit book (or original notification letter from the Benefits Agency confirming the right to benefits) – no older than 12 months		
Her Majesty's Revenue and Customs Tax Notification e.g. tax assessment, statement of account, notice of coding (Note : P45's and P60's are not official HMRC documents and are therefore not acceptable) – no older than 12 months		
Current Shotgun or Firearms Certificate		

**B EVIDENCE OF ADDRESS DOCUMENTS – UK RESIDENTS ONLY (Do not send originals we only require certified copies)**

	Please Tick Appropriate Evidence Sent	
	Person 1	Person 2
Utility bill or bank statement - no older than 3 months ( <i>mobile phone bills and credit card statements are not acceptable</i> )		
Local authority tax bill - valid for the current tax year		
Current full UK driving licence (old full licence or new photo card licence) if not used for evidence of name verification (old style provisional licences are not acceptable)		
(EEA) member state identity card or Northern Ireland Voter's Card that contains an address - if not used for evidence of name verification		

Systems-generated or signed documentation from a regulated financial sector firm indicating that an account / investment / insurance relationship exists and which contains your address – for example bank or building society statements – no older than 3 months <b>Statements printed off the Internet are not acceptable.</b>		
Solicitors letter confirming recent house purchase or land registry confirmation		
Local council rent card or tenancy agreement – valid for the current year		
Benefits Book (or original notification letter from the benefits agency confirming the rights to benefits – if not used for evidence of name verification) – no older than 12 months		
Her Majesty’s Revenue & Customs (HMRC) correspondence addressed to the applicant at the applicant’s address (if not used for evidence of name verification) – no older than 12 months		

**Notes for Completion**

We **MUST** have separate proof of evidence for name and address. **One document cannot cover both.**

All documents provided must be certified. A description of who can certify documents and what is required for this certification to be acceptable is listed on the third page. Please note we **DO NOT** accept photocopied or faxed forms or supporting evidence. We only require certified copies of your original name and address evidence documents

**A EVIDENCE OF NAME DOCUMENTS – NON UK RESIDENTS (Do not send originals we only require certified copies)**

	Please Tick Appropriate Evidence Sent	
	Person 1	Person 2
Current Signed Passport		
National identity card		
Photo-card Driving Licence		

**B EVIDENCE OF ADDRESS DOCUMENTS – NON UK RESIDENTS (Do not send originals we only require certified copies)**

	Please Tick Appropriate Evidence Sent	
	Person 1	Person 2
National Identity Card (if not used to verify name)		
Driving Licence (if not used to verify name)		
Utility or Rates bill (mobile telephone bills and credit card statements are not acceptable) – no older than 3 months		
Bank Account Statements – provided these are not Internet generated statements – no older than 3 months		

**Notes for Completion**

We **MUST** have separate proof of evidence for name and address. **One document cannot cover both.**

All documents provided must be certified by an independent party who has authenticated the documentation you are using for Anti Money Laundering purposes.

A description of who can certify documents and what is required for this certification to be acceptable is listed on the following page.

Please be aware that your documentation can be certified by a member of staff at a branch of the Lloyds Banking Group. **In order for the bank to know you are a Scottish Widows Policy Holder we would ask that you take the covering headed page from this letter with you when requesting your documents to be certified.** The following information **must** be given by the certifier at the branch:

- ◆ Staff name, position and signature
- ◆ Date of certification
- ◆ Documentation signed as a certified true copy
- ◆ An official branch stamp

**C SOURCE OF WEALTH DECLARATION – UK RESIDENTS & NON UK RESIDENTS Source of Wealth – Please indicate where the money for this investment has come from:**

	Please Tick	
	Person 1	Person 2
Income from Employment		
House Sale		
Company Sale		
Inheritance		
Gift		
Divorce Settlement		
Other (please specify)		

Person 1

Person 2

Scottish Widows reserves the right to request further documentary evidence of source of wealth should it be considered necessary. Please note that missing information may delay the processing of the application or settlement monies.

**My Email of 11 April 2016 to Scottish Widows, attaching scans of the requested documents to the extent that I could fulfil the requirements**

[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160411EmailDocuments.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160411EmailDocuments.pdf)

Sent in response to the request for documents of 05 April, with 8 attachments of original and certified documents.

**Information Requested: Policy Numbers P56879Q, N80803X**

- [Ian McInnes <ian.mcinnnes@yahoo.com.mx>](mailto:ian.mcinnnes@yahoo.com.mx)
- 
- abr 11 a las 4:03 P.M.

Para

- [ipc.aftersales@scottishwidows.co.uk](mailto:ipc.aftersales@scottishwidows.co.uk)

The best Evidence of Address document that I can provide is a bank statement of 2007. I have no more recent statement, since at that time I chose to no longer receive bank statements through the post. One should understand that post here is not the same as that in the UK. And post from the UK to Mexico is extremely slow (around 3 months) and of questionable reliability. For this reason, I have always strived to avoid the use of post.

Especially given that payment is to be made direct to the account to which the statement relates, I fail to understand why any further proof of address would be required. You will note that this bank statement contains the same details that you hold and have already used. I received a much larger sum from Scottish Widows in this account in late 2013, as surrender of an OEIC (11215134) and a Mortgage Plan (K168358K), without having to furnish any such proofs.

I cannot provide Evidence of Address in any of the other forms specified, for the following reasons:

- My national identity card contains no address information
- I hold no driving licence
- Utility bills are of no use as they relate to the residential address, and during the over ten years I have been living in Mexico, I have used a separate address to receive mail. This is since neither of my two residences is a deliverable postal address (the first because it lies off the main street behind security gates, the second as it is too remote). As with bank statements, I originally received telephone bills at the address you hold, but subsequently chose to no longer receive these by post. Electricity bills are delivered or to be collected (not posted), and contain the residential address (I provided a key so they could pass the security gates to read the meter outside the main gate). In the case of property tax, nothing is sent (or delivered); one pays at the council offices, and again the receipt issued contains the address to which the payment relates.

To understand further this situation, you may see two web pages I have developed on my two residences:

- [www.vivazamora.mx/elrefugio](http://www.vivazamora.mx/elrefugio) (first house - off main street, past gates)
- [www.vivazamora.mx/laesperanza](http://www.vivazamora.mx/laesperanza) (second house - out of town, very few living in area)

Also, there are some photos taken from the first house on Google Earth with my name.

Therefore I attach the following certified documents:

- Bank Statement (as Evidence of Address)
- National ID card (as Evidence of Name)
- Birth Certificate (as Evidence of Date of Birth)

These are certified by a notario público (in Mexico, this is an experienced government-appointed lawyer). They insisted on doing the certification in the manner customary in Mexico. In particular, I was unable to prevail upon them to mark the copies as "original seen"; for one thing, this is in the English language, whereas the official language of Mexico is Spanish. I testify here that they did act on the originals, and in any case would not have certified copies. Also, their certification does not include their address - however I have included a scan of their card containing this.

To supplement the copies certified by the Notary Public, I enclose scans of the original documents giving much better quality. As required, all these are in PDF format (zoom in to see more detail).

I hope that all this will enable you to process my application. As I indicated above, about two years ago, I received a much larger sum from Scottish Widows in the account whose details you hold; then, only a signed letter was required.

Regards,  
Ian McInnes.

**Follow up of 21 May 2016 to my Email of 11 April 2016 to the Scottish Widows**  
**[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160521FollowUp.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160521FollowUp.pdf)**

Follow up to my email of 11 April, having heard nothing nor received payment. *In fact this is because Scottish Widows responds to emails only by ordinary post, claiming that this suits the majority of their customers - even though I made clear in my email of 11 April and previously that post is unviable as it can take well over 3 months to arrive.*

**Encashment of Policies P56879Q, N80803X**

- 
- [Ian McInnes <ian.mcinnnes@yahoo.com.mx>](mailto:ian.mcinnnes@yahoo.com.mx)
- 
- mayo 21 a las 5:13 P.M.

Para

- [ipc.aftersales@scottishwidows.co.uk](mailto:ipc.aftersales@scottishwidows.co.uk)
- [Paul.Wright@scottishwidows.co.uk](mailto:Paul.Wright@scottishwidows.co.uk)

**Texto del mensaje**

I arranged by telephone on 5th April 2016 to fully encash the above policies. This telephone call lasted in total about an hour and a half. It was followed by a telephone appointment on 14th April 2016, and a request for documents to verify my identification, date of birth and address. I supplied the required information (including 8 documents, 3 of which are certified) in an email of 11th April 2016. I also received the telephone call on 14th April (which turned out to be only in connection with the remaining policy 7410049, which I had previously stated I wished to retain - during this time I tried to establish that processing of the encashment of the other two policies was in hand).

Despite this, I have received no payment, nor any indication as to why. In my case, verification should be straightforward, especially since you have previously made payment to the bank account to which the payment is to be made (OEIC 11215134 and Mortgage Plan K168358K).

I trust you will remedy this promptly, and I hope to receive the transfer without further delay.

Regards,

Ian McInnes.

## Letter of 14 April 2016 (received 16 June 2016) from Scottish Widows in rejection of my documents

[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160616ReplyEmail0414.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160616ReplyEmail0414.pdf)

Rejection of the "verification" documents I sent in my email of 11 April.

This postal response (even though I had stated that post can take over three months to arrive here) gives no proper explanation. It contains another form, but which is completely different form from the one that was emailed (for one thing, it invalidates my certified ID card).

This is the first received of a total of six different such forms sent by post. As with forms sent subsequently, I have 14 days from the date of the letter to respond (and it became clear later that this includes post both ways). *The email allowed 30 days to respond.*

In fact on the very day that I received this rejection, Scottish Widows sent a letter closing my application as I had not responded to their requests for documents. Unfortunately, I do not have access to a time machine, but even if I did, I had made plain with full explanations in my email of 11 April that I am simply unable to fulfil their invalid requirements for proof of address.

This derives from the fact that post is not deliverable to my residential address, so I must use a mailing address. It is clearly a miscalculation on the part of Scottish Widows, who sought to make their requirements under their false pretence as difficult to fulfil as they could, without being manifestly impossible. *Even if the government required verification, proof of address is not needed with proof of date of birth.*



**SCOTTISH WIDOWS**

Scottish Widows Ltd  
PO Box 28091  
15 Dalkeith Road  
Edinburgh  
EH16 5XZ

Telephone: 0345 3004455  
(Local Rate)  
Overseas: +44 131 655 6000  
Facsimile: 0345 716 6755  
Textphone: 0345 300 2051

Mr I C McInnes  
Clavel 322  
Col Palo Alto  
Zamora CP59618 Michoacan  
MEXICO

14 April 2016

Dear Mr McInnes,

Policy Number: P56879Q

We are writing to you as a reply to your email dated 11/04/2016.

As part of the processing of your request, Scottish Widows are required under UK legislation to verify your identity(ies). To enable us to do this please supply two types of evidence for the party(ies) to be verified, named above, from the enclosed list, one from Part A and one from Part B. One document cannot cover both types of evidence.

Please return the enclosed form, together with the evidence, within 14 days from the date of this letter. If we do not receive this information we may not be able to action your request and it is likely to delay future payments.

**All documentation must be certified by one of the parties listed on the enclosed form.**

Whilst we do understand that it can be difficult to acquire these documents, we do need these as a requirement to process your pension claim. Therefore we are unable to accept any documentation that has fall out of the required timescales. We are also unable to accept these through email.

Do please phone our Helpdesk on the number above to discuss your available options, if you have any questions or need more information about your policy.

Yours sincerely,

Chris Woodward  
Customer Services

**Individual Identification and Verification Form**

Name of Individual(s) to be verified:

Scheme/Policy Number:

Nationality:

Residency:

**A EVIDENCE OF NAME DOCUMENTS – UK RESIDENTS ONLY**  
(Do not send originals we only require certified copies)

	Please Tick Appropriate Evidence Sent	
	Person 1	Person 2
Unexpired signed Passport		
(EEA) member state identity card		
Northern Ireland Voter's Card (electoral identity card)		
Residence permit issued by Home Office to EU Nationals (biometric residents permit)		
Current (UK/EEA) or UK photo card driving licence provided it is still within the expiry date, provisional photo licence is also acceptable (Note the paper counterpart is no longer acceptable)		
Blue disabled drivers pass		
Letter from; Benefits Agency, Job Centre Plus, DWP, Local Authority confirming rights to benefits or HMRC – must be dated within 12 months		
Her Majesty's Revenue and Customs Tax Notification e.g. tax assessment, statement of account, notice of coding (Note: P45's and P60's are not official HMRC documents and are therefore not acceptable) – must be dated within 12 months		
Unexpired Shotgun or Firearms Certificate		

**B EVIDENCE OF ADDRESS DOCUMENTS – UK RESIDENTS ONLY**  
(Do not send originals we only require certified copies)

	Please Tick Appropriate Evidence Sent	
	Person 1	Person 2
Utility bill or statement dated within the last 6 months. Utility bills including mobile phone bills printed from the internet ARE acceptable.		
Bills from broadband or internet providers (e.g. Sky, BT etc) or reminders & arrears letters are NOT acceptable		
Local authority tax bill - valid for the current tax year		
Current (UK/EEA) or UK photo card driving licence provided it is still within the expiry date, provisional photo licence is also acceptable (Note the paper counterpart is no longer acceptable)		
(EEA) member state identity card or Northern Ireland Voter's Card that contains an address - if not used for evidence of name verification		
Recent i.e. within the last 3 months, systems generated or signed documentation from a regulated financial sector form indicating an account / investment / insurance relationship exists and which contains the customer's address		
Note; ISA statements, home insurance or car insurance documents are NOT acceptable.		
Solicitors letter confirming recent house purchase or land registry confirmation – must be dated within 3 months		

Local council rent card or tenancy agreement – must be dated within 3 months		
Letter from; Benefits Agency, Job Centre Plus, DWP, Local Authority confirming rights to benefits or HMRC (if not used for name verification) – must be dated within 12 months		
Mortgage statement from a Bank or Building Society issued by a regulated financial sector firm in the UK, EU or an equivalent jurisdiction (statements printed of the internet are acceptable) – must be dated within 12 months		
Her Majesty’s Revenue & Customs (HMRC) correspondence addressed to the applicant at the applicant’s address (if not used for evidence of name verification) – must be dated within 12 months		

**Notes for Completion**

We **MUST** have separate proof of evidence for name and address. **One document cannot cover both.**

All documents provided must be certified. A description of who can certify documents and what is required for this certification to be acceptable is listed on the third page. Please note we **DO NOT** accept photocopied or faxed forms or supporting evidence. We only require certified copies of the original name and address evidence documents

**A EVIDENCE OF NAME DOCUMENTS – NON UK RESIDENTS**  
(Do not send originals we only require certified copies)

	Please Tick Appropriate Evidence Sent	
	Person 1	Person 2
Unexpired Signed Passport		
(EEA) member state identity card or Northern Ireland Voter’s Card that contains an address - if not used for evidence of address verification		
Photo-card Driving Licence provided it is still within the expiry date		

**B EVIDENCE OF ADDRESS DOCUMENTS – NON UK RESIDENTS**  
(Do not send originals we only require certified copies)

	Please Tick Appropriate Evidence Sent	
	Person 1	Person 2
National Identity Card (if not used to verify name and it shows the address)		
Driving Licence (if not used to verify name and it shows the address)		
Utility bill or statement dated within the last 6 months. Utility bills including mobile phone bills printed from the internet ARE acceptable.		
Bills from broadband or internet providers (e.g. Sky, BT etc) or reminders & arrears letters are NOT acceptable		
Bank Account Statements (statements printed of the internet are acceptable) – must be dated within 3 months		

**Notes for Completion**

We **MUST** have separate proof of evidence for name and address. **One document cannot cover both.**

All documents provided must be certified by an independent party who has authenticated the documentation you are using for Anti Money Laundering purposes.

A description of who can certify documents and what is required for this certification to be acceptable is listed on the following page.

Please be aware that your documentation can be certified by a member of staff at a branch of the Lloyds Banking Group. In order for the bank to know you are a Scottish Widows Policy Holder we would ask that you take the covering headed page from this letter with you when requesting your documents to be certified. The following information must be given by the certifier at the branch:

- ◆ Staff name, position and signature
- ◆ Date of certification
- ◆ Documentation signed as a certified true copy
- ◆ An official branch stamp

**C SOURCE OF WEALTH DECLARATION – UK RESIDENTS & NON UK RESIDENTS**

Source of Wealth – Please indicate where the money for this investment has come from:

	Please Tick	
	Person 1	Person 2
Income from Employment		
House Sale		
Company Sale		
Inheritance		
Gift		
Divorce Settlement		
Other (please specify)		

Person 1

Person 2

Scottish Widows reserves the right to request further documentary evidence of source of wealth should it be considered necessary. Please note that missing information may delay the processing of the application or settlement monies.

### **Certified Documents**

Please follow these guidelines for who can certify your documentation dependent on your nationality and residency

#### **UK residents who are UK nationals**

- UK solicitor
- UK employee of a bank or other regulated financial institution (including an employee of Scottish Widows)
- Financial Services Authority (FCA) regulated financial advisor or broker and any of the intermediaries employees
- Certified or Chartered Accountant

#### **UK residents who are non UK nationals**

- Financial Services Authority (FCA) regulated financial advisor or broker and any of the Intermediary's employees
- UK employee of a bank or other regulated financial institution (including an employee of Scottish Widows)
- A Solicitor, lawyer or attorney of either the UK or the country of issue
- A Manager within Lloyds Banking Group
- An embassy, consulate or high commission official of the country of issue

#### **UK nationals who are not UK resident**

- Employee of a UK registered bank or other UK registered and regulated financial institution, including an employee of Scottish Widows.
- Financial Adviser or Broker regulated in the customer's country of residence by the country's primary financial regulator
- Lawyer/Attorney or Notary Public (either UK based or in the country of residence of the customer)
- Certified or Chartered Accountant (either UK based or in the country of residence of the customer)
- In relation to members of the British Armed Forces based abroad only, an officer in the forces.

#### **Non UK nationals who are not UK resident**

- A lawyer, attorney or Notary Public (either UK based or in the country of residence of the customer)
- A Manager within Lloyds Banking Group
- An embassy, consulate or high commission official of the country of issue
- Financial Adviser or Broker regulated in the customer's country of residence by the country's primary financial regulator

In order for certification to be accepted and the certifier capable of being contacted if necessary the following must be present and clear on the documents: -

	Requirement	Present?
1	Full name and address of the person certifying the documentation	
2	The position or status of the person certifying the documentation	
3	Dated and signed by the person certifying the documentation	
4	Marked as 'original seen'	
5	All documentation and certification details MUST be clear and legible	
6	Applicants are not be permitted to certify their own evidence	
7	In situations where a good photographic evidence of identity cannot be achieved, the copy should be certified as providing a good likeness of the applicant.	

## First of two emails in response to my email of 26 June 2016, in which I asked for their Internal Dispute Resolution Procedure

[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160627WotsAnIDRP.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160627WotsAnIDRP.pdf)

Denial of knowledge of the term "Internal Dispute Resolution Procedure", in response to my request for the said document. And SW also handles occupational pensions.

This was bizarrely sent as a password-protected PDF (perhaps they thought that this would keep it off the record). I include only the content, not the email wrapper, which contains no useful information.

The fact that this offers a "Secure Reply" did not prevent Scottish Widows from subsequently refusing to deal with my complaint by email, citing security and privacy reasons. They would use only telephone (as they like to do instead of post to browbeat people and keep things off the record).

Another notable feature is that it was sent as an email; all previous correspondence from SW since their initial emailed request for documents was by post, despite my warnings about the extremely slow post to Mexico. But they are now in complaint-management mode...

**Subject:**

**From:** "Brown1, Wayne" <Wayne.Brown1@scottishwidows.co.uk>

**Date:** Mon, 27 Jun 2016 14:44:06 +0100

**To:** "ian.mcinnnes@yahoo.com.mx"

<ian.mcinnnes@yahoo.com.mx> [Reply Securely](#)

Dear Mr McInnes,

Thank you for your email dated 26 June 2016 in reference to you pension policies P56879Q, N80803X.

Unfortunately we are not aware of the expression "Internal Dispute Resolution Procedure" If you would be kind enough to clarify what you want, we would be happy to assist you if we can.

Wayne Brown | Administrator| Lloyds Legacy Pensions

Scottish Widows, PO Box 902, Dalkeith Road, Edinburgh, EH16 5BU

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Scottish Widows Services Limited, Co No.SC189975 is registered in Scotland, Registered Office at 69 Morrison Street, Edinburgh, EH3 8YF

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**Second of two emails in response to my email of 26 June 2016, in which they indicated that the invalid documents I sent had become acceptable**  
[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160630RequestPostDocs.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160630RequestPostDocs.pdf)

This requests me to post the documents that they had found to be invalid in their letter of 14 April (received 06 June). It follows a document dated 27 June, in which familiarity with the term IDRPs was denied (both these were received on 01 July).

So it appears that they do after all understand what an IDRPs is, and that the whiff of a complaint brewing has caused my invalid documents to become acceptable (even though SW still maintains that they are required by the British government). *But this is all about "putting things right" for the customer (it seems that they did not have a deal in place with the crooks at The Pensions Ombudsman at that time).*

Like that document, this is also in the form of a password-protected PDF, and again I include only the content, not its empty email wrapper. And again, it is notable for having been sent as an email, even though all previous correspondence from SW since their initial emailed request for documents was by post (despite my warnings about the extremely slow post to Mexico). But they are now in complaint-management mode...

**Subject:** pension requirement list  
**From:** "Okafor, Emmanuel" <Emmanuel.Okafor@scottishwidows.co.uk>  
**Date:** Fri, 1 Jul 2016 09:54:37 +0100  
**To:** "lan.mcinnnes@yahoo.com.mx"  
<lan.mcinnnes@yahoo.com.mx> [Reply Securely](#)

[cid:image001.png@01D1D37E.8503BDD0]

Mr I C McInnes  
Clavel 322  
Col Palo Alto  
Zamora CP59618 Michoacan  
MEXICO OS

30th June 2016

Dear Mr McInnes,

Policy Number: P56879Q

Thank you for your recent encashment request for the above pension policy

As part of the processing of your request, Scottish Widows are required under UK legislation to verify your identity(ies). I can confirm that we have received the identity and verification documents which you sent in to us by email however we are unable to accept photocopies or scanned documents. Could you please send us the original certified copies of the identification and verification documents by post. We have tried phoning you several times to discuss without success.

Please send the documents as soon as possible to enable settle your claim. If we do not receive this information we may not be able to action your request and it is likely to delay payment.

If you have any queries or need any more information, please call our Customer Helpline on 0845 300 44 55 (Overseas +44 131 655 6000) and we will be happy to help you.

[cid:image002.gif@01D1D37E.8503BDD0]

Jackie Matthews  
Customer Services Manager

From: Awan, Ehtsham  
Sent: 30 June 2016 15:39  
To: Okafor, Emmanuel  
Subject: pension AML Reqts List.doc

[lan.mcinnnes@yahoo.com.mx](mailto:lan.mcinnnes@yahoo.com.mx)

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## My Interim Complaint Email of 10 July 2016

[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160710EmailComplaint.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160710EmailComplaint.pdf)

Interim but detailed complaint, while developing my website. I had already done enough investigation to realise that SW's "verification" measures were grossly excessive (in particular that they had no business to require the proof of address that I could not supply), but still not clear that they were a total sham.

### Encashment of Policies P56879Q and N80803X

- [Ian McInnes <ian.mcinnnes@yahoo.com.mx>](mailto:ian.mcinnnes@yahoo.com.mx)
- 
- jul 10 a las 14:53

Para

- [ipc.aftersales@scottishwidows.co.uk](mailto:ipc.aftersales@scottishwidows.co.uk)

### Texto del mensaje

I am in the process of preparing my case for the expedition of the above, plus compensation for what will be substantial financial losses as a direct result of (at best) inappropriate handling by Scottish Widows. I would have prepared this earlier, but for the Brexit Referendum, the outcome of which significantly changes the content. But lest I be accused of being dilatory, I meanwhile present the main points.

I enquired by fax about an encashment process that would avoid the use of post (which, as I continually emphasise, in Mexico is extremely slow and unreliable), and received an email describing a "paperless" process that would involve a telephone interview. Since I have a hearing impairment making it difficult for me to understand things over the telephone, I was not enthusiastic about this. However, as your web page "Take it in cash" does not support foreign bank details, this seemed to be the only practical option.

During the telephone interview on 05 April, I was informed that documents to verify name, address and date of birth were required. I asked whether these could be sent by email, and I am quite clear that the answer was affirmative.

The same day, I received an email with instructions, plus a PDF attachment to some extent duplicating this, with an email address to which documents could be sent. I found the instructions confusing and incongruous, and spent some time trying to make sense of the requirements.

For entirely legitimate reasons, it simply was not possible to completely satisfy the requirements for verification of address. I went to great trouble to fulfil them to the best of my ability.

Having received a long-awaited lump sum from an occupation pension scheme, I was no longer in need of cash, and was concerned about the onerous requirements. However, due to the favourable exchange rate (around 25 pesos per pound, as compared with the 21-22 I had typically received previously) I went ahead with the process.

I verified all three types of document (not being sure which needed to be verified), and on 11 April sent them as email attachments. Although in one place it stated that certified documents must be sent by post, I was given the clear impression over the telephone and in places on the information I received that they could be emailed; and if everything had to be posted, why supply an email address for this purpose?

I had numerous uncertainties, not only with the documents required, but also the means of verifying them (in particular you stated that they had to be marked with the words "original seen"). The requirements are incongruous and do not reflect the circumstances that may be encountered, especially in foreign countries. If what is required by clients to get at their own funds can legitimately not be fulfilled, it is axiomatic that these requirements are illegitimate.

The only sensible means of sending paper from here to the UK is by courier, which is very expensive. Especially given these uncertainties, I did not want to send them this way, only for you to reject them (which as it turns out is what would have happened). Replying to my email with a few lines of explanation would enable anything amiss to be remedied if I could do so (including a need to send by post - in which case I would have sent by courier).

In the very first paragraph of the text of this email, I spelled out very clearly the following two closely-related facts: 1) the serious problems with use of post, and 2) for quite legitimate reasons (that I explained clearly and in detail) was simply unable to completely fulfil your requirements for verification of address.

Having received neither reply nor payment by 21 May, I sent a follow-up email, to which again I received no reply.

On 16 June, I received four items by post from Scottish Widows, including two unwanted policy statements (several years ago I stated that I did not want to receive these), and a reply to my email of 11 April.

The latter was essentially to reject what I sent in the email, but without giving any clear indication as to what was found lacking. There was some innuendo about being unable to accept documentation that had fallen out of required timescales, which I took to have been a rejection of the best verification I could provide you of the address you hold (which as I made clear is of necessity a mailing address, not my residence).

Worse, the enclosed form differs from that which I had been emailed, in that my ID card is now longer allowed as verification of name. Apart from the fact that this is ridiculous (as a Permanent Resident of Mexico, this is my definitive means of identity), it invalidated the trouble and expense I had gone to in certifying it, and meant that I could (again quite legitimately) no longer verify my name to your requirements.

Replying to my email by post under any normal circumstances would be quite inappropriate, but after the statements in the very first paragraph of my email making very plain the problems with the post (including the fact that it can take over 3 months), this was a quite outrageous way to respond. Moreover, you required that I reply within 14 days of the date of the letter!

This delay is entirely due to Scottish Widows; both in the requirements (unreasonable, unclear, changing in mid-play), and in their egregious use of post. I did my best to meet their demands, and would have fulfilled reasonable and clear requirements without delay. This will lead to substantial financial losses as a result of the collapse in the value of the pound, for which I will be claiming compensation. FYI, the average exchange rate over the two weeks from 17 April to the end of the month (the period during which I could reasonably have expected to receive payment) was 25.11 MXN / GBR.

It is clear from all the above that you paid no attention whatever to my email of 11 April, in which I went to some trouble to make the situation clear. Had you done so you should certainly not have replied by post. You should also have accepted that the verification I supplied was the best I could do, and that no number of forms sent through the post would change this. This email will form the kernel of my case.

Having perused the following:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/372271/mlr8\\_tcsp.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/372271/mlr8_tcsp.pdf)

<https://www.gov.uk/guidance/money-laundering-regulations-your-responsibilities>

I will contend that the documents I supplied with my email were more than sufficient for the verification purposes required by the government. It also seems clear that the government requires only verification of either date of birth, or address - not both.

On 06 July, I received seven further items by post, including four essentially identical requests for documents with forms.

On 26 July, I asked for your Internal Dispute Resolution Procedure, not realising at the time that this applies only to occupational pension schemes. On 01 July, I received a password-protected PDF document dated 27 June, denying familiarity with this term (rather surprising, especially since I know that Scottish Widows also handles occupational pensions - I guess you didn't want to tell me that I don't have to follow such a procedure).

On 01 July, I received another password-protected PDF document under the title "Pension Requirement List" dated 30 June, stating that they had received the documents that I had sent by email, but required them to be sent by post. This appears to request me to send documents that were determined to be invalid - or are they now acceptable when they were not before?

I hope to have prepared my case with full documentation within a week, and will notify you at that time.

Regards,  
Ian McInnes.

## Reponse of 13 July 2016 to my Interim Complaint

[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160713ComplaintResponse.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160713ComplaintResponse.pdf)

Response to my emailed complaint of 10 July. This offers only telephone as a medium for its resolution, refusing to deal with it by email on security grounds, with ridiculous concerns for my privacy and staying safe online.

This excuse is made even though on 01 July they had sent two password-protected PDF documents with secure reply. And I had made plain my difficulties in using the telephone in my email complaint. *But Scottish Widows forces the use of telephone when it wants to browbeat customers and/or keep things off the record; just as it forces the use of post at other times).*

*This email was sent again on 15 July, together with postal complaint information. The latter refers one to the Financial Ombudsman (which is supposed to deal only with complaints relating to the sales and marketing of pensions), rather than The Pensions Ombudsman. Seems that they still hadn't done a deal with TPO at that time...*

### Complaint Reference:10982346 | David Sanger

- [Sanger, David <David.Sanger@scottishwidows.co.uk>](mailto:David.Sanger@scottishwidows.co.uk)
- 
- jul 13 a las 6:30 A.M.

Para

- [Ian.mcinnis@yahoo.com.mx](mailto:Ian.mcinnis@yahoo.com.mx)

### Texto del mensaje

Dear Mr McInnes

Thank you for your recent email received on 10 July 2016.

#### IMPORTANT:

- If replying via email, please include your initials, full surname and your post code
- To help protect your identity and stay safe online, please do not send any further information regarding your identity by e-mail
- To ensure your security, at this time we are not able to respond to the specifics of your complaint by e mail

I would appreciate the opportunity to discuss this matter with you further. If you could contact me by:

- Calling: 0800 028 7350 - using my pin 1580952. Free phone from most landlines
- If calling from abroad or mobiles: +44 131 549 9770- using my pin 1580952.
- Alternatively you can reply to this email, confirming the best time and number for me to call you - and I'll endeavour to do so.

Be assured we'll deal with this matter as quickly as possible. Our opening hours are: Monday - Friday 8am - 6pm.

To confirm this is an authorised email from Scottish Widows the first 4 characters of your postal code are: CP59.

Yours sincerely

David Sanger

LP&I Specialist Complaints | Customer Services | Group Operations

Tel: 0800 028 7350 Pin: 1580952 | Email: [david.sanger@scottishwidows.co.uk](mailto:david.sanger@scottishwidows.co.uk)

Address: 15, Dalkeith Road, Edinburgh, EH16 5BU | TNT: 65 | Internal mail: DR/F3/M5

## My reply of 17 July 2016 to the Complaint Response

[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160717WebsiteRef.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160717WebsiteRef.pdf)

My reply to the complaint response of 13 July, rejecting of the use of telephone in its resolution (for reasons that I stated clearly). I also gave a link to my website. Although this was still a work in progress, I had realised by now that SW's "verification" demands were one huge lie (the British government does not require any verification documents whatever).

**Re: Complaint Reference:10982346 | David Sanger**

Gente

- [Ian McInnes <ian.mcinnnes@yahoo.com.mx>](mailto:ian.mcinnnes@yahoo.com.mx)
- 
- jul 17 a las 17:29

Para

- [Sanger, David](#)

### Texto del mensaje

I have no idea why they are required, but my initials and name are I C McInnes, and my postcode is CP 59618 (this is in Zamora, Michoacán, Mexico).

I am not prepared to discuss this matter over the telephone. Apart from the fact that I have a hearing impairment making this difficult, this medium is simply not appropriate for a complaints procedure. As you must surely know, all information must be recorded for a case to be built up for review by the Pensions Ombudsman. And the issues are simply too complicated to make resolution over the telephone possible.

As I indicated, my previous email was simply an interim complaint, outlining my main concerns. I am developing a website to document my complaint:

[www.vivazamora.mx/ScottishWidowsComplaint](http://www.vivazamora.mx/ScottishWidowsComplaint)

This is a work in progress and will be refined and updated as events unfold, but already adequately reflects my position.

Regards,

Ian McInnes.

## Response by Scottish Widows of 01 August to my email of 10 July 2016

[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160801ReplyEmail0710.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160801ReplyEmail0710.pdf)

Another response to my emailed complaint of 10 July, offering to accept as verification a scan of my ID card alone, provided it were emailed by my bank. This "offer" dealt with the statement I made in my emailed complaint that no proof of address was required with proof of date of birth (my ID card gives date of birth, but not address). However, it seems that he had not seen the more recent information on my website, in which I reject SW's "verification" requirements entirely. I was obviously not about to accept this "offer", and did not consider a reply necessary, especially bearing in mind the obviously contrived and ad-hoc nature of the new requirements.

### pension

- [Boyne, Alex <Alex.Boyne@scottishwidows.co.uk>](mailto:Alex.Boyne@scottishwidows.co.uk)
- ago 1 a las 10:10 A.M.

Para

- [ian.mcinnes@yahoo.com.mx](mailto:ian.mcinnes@yahoo.com.mx)

### Texto del mensaje

Policy no. P56879Q

Dear Mr McInnes,

Thank you for your correspondence dated 10 July 2016.

In order to proceed with the encashment of the above policy we require to see original or certified copies of your proof of identity.

I realise there have been various issues providing this and apologise for any inconvenience caused.

We cannot accept copies sent from private email accounts, however if you could arrange for a certified copy of your Identity Card to be emailed

by the HSBC branch you have supplied the address for we would be able to accept this as verified proof.

Please advise the branch to include in their email:

The name and staff number of the person verifying the ID  
The branch address and contact details  
Any specific wiring instructions to ensure payment reach you  
Confirmation that you are the account holder.

Alternatively if the branch cannot facilitate this please send by courier the original or certified copies

Alex A Boyne / Pensions Administrator/ Heritage Pensions / Insurance Customer Delivery / Group Operations

15 Dalkeith Road, Edinburgh, EH16 5BU

01316556272

[alex.boyne@scottishwidows.co.uk](mailto:alex.boyne@scottishwidows.co.uk)

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**Letter from Scottish Widows of 06 June 2016 (received 04 August 2016) terminating my application**

[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160804ClaimClosed0616.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160804ClaimClosed0616.pdf)

Letter closing my application as my documents were unacceptable, and I had not responded to three requests for documents; they must therefore assume that I no longer wanted to proceed with this claim. This is despite my having recently sent a follow up making clear that I wanted my money, to which they responded on 01 June with yet another form (thus giving me barely the 14 days including post both ways to respond).

And this letter of 16 June was sent on the very day that I received the letter rejecting my documents, obviously giving me no means of remedying the situation, even if I could fulfil their verification requirements. Moreover, the three requests for documents referred to were sent within a few days of each other, clearly to give them an excuse to close my application.

*The same day as receiving this letter closing my application, I received another dated 30 June requesting me to send the (now valid) documents (this was after I had asked for their IDR).*



Scottish Widows Ltd  
PO Box 28091  
15 Dalkeith Road  
Edinburgh  
EH16 5XZ

Telephone: 0345 3004455  
(Local Rate)  
Overseas: +44 131 655 6000  
Facsimile: 0345 716 6755  
Textphone: 0345 300 2051

16 June 2016

Mr I C McInnes  
Clavel 322  
Col Palo Alto  
Zamora CP59618 Michoacan  
MEXICO

Dear Mr McInnes,

Policy Number: N80803X

Thank you for returning your documentation relating to the retirement of the above mentioned policy. Unfortunately, I am unable to process your retirement from the documentation you have provided.

As we have made three requests for the additional information without reply, we must assume that you do not wish to proceed with this claim and are therefore terminating this claim.

---

Do please phone our Helpdesk on the number above, if you have any questions or need more information about your policy.

Yours sincerely

*Inge Sandham*

Inge Sandham  
Customer Services

## Final Response from Scottish Widows of 24 August 2016

[www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160915Final0824.pdf](http://www.elpobrecorderito.com/PersonalPensionFiasco/Docs/SW/20160915Final0824.pdf)

Scottish Widows' Intransigent Final Response. *This arrived in just three weeks; quicker than any other post from the UK within the last few years, so I did not have to wait for long before approaching TPO.*

This disregards the main issue (that I am legitimately unable to fulfil their onerous, illegitimate and fraudulent "verification" requirements, for reasons that I explained fully). Instead, it focuses on the delays resulting from the poor communication, for which the blame is laid entirely on the Mexican postal service.

Scottish Widows' processes include replying to emails only by ordinary post. And they sustain this position in their claim that, being a UK-based company, "our processes are set to suit the majority of our customers". *Their "processes" also involve forcing the use of telephone rather than post for browbeating (e.g. the telephone interview), or to keep things off the record (like dealing with complaints, where the browbeating aspect is also useful). **The communications medium is set by SW to suit them.***

They forced the use of post in my case, even though I had made clear that post from the UK is unviable as it can take well over three months to arrive here. Moreover, they require a postal response within 14 days of the date of the letter (and the record of correspondence with Scottish Widows shows that this period includes post both ways).

This Final Response endorses the sending of numerous such letters and forms, when they should have known very well that I could not possibly comply with their draconian requirements (neither the "verification" documentation they demand, nor the time allowed to respond).

*There is no doubt in my mind that sending all these unnecessary (and varying) forms serves two purposes: firstly to feign willingness to encash, and secondly to justify terminating my application due to my lack of response to them (including to two sent within two days of each other).*

The requirement to respond within 14 days (including post both ways) is likely make compliance impossible for many others living overseas; especially considering the difficulties in satisfying SW's "verification" demands. *The initial email (apart from specifying quite different requirements to those in the letters/forms) misleadingly allows 30 days.*

To illustrate the problems for those overseas, my TPO application took 5 days to arrive using the fastest possible means (DHL Express Letter) at a cost of around £50. And my application for pension encashment was closed due to my lack of response on the very day that I received the initial letter in rejection of my documents.

The ridiculous situation that resulted from forcing the use of post is entirely of Scottish Widows' creation. Any reasonable organisation would have explained why the documents I sent were unacceptable by simply replying to my email (*and the [rejection letter](#) they sent did not give any clear explanation*). And even if their documentation demands were legitimate, the government allows scans for anti-money laundering verification, and so should have Scottish Widows (*as they did later when firefighting my complaint; also reducing the requirements to meet my expressed findings that they should not have required proof of address*).

The links below give more commentary on a document that makes Basil Fawltly look like a paragon of reasonableness. However, it is perhaps helpful in confirming that these "verification" measures are applied to all customers wishing to encash (certain types of) pension policies (I suspect those to which the Pension Freedom legislation of April 2015 applies). *Government anti-money laundering measures are not pension-specific.*

As with the previously-sent complaint information, I am referred to the Financial Ombudsman, which (according to its website) does not handle pension administration complaints; these are supposed to be referred to TPO. But on the Financial Ombudsman website, I quickly found several cases involving Scottish Widows pension administration (only) - and not one of these was upheld. I can only suspect that SW had an arrangement with the FO at that time, as it clearly does now with TPO.

*It is interesting to note that exactly a year later (15 September 2017) I received a [Complaint Response](#) from the TPO Casework Director (Fiona Nicol) in which I was slapped down for expressing my over-cautious suspicions about delay and prevarication by the adjudicator. It has now become clear that TPO is corrupt from its PO (Anthony Arter) down, and involved in a criminal conspiracy to protect Scottish Widows (and it is no doubt also protecting numerous other pension providers).*



24 August 2016

Our Reference: EDH/10982346/EC

Scottish Widows Limited  
PO Box 902  
15 Dalkeith Road  
Edinburgh EH16 5BU  
Tel: 0131 655 6000  
Fax: 0131 662 4053

Mr Ian McInnes  
Clavel 322  
Col. Palo Alto  
Zamora  
CP59618  
Michoacan  
Mexico

UK Free Phone: 0800 028  
7350  
Alternative from Mobiles:  
0131 549 9770  
Colleague Pin: 1580953

Dear Mr McInnes

Thank you for contacting us in regards to your two pension policies. We always welcome customer comments as it gives us the opportunity to restore your confidence.

You are unhappy that we have failed to settle your policies in a timely manner. You believe our means of communication are unsuitable and you are unhappy that we have failed to clearly set out our requirements for satisfying our Identification and Verification process. You sent us documents via email and we are insisting that these be sent by post.

We appreciate how the situation makes you feel, however, we cannot uphold your complaint on this occasion.

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We appreciate the difficulties you may face with the postal service in Mexico. Scottish Widows is a UK based company and our processes are set to suit the majority of our customers. We cannot be held responsible for any mail you have not received in a timely manner due to the Mexican postal service.

Until such times as all of our requirements are met, no claim can be initiated. This would include satisfying any Identification and Verification requirements. These are required under UK legislation and we would ask all customers to satisfy these requirements prior to the settlement of these types of pension policies.

I have checked the history of your case in depth and can find no evidence that we have delayed any response to your enquiries. We have responded to your correspondence in a timely manner each time. Any delay you have encountered in receiving correspondence from us is not a result of Scottish Widows inaction.

We have supplied you with our Identification and Verification requirements and details of who you can use to verify these documents on numerous occasions. I have enclosed a copy of this document once more for your convenience.

I trust I have been able to explain our position to you. If you wish, you have the right to refer your complaint to the Financial Ombudsman Service, free of charge – but you must do so within six months of the date of this letter.

If you do not refer your complaint in time, the Ombudsman will not have our permission to consider your complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes that the delay was as a result of exceptional circumstances.

Please find a copy of the Financial Ombudsman Service's leaflet enclosed or you can visit their website at [financial-ombudsman.org.uk](http://financial-ombudsman.org.uk). If you've any questions or further information, please feel free to call me.

Yours sincerely



Euan Craighead  
Complaint Manager, Customer Service

## Analysis of Scottish Widows' "Verification" Requirements

[www.elpobrecorderito.com/PersonalPensionFiasco/Verification.html](http://www.elpobrecorderito.com/PersonalPensionFiasco/Verification.html)

<a href="#">Summary</a>
<a href="#">Introduction</a>
<a href="#">Was Any Verification Appropriate?</a>
<a href="#">Issues with Scottish Widows' Verification Requirements</a>
<a href="#">General Deficiencies in Specifications</a>
<a href="#">Fundamental Errors</a>
<a href="#">Failure to Use Discretion / Common Sense</a>
<a href="#">Conclusion</a>

### Summary

This document shows that the onerous verification requirements of Scottish Widows are without valid basis. The only valid reason there could be for such verification is compliance with government anti-money laundering regulations and guidelines.

But Scottish Widows' requirements do not conform to this in the following respects:

1. that no verification should have been required in my case (as a face-to-face customer with an ongoing business relationship with Scottish Widows, taking a lump sum as part of that relationship).
2. that even if verification were appropriate, Scottish Widows' requirements in its implementation (apart from being unclear, erratic, and inconsistently specified), are grossly excessive in relation to government requirements.
3. that Scottish Widows applied these draconian requirements rigidly as an end in themselves, without the discretion and use of further information that is appropriate in questionable cases.

In summary, my application could not be rejected on the legitimate grounds of inadequately satisfying the verification that the government requires in its anti-money laundering regulations. Instead it was rejected on the narrow and illegitimate grounds that the best documents I can provide do not completely fulfil the verification that Scottish Widows falsely states is "*required under UK legislation*".

### Introduction

It seemed contrary to common sense to have to supply documents to verify my name, address, and age (and/or date of birth). I have held both pension and investment policies with Scottish Widows, and had thus been known to the business for many years. Furthermore, I had encashed Scottish Widows investment policies about two years previously, to the same bank account (in my name) to which payment was to be made in respect of the lump sum - then, only a signed letter was required. The justification for Scottish Widows' requirements is given in Scottish Widows' documents only as "UK legislation". Initially, the above led me to believe that this legislation must be specific to pensions. However, it is now clear (after consultation with The Pensions Advisory Service) that it can only refer to anti-money laundering regulations, for which the same considerations ought to apply to encashment of both investments and pensions.

### References

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/372271/mlr8\\_tcsp.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/372271/mlr8_tcsp.pdf)

**Anti-money laundering guidance for trust or company service providers**

*The numeric references on this page refer to this document.*

<https://www.gov.uk/guidance/money-laundering-regulations-your-responsibilities>

**Money Laundering Regulations: your responsibilities**

A useful supplement to the above, expressing some of the points more clearly.

#### Request for Documents

The first page specifies what verification is required. The second page describes how the documents may be sent. *In fact they must all be both certified and posted.*

#### Individual Identification and Verification Form

This details what types of documents are accepted (for Name and Address only). *This is the first version I received; the next day, Scottish Widows sent a quite different version by post, invalidating my certified ID card.*

Apart from Scottish Widows' demands being very burdensome and confusingly specified, I am unable to fulfil their invalid address verification requirements. I have been put to considerable trouble and suffered great anxiety in my efforts to deal with them. Although I gave a clear and full explanation of my circumstances with the documents, and made clear that I had supplied the best I could, my application was summarily rejected (by post, received well over two months later). The issues therefore include not only Scottish Widows' draconian requirements, but also their rigid enforcement of them when other factors should have been considered.

It should be noted here that Customer Due Diligence involves two phases (see Section 8.1.1):

1. An Identification phase, in which details (including name, address, and date of birth) are taken from the customer. This must clearly be carried out by the Business (here Scottish Widows); it should have been done when the pension plans were created (during which I was physically present).
2. A Verification phase, in which the details taken above are verified. In many cases, this would also be carried out by the Business; however, in my case the onus for providing verification documents has been placed on the Customer.

### **Was Any Verification Appropriate?**

The above government documents indicate that Scottish Widows had no reason to apply any verification measures in my case of taking a lump sum from a Scottish Widows personal pension plan that I have held for a number of years. This would fall into the category of "Occasional Transactions", but is specifically excluded from verification requirements in Section 7.9, which states:

*"As defined in Money Laundering Regulations 2007, occasional transaction means a transaction (carried out other than as part of an ongoing business relationship) amounting to 15,000 euro (or the equivalent in sterling) or more, whether the transaction is carried out in a single operation or several operations which appear to be linked."*

The relationship between Scottish Widows and I as pension provider and pension holder clearly represents an ongoing business relationship; and the payment of a lump sum from a Scottish Widows pension plan that I have held for many years clearly represents a transaction carried out as part of that relationship. Furthermore, I do not fall into the category of a non face-to-face customer (for which additional measures may be required - see section 7.11.2), as I was physically present during the Identification phase. I therefore contend that it was inappropriate for Scottish Widows to require any verification in my case; and this is also likely to apply to others wishing to take a lump sum from a pension plan they hold.

But even if verification were appropriate, the following two sections show that:

1. Scottish Widows' implementation of the requirements is erroneous and unreasonable, in demanding much more than is indicated by government documentation
2. These unduly onerous and invalid requirements are rigidly enforced, rather than using the discretion that is appropriate in many cases, and certainly in my case where Scottish Widows' requirements quite legitimately cannot be fulfilled

### **Issues with Scottish Widows' Verification Requirements**

There are many questionable points concerning the verification documents that Scottish Widows states are required, and the means by which Scottish Widows requires they be certified. I firstly deal with some of the more minor points, then the fundamental issues (most importantly, that I should never have been required to supply evidence of address). Apart from the unreasonable requirements, Scottish Widows' documentation on them is unsatisfactory, being full of errors, inconsistent, changing, and generally unclear. These factors have caused me considerable anxiety and uncertainty.

### ***General Deficiencies in Specifications***

The Content of Scottish Widows' email of 05 April states that separate documents for proofs of name, age, and address are required; additionally, they need a certified copy of my birth certificate. It is surely unreasonable to require a separate proof of age in addition to a birth certificate. As this seemed to be clearly erroneous, I supplied three documents (not the four implied here). Apart from this, government requirements state that verification is to be done on date of birth (not age as required by Scottish Widows). *If it is necessary to prove that I have reached the age of 55 (as needed to qualify for taking a lump sum), this is clearly subsumed in the date of birth, for which I provided the required certified birth certificate.*

A significant flaw in Scottish Widows' documents is that throughout they use the term "Address" rather than "Residential Address". This is not consistent with government documents, which always use the term "Residential Address" in this context. In my case, these two terms mean quite different things. Due to the circumstances I carefully described, I cannot receive mail at my residential address. I therefore gave Scottish Widows an address at which mail can be received (that of a trusted friend).

So I attempted to provide documents to verify the address held by Scottish Widows (not my residential address). I could not completely fulfil this, since I long ago arranged to not have private material such as bank statements (and Scottish Widows pension statements) sent through the post. Had Scottish Widows properly specified the term "Residential Address", my goal would have been quite different. Whilst I doubt my residential address in Mexico would be much use for verification purposes (Scottish Widows never asked for it), at least documents such as utility bills could have been used to verify it.

Regarding certification, the email Content mentions this only in connection with the birth certificate. However, the attached Form states (inconspicuously, under Notes for Completion) that all documents must be certified, with clearer notes in parentheses that only certified copies are required. *This requirement appeared to change in a letter dated 01 June, which stated that originals must be sent (even though they must also be certified); however, I was given the option of presenting the originals at a branch of Lloyds TSB - of which there are none in Mexico.* If everything must be certified (as seems to be the case), this should have been stated clearly by Scottish Widows at the top of each document. For a while, it appeared to me that only the birth certificate need be certified. And it was never clear by what means the documents could be sent.

The certification requirements are inappropriate, especially in being far too specific. Scottish Widows ought to understand that the precise manner of the certification will vary, especially in foreign countries. In particular, it is not reasonable to expect the certification to be marked with the words "original seen" in a country that does not use English as its official language. What is important is that it has been carried out by an appropriate body; and no appropriate body would certify a document when the original had not been seen. And if Scottish Widows were to specify this, they should have said something like: "the certification should indicate that the original document has been seen".

Although the above points are less serious than the issues that follow, they are nonetheless likely to cause the customer considerable uncertainty and anxiety. Even if I could verify my address to the satisfaction of Scottish Widows, I would still be worried that my application could be rejected on other points.

### ***Fundamental Errors***

Since I supplied good evidence of my date of birth, **Scottish Widows should not have required me to supply any evidence of (residential) address.** Scottish Widows should thus not have rejected my application on the grounds that I could not completely fulfil their requirements for address verification. And as discussed above, such verification would be invalid as it would be on the wrong criterion (mailing address, rather than residential address).

Scottish Widows requires (with a separate document for each) verification of all three types: Name, (Residential) Address, and Date of Birth. But **government documents state clearly that verification of EITHER Residential Address OR Date of Birth (not both) is required.** I refer here to Appendix 5.1: Acceptable evidence of identity (private individuals). Section 5.1.1 deals with the Identification requirements (these should have been carried out by Scottish Widows, and must include name, (residential) address, and date of birth). Section 5.1.2 deals with the Verification requirements, for which the onus in this case is on the Customer.

In each place, it is made plain that verification is required only on Name plus EITHER Residential Address OR Date of Birth (in each place where Residential Address is stated as a verification requirement, Date of Birth is given as an alternative). The web page is clearer here: this requirement is summarised near the top (under the heading "What customer due diligence is"), with several examples further down.

Scottish Widows' Form lists acceptable documents only for Name and Address (with very few options available for those living overseas). The government clearly allowed the option of verifying either (residential) Address or Date of Birth for good reason; denying this option is likely to result in requirements that quite legitimately cannot be fulfilled.

In my case, the clear evidence of name and date of birth (present on both my birth certificate and my ID card), should have been more than sufficient proof.

**For evidence of Date of Birth, Scottish Widows invalidly imposes a birth certificate** (*plus some separate document for proof of age?*). Other documents (including my ID card) provide good proof of this, and should also have been allowed.

**Government documents do not support Scottish Widows' demands that a separate document be provided for each verification type.** Indeed, the word "document" is used in the context of verification requirements, indicating that a single document (invariably containing Name, plus either Address or Date of Birth) can provide sufficient verification. This will particularly be the case with government-issued documents (these provide the greatest degree of confidence). I supplied two such documents - my national ID card (Mexican government), and my birth certificate (British government), each of which contains both Name and Date of Birth.

**It is also clearly unreasonable for Scottish Widows to insist on the documents being sent by post.** Section 11.6 makes clear that such records may be kept as scans, and they should therefore have been accepted in this form by Scottish Widows. *Nonetheless, had they indicated by email that they would accept my documents, I would have sent the certified documents immediately by courier, and this case would not have arisen. Had I otherwise sent them by courier, the outcome would have been the same - Scottish Widows' summary rejection (received by post over two months later, and requiring a reply within 14 days of the date of the letter, with no remedy available on my part), and subsequent termination of my application.*

### **Failure to use Discretion / Common Sense**

In many situations, the legitimate requirements are not clearly defined and are subject to interpretation; there may be some circumstances in which even requirements consistent with government guidelines legitimately cannot be fulfilled. Both of the government references above indicate that in some cases, discretion must be used. Even if Scottish Widows' specifications could be justified, it is important to remember that the aim is to prevent money laundering; where appropriate other information must be used to judge the risk.

Instead, Scottish Widows rigidly applied their own criteria, insisting that I provide up-to-date verification of my address, despite my detailed explanation of why I could not provide this. Furthermore, it should have been clear that such verification, being based on a mailing address rather than my residential address, would be invalid. All this indicates that Scottish Widows considers their requirements to be an end in themselves, without proper reference to AML regulations. It is axiomatic that if I legitimately cannot fulfil the requirements needed to access the funds I entrusted to Scottish Widows, then their requirements are illegitimate.

Whenever there is any reason to doubt identity, additional information should be considered. Scottish Widows appears to have completely ignored an important piece of information I provided - the bank account to which payment is to be made. This gives perhaps the most definitive verification - I assume that it has not been specified as one of the government requirements, as it would be unworkable in practice. But one additional security measure that may be employed in suspicious circumstances (mentioned in the government guidelines: Regulation 144 (EDD), page 39 at the end of Appendix 4) is to insist that the transaction be made to a bank account in the customer's name.

The bank account to which I asked the funds to be transferred is not only in my full name (which is probably unique in Mexico), but its details were already held by Scottish Widows. Moreover, Scottish Widows had about two years previously transferred a substantial sum (many times the amount of the lump sum) from an investment plan to this account without any such verification being required, and Lloyds TSB had from 2006 onwards made numerous payments to the same. My documents included a certified Bank Statement from this account, with my name, account number, the address held by Scottish Widows, and all other details clearly displayed. I pointed out all these facts in my email to Scottish Widows of 11 April, and also in my follow-up email. Furthermore, my bank details were checked at length during the telephone interview of 05 April. What more verification of identity could they need?

### **Conclusion**

I contend that even if verification were appropriate, the documents I supplied are in any case more than sufficient to satisfy government regulations, and that my circumstances give no cause whatever for suspicion that I am involved in money laundering. Scottish Widows had no reason to reject my application on these grounds; it has been rejected only on the invalid grounds that it does not conform completely to Scottish Widows' requirements.

I conclude that "UK legislation" is a deceitful term used by Scottish Widows to make their draconian demands appear legitimate, and has no basis in legitimate anti-money laundering measures required by the UK government.

***But (after a hint that I was about to make a complaint), my documents became acceptable to Scottish Widows.*** A communication dated 30 June acknowledged receipt of my email and attachments, and indicated that they just needed me to post the certified documents. *This followed a communication of 27 June, in which Scottish Widows denied any familiarity with the term "Internal Dispute Resolution Procedure".* A subsequent email (dated 01 August) offered to accept a scan of my certified ID card alone, if emailed by my bank (*my certified ID card was allowed as a means of verifying Name in the form I received as an email attachment, but denied in a new version of the form subsequently sent by post*).

It is as well in my case that I was no longer in immediate need of funds. But typically, people will want to take a lump sum from their pensions because they are short of money; being denied the funds that they entrusted to Scottish Widows as a result of the latter's oppressive policies is therefore likely to lead to serious hardships. At best, the policies and conduct of Scottish Widows cause their customers unnecessary trouble, stress, and expense.

Scottish Widows was obviously hoping that I would send off the (now acceptable) documents in order to receive payment, and the matter would rest. I am not prepared to do this for three reasons. Firstly, in all these circumstances I seek full compensation from Scottish Widows for the substantial financial losses that I would incur. Secondly, I can no longer trust the statements of Scottish Widows, and so am no longer willing to comply with their changing and invalid demands. Thirdly, I think it is important to expose Scottish Widows' draconian policies and conduct, in the hope of preventing other pensioners being victims of it.

In their Final Response of 24 August, Scottish Widows ignored the "concessions" they had made and reasserted their original requirements, so I am once again unable to encash my pension.

## Questions for Scottish Widows

[www.elpobrecorderito.com/PersonalPensionFiasco/Questions.html](http://www.elpobrecorderito.com/PersonalPensionFiasco/Questions.html)

This document contains the unedited list of questions that I sent to Scottish Widows as a PDF attachment to my email of 29 September, after I had made an application to The Pensions Ombudsman. Hopefully, my mention of TPO in this email will put Scottish Widows under some pressure to respond.

Of the twelve questions, ten concern Scottish Widows' verification requirements, and form the important part of this list. Question 7 deals with their postal responses to emails; however, their Final Response confirms that they will just continue to do things in their own set way, heedless to the expressed needs and wishes of the customer, and to the resultant adverse consequences. Question 8 concerns their professed ignorance of the term IDRPs; whilst I do not expect an illuminating answer here (they could simply blame a junior employee), it does serve to introduce their change of position once they realised a complaint was brewing.

Another line of investigation that might be worth pursuing that is not covered by these questions is to ask (or otherwise ascertain) when Scottish Widows first required verification documents in order to encash a pension. It appears that these measures were introduced recently (I suspect in response to the 25% tax concession forming part of the Pension Freedom of April 2015). One could then enquire why verification was "required under UK legislation" after that time, but not previously.

To be surer of a response, I sent this list of questions to two email addresses: that to which I sent the verification documents and my complaint (this appears to be their general portal), and that of the email of 13 July offering discussion of my complaint by telephone. On 23 November, I sent a reminder to these two addresses, again attaching the PDF document. But I have still received no answers to these questions.

Since Scottish Widows appears to require complaint resolution to be done over the telephone, and stated that "*To ensure your security, at this time we are not able to respond to the specifics of your complaint by e mail*", they may use these policies to justify their lack of response. But Scottish Widows WILL use email when it suits them, as they did in their initial attempts to stifle my complaint. And with the serious implications of these questions, they would surely have responded if my premises were incorrect, or they otherwise had any good answers to them.

However, in the absence of any response, these questions serve as a compendium of the circumstances showing the illegitimacy of Scottish Widows' verification requirements. This should help to prove that they could not possibly have been introduced in the genuine belief that they were "required under UK legislation". Given this, plus the draconian and inordinately burdensome nature of the requirements, it should follow fairly easily that their only purpose could be to gain financially from reduced customer pension encashments. This, combined with Scottish Widows' deceitful implication that they are imposed by the UK government, should result in their prosecution for fraud.

The PDF document that I sent corresponds exactly to the remaining four pages of this document...

## Questions for Scottish Widows

The following two government documents are used as references:

[Anti-money laundering guidance for trust or company service providers](#)

[Money Laundering Regulations: your responsibilities](#)

Numeric references relate to the first of these documents.

(1)	<p>Just over two years before his application to take a lump sum, the applicant Ian Clive McInnes (ICM) encashed a Scottish Widows Investment Plan (OEC 11215134) plus a Mortgage Plan (K168358K) for many times the amount of the two Pension Plans, and in the same circumstances as the current encashment request.</p> <p>For this only a signed letter (dated 02 December 2013) was required, without any supporting documents.</p> <p><b>Why did Scottish Widows require verification documents for encashment of the Pension Plans, but not for the Investment/Mortgage Plans? In general, are there any verification considerations specific to encashment of pensions? If so, why?</b></p>
(2)	<p>The (HSBC, Mexico) bank account to which the lump sum was to be paid provides the most compelling and definitive verification possible.</p> <p>This account is not only in his full name (which must be unique in Mexico), but is the account that Scottish Widows already held, and to which they had encashed the above Investment / Mortgage Plans. Lloyds TSB had also made numerous payments to this account since 2006. Details of this account were checked at length during the telephone interview, and ICM had also previously given full details of this account in his initial fax of 15 March.</p> <p><b>Why was ICM required to supply verification documents, when his identity was already confirmed beyond any doubt during the telephone interview?</b></p>
(3)	<p>Scottish Widows' requests for documents throughout state only that "Scottish Widows are required under UK legislation to verify your identity(ies)." This indicates that these verification measures are imposed on Scottish Widows, and suggests (but does not state) that this is with the authority of the UK government.</p> <p><b>Does "UK legislation" refer to government anti-money laundering (AML) regulations and guidelines? If not, please describe what is meant by "UK legislation".</b></p>
(4)	<p>Scottish Widows' Final Response of 24 August again states that these (verification documents) "are required under UK legislation"; but interestingly adds "we would ask all customers to satisfy these requirements prior to the settlement of these types of pension policies". This indicates that the verification measures are only applied to certain types of pension policies.</p> <p><b>If the purpose of Scottish Widows' verification requirements is to comply with government AML regulations, why are they applied only to certain types of pension policies?</b></p>

(5)	<p>Government AML documents specifically exempt from verification requirements those transactions "carried out as part of an ongoing business relationship" (see Occasional Transactions, Section 7.9).</p> <p><b>Does Scottish Widows agree that when a customer takes a lump sum from an established pension plan (as in the case of ICM), this constitutes a transaction carried out as part of an ongoing business relationship? If not, why not?</b></p>
(6)	<p>In the postal reply to ICM's email of 11 April, his documents were rejected and his application subsequently closed on the grounds that the bank statement used to verify his address was not recent. This was despite the facts that:</p> <ul style="list-style-type: none"> <li>• In his email, ICM gave a detailed explanation of his circumstances that should have made quite plain why he (quite legitimately) could not possibly provide other or more up-to-date verification of his address.</li> <li>• There was compelling evidence of his identity in the form of his bank details. ICM pointed this out not only in his initial fax and during the telephone interview, but also in his email of 11 April and its subsequent follow-up. ICM also supplied a certified bank statement from this account.</li> </ul> <p>Government AML guidelines make plain that in questionable cases, other information should be considered in order to evaluate the risk. It would be hard to find a case with less risk than this one.</p> <p><b>In all these circumstances, how can Scottish Widows justify their summary rejection of his application, and its subsequent termination?</b></p>
(7)	<p>In the very first paragraph of his email of 11 April, ICM made the problems with using post very clear (stating that it takes around 3 months). Nonetheless, Scottish Widows answered this by post; furthermore requiring a reply within 14 days of the date of the letter (which while dated 14 April, was received only on 16 June). This was in the context of email communication, and ICM had every reason to expect a response by the same means. Under any normal circumstances, replying to the email with a few lines of explanation would be far more efficient as well as much faster. Moreover, his follow-up email was also answered by post, even though this can only have confirmed how unworkable post is. Several (impossible to fulfil) "requests for information" were also sent by post, each also requiring a response within 14 days of the date of the letter.</p> <p><b>Why did Scottish Widows use post to answer ICM's email of 11 April and its follow-up of 21 May, and for requests for information, when this means was clearly not viable? And why did they return to the use of email only on the hint of a complaint?</b></p>
	<p><i>From the above two issues, ICM was denied the possibility of remedying the situation in order to obtain payment in two ways:</i></p> <p><i>Firstly (as he explained at length), he had no means of providing the documentation for verification of address that Scottish Widows insisted on.</i></p> <p><i>Secondly, he received the first letter rejecting his documents on the same day as the date of the letter of 16 June terminating his application, with subsequent "requests for information" being received three weeks later. This clearly denied him the possibility of remedy, even if he could satisfy the documentation requirements.</i></p>

(8)	<p>On 26 June, ICM sent Scottish Widows an email asking for their Internal Dispute Resolution Procedure (not realising at the time that this applies only to occupational pension schemes).</p> <p><b>Why did Scottish Widows (implausibly) deny knowledge of this term in a password-protected PDF document of 27 June, rather than provide information on Scottish Widows' complaints procedure?</b></p>
(9)	<p>The letter dated 14 April insinuates that Scottish Widows is "unable to accept documentation that has fall(sic) out of the required timescales", and throughout Scottish Widows emphasises that provision of all these documents is required "under UK legislation".</p> <p><b>So why (after they realised that ICM was about to make a complaint) did his invalid documents become acceptable to Scottish Widows?</b></p> <p><i>This request to post the documents was in another password-protected PDF document dated 30 June, also just after ICM asked about their IDR, and two weeks after Scottish Widows had closed the application in a letter of 16 June.</i></p>
(10)	<p>Whilst interpretation of government AML requirements may vary in detail, those of Scottish Widows are plainly draconian. Even where verification is appropriate, the following are two examples of extra-government demands imposed by Scottish Widows:</p> <ul style="list-style-type: none"> <li>• Government regulations require verification of Name plus EITHER Date of Birth OR Address; whereas Scottish Widows requires verification of all three (and separate verification of age was also given as a requirement).</li> <li>• Government regulations make clear that a single document can give sufficient verification, whereas Scottish Widows requires at least three separate documents (and imposes a birth certificate as evidence of Date of Birth).</li> </ul> <p>See Appendix 5.1: Acceptable evidence of identity (private individuals). There are numerous other questionable specifications combined with unclear and changing documentation of them, but the above two issues alone add a considerable unnecessary burden to the customer.</p> <p><b>How can Scottish Widows justify their statements that these extra specifications are required "under UK legislation"?</b></p> <p><i>Money laundering is a matter for the government. It is for the government to determine what is required and for Scottish Widows to comply with those requirements; Scottish Widows has no business to determine that government AML measures are insufficient. And did Scottish Widows not consider that the government has good reasons for its more limited stipulations, including the fact that more stringent requirements may quite legitimately (as in the case of ICM) be impossible to fulfil?</i></p>

<p>(11)</p>	<p>On 01 August, Scottish Widows offered to accept ICM's certified ID card alone as verification, provided it were emailed by his bank. Whilst his ID card alone would indeed give good proof of both Name and Date of Birth, and thus satisfy government AML regulations (were verification required), it falls well short of the specifications in Scottish Widows' documentation.</p> <p><b>So again, how could an ID card by itself be acceptable now, when previously at least three separate documents were required to prove Name, Address and Date of Birth?</b></p> <p><i>This latest "offer" was in response to ICM's initial complaint, in which he stated that he was investigating government AML regulations, and that he was already of the view that Scottish Widows should NOT have required proof of both Address and Date of Birth (although he had not at that time reached his current view that Scottish Widows' requirements "under UK legislation" are a total sham).</i></p>
<p>(12)</p>	<p>Apart from considerably reduced verification requirements, the email of 01 August also introduces the option of sending a scanned (certified) document (provided it is emailed by his bank with some unclear and incongruous stipulations). Whilst this would indeed also conform to government verification requirements (see Section 11.6), Scottish Widows had up to that time always insisted that certified documents must be posted.</p> <p><b>Why is Scottish Widows able to accept a scan now, but not previously? And why can they not accept his certified ID card from his email account, only from his bank?</b></p> <p><i>Amongst other confusing and inconsistent aspects of their requirements documents, Scottish Widows did not state clearly in their initial details the means by which the verification documents must be sent. At first ICM was led to believe that they could be emailed - only after further perusal did it become apparent that they must all be certified, and that certified documents would not be accepted as scans.</i></p> <p><i>After much deliberation, ICM considered that nonetheless the only sensible way to send the documents was as email attachments. With all the uncertainties surrounding the verification requirements, he was concerned that his documents were likely to be rejected (as indeed they were). Sending them initially by courier would not only have wasted the significant cost of this, but would also tend to invite a postal response. By using email, he had expected that if Scottish Widows would not accept the documents, they would simply reply to the email with an explanation. Had Scottish Widows confirmed that they would accept the documents, but that they must be posted, he would have done so immediately by courier. He did his utmost to comply fully with Scottish Widows' demands in order to obtain payment. He did not in any case expect to have any problems in verifying his identity, since his bank details alone make this clear.</i></p>

## Summary and Narrative of Issues with Scottish Widows

[www.elpobrecorderito.com/PersonalPensionFiasco/Overview.html#narrativeSW](http://www.elpobrecorderito.com/PersonalPensionFiasco/Overview.html#narrativeSW)

### *Conduct of Scottish Widows*

The central issue is that I was denied encashment of two small personal pension policies as, after going to considerable trouble, I was unable to satisfy SW's illegitimate "verification" demands (*specifically, I could not meet their invalid address verification requirements*). These are stated to be "**required under UK legislation**", but this is demonstrably a **false pretence**. I contend that SW's "verification" measures are part of a fraudulent strategy to evade pension encashment (probably arising from the tax concessions in the Pension Freedom legislation of April 2015).

The only legitimate reason SW could have for requiring verification documents "under UK legislation" would be to comply with government anti-money laundering (AML) regulations and guidelines. But government AML documents make clear that verification is not required where there is an ongoing business relationship (which clearly exists between SW as pension provider and myself as a pension holder).

It is also clear that "verification" is required by SW only for certain types of pension policies (both from a statement in their Final Response, and that SW did not require any such documents for a considerably larger encashment of mortgage and investment plans I made about two years earlier, in exactly the same circumstances). But AML is not pension-specific. The fact that SW's demands are applied only to pensions is more evidence that they have nothing to do with AML; and that SW knowingly introduced them as a means of reducing pension encashment.

And my pension encashment was to be made to the same bank account as that to which SW encashed the above investment and mortgage plans. This is an HSBC (Mexico) account in my full name of Ian Clive McInnes (which must be unique in Mexico). There could be no better proof of my identity, and that the payment transaction would not violate AML guidelines.

But even if the government did require AML verification in my case, there would still be numerous instances of maladministration in SW's implementation, on at least three counts:

1. That the requirements are grossly excessive in relation to those specified by the government (for example, in requiring four certified documents when one should suffice, and requiring proof of address in addition to proof of date of birth).
2. That the difficulties in fulfilling these illegitimate requirements are exacerbated by such a poor standard of erroneous, inconsistent, and changing documentation that this must surely also be considered maladministration.
3. That SW did not use the discretion specified by government AML guidelines, and denied payment even with the most definitive proof of identity (as described above).

See the Verification document for a full analysis of SW's demands against AML requirements.

To give SW an opportunity to justify their position, I prepared a list of questions which I sent to SW on two occasions, without response, although they had responded to all my previous emails (see the web page/document Questions for SW).

Apart from the central issue of their "verification" requirements, there are numerous other aspects of cavalier customer treatment by SW that require investigation, including:

- Forcing the customer through a lengthy telephone interview as a requirement for pension encashment (after which their "verification" demands must be met).
- Responding to emails only by post, even after I explained that post between the UK and Mexico is not viable as it takes months; moreover requiring postal responses to be received within 14 days of the date of the their letters.
- In general, forcing the medium on the customer (whilst this is usually post, the use of telephone is required for communications that they want to keep off the record). They only reverted to email in their efforts to fend off my complaint.
- Dishonest and evasive handling of my complaint, and a generally deceitful modus operandi.

## Narrative (Scottish Widows)

### **Background**

My initial reason for encashment of these policies was failure to receive an army pension plus lump sum, due to me on 13 September 2015 (my 60th birthday), and a resultant shortage of funds. For details, see my unfinished [website](#) (I abandoned the case on receiving my pension).

I decided to fully encash two of the three personal pension policies I hold with SW. After I had made the initial application, completely out of the blue I received notification that my lump sum and pension were after all going to be paid. But I nonetheless decided to proceed with the encashment, due to the favourable exchange rate (over 25 MXN / GBP) that existed at that time. I am always aware that even small fluctuations can make a substantial difference, and the current rate was significantly higher than the historical average over the last few years.

### **Note on Post between the UK and Mexico**

It should be noted at the outset that the postal service between the UK and Mexico is very slow and unreliable. Most items have taken over two months to arrive, some well over three months, and at least one crucial item has not arrived at all. Since post is simply not a practical form of communication, I have made all efforts to avoid it, including always pointing out this problem in my correspondence. When it has been necessary to send paper documents to the UK, with the exception of two sent by registered post (one of which appears to have not arrived), I have always used courier. Unfortunately this is very expensive, and provides no solution to receiving documents from the UK. So email should be used if at all possible.

Another issue with the use of post is that I cannot receive mail at my residential address as it is somewhat remote, and the ordinary postal service will not deliver to it (conditions here are not the same as in the UK). I therefore use the address of a trusted friend to receive any mail necessary. This and other issues (such as security and privacy concerns with the possibility of it being mislaid or stolen) are additional reasons why I have endeavoured to avoid the use of post. For these reasons, I long ago arranged to not have paper bank statements, pension statements, and other such documents sent through the post. *These circumstances resulted in my inability to satisfy SW's invalid requirements for verification of Address.*

It follows from the above that I had sought a means of encashment that would avoid the use of post. There is a web page "Take it in cash" that (with surprising alacrity) invites full encashment of a policy, but supports only UK bank accounts. So I sent SW a [fax](#) on [15 March](#) asking for a reply by email (the only practical medium in my case). On [18 March](#) I received their [response](#), which stated that their current encashment procedure is "paperless", and involves a telephone interview. I was somewhat worried about this as, due to a hearing impairment, I have considerable difficulty understanding speech over the telephone. Nonetheless I was gratified to see the word "paperless", and thought it would be preferable to a postal method.

### **Intractable Requirements compounded by Confusing and Erroneous Documentation**

The interview of [05 April](#) took about an hour and a half, most of which comprised questions and "advice" that were clearly aimed at dissuading me from encashment. I found this very stressful; and with the high cost of calling the UK from Mexico, it was also costly. I was told I would have to send documents to verify my identity, and after asking had the clear impression that they could be emailed. During the interview, I received an [email](#) with an attached [PDF document](#) specifying verification requirements, giving an email address to which documents can be sent.

The requirements were confusing and replete with inconsistencies, and it was initially unclear what documents needed to be certified. At first sight, there appeared to be flexible options for sending documents, the email content stating that they could be emailed, posted, or faxed. Later, one sees (only after studying the list of acceptable means of verifying Name and Address in the attached document) that they must all be certified; and later that certified documents must be posted. But there can be no other cases; it should have been spelled out at the top of the email that all documents must be both certified and posted. So why this obfuscation? *My considered answer is that it serves two purposes: 1) to create extra difficulties for the customer; 2) to give the initial appearance of being reasonable and compliant, when the reality is quite the opposite.*

I was very anxious about these very onerous requirements, with one that I was ultimately unable to fulfil completely (verification of the address they hold).

#### **Difficulties in Verification of my Address**

This was the biggest problem of all, and the basis for my documents being rejected. The issues derive from the circumstances described above in **Note on Post between the UK and Mexico**. The fact that the address held by SW is not my residential address precludes its verification through documents such as utility bills. The only option available to me was a Bank Statement; but for the reasons I described, the last bank statement I had is dated 2007. Furthermore, whilst this statement contains the address held by SW, I cannot request from my bank a recent paper statement with this same address. This is since around two years ago on a review of my bank details, I made some changes in favour of my partner, which included changing the account address to that of her house in the city centre. I now use this address for any new contacts as it is somewhat more convenient; however changing address details of existing contacts would be a pointless exercise, as it would merely be to change one mailing address to another. *Note that the government requires verification to be done on **residential** address, but SW never asked for this; their documents throughout specify only plain address. Clearly, I must supply them with an address to which they can send all their paper. So their requirements for evidence of Address are based on the wrong criterion, and this alone invalidates them as verification of identity.*

In these circumstances, I supplied my last bank statement dated April 2007, considering it to be better than providing nothing at all (especially as it is for the account to which payment was to be made). This is the best I can do without resorting to ridiculous measures such as changing the address back again, or bribing bank staff - and I should not be required to go to those lengths just to jump through SW's warped hoops. I thus justify my statements that I am unable to fulfil their verification requirements.

Apart from difficulties with provision of the verification documents themselves, there were significant problems with SW's very specific certification requirements. For one thing, they insist that the words "original seen" appear in the certification; however, English is not an official language in Mexico, and I was consequently unable to fulfil this requirement. And the certified photocopies that I was supplied with may not have fulfilled their requirements that they be "clear and legible" (especially my ID card, which does not give good photocopies).

I was worried that however I sent the documents, they would likely be rejected; but sending by courier (apart from the cost of around £50) would tend to invite a postal response that would not be received for months. With all this uncertainty, on 11 April I sent an email with eight PDF attachments, including both certified photocopies and high-quality scans of the originals (to compensate for the poor certified photocopies). If anything were amiss, it would be easy for SW to reply to the email with a few lines of explanation. If they confirmed that the documents were acceptable but must be posted, I would have done this immediately by courier.

The very first paragraph of content of my email explained the following two points:

- 1) that the only means I had of verifying my address was an old bank statement
- 2) that post was by all means to be avoided (I mentioned that it takes around three months)

The remainder of this email explained in detail my circumstances, and in particular why I could not completely fulfil the address requirement. It also made the important point that the bank account to which the funds were to be transferred (and which was used for verification of my Address) was already held by SW, who had about two years earlier made a much more substantial payment to it on encashment of an investment policy. I would have certainly hoped that this would be more than sufficient to remove any doubts as to my identity.

Having received neither payment nor response by well after the expected time, on 21 May I sent a follow-up email, to which I also received no reply. *It only later transpired that this was because SW's policy is to reply to emails only by ordinary post, claiming that this suits the majority of their customers; furthermore, that they cannot be held responsible for delays caused by a foreign postal service.* My follow-up email reiterated the point that verification should not in any case be an issue, given my bank account details. The account to which the money is to be paid is clearly the most fundamental verification criterion of all. Even given this evidence alone, there could be no reasonable grounds to question my identity.

### **Six Further Postal Requests for Verification Documents with Changed Requirements**

*The very next day after emailing their verification requirements (06 April), SW sent two letters with (badly-paginated) forms requesting documents (one for P56879Q, one for N80803X, both received on 06 July). As they had just emailed this form as a PDF, these paper ones were superfluous, and could only create more difficulties. Apart from it now seeming necessary to deal with the two policy numbers separately, these (and all other) letters/forms require a postal response within 14 days of the date of the letter, not the 30 days stated in the email. Further aggravation is caused by the paper forms being quite different from that emailed only a day earlier; and specifications of the documents that I had supplied for verification of both Name and Address had now changed. For Name, my certified ID card was no longer allowed, being replaced by specifications only applicable to Europe. For Address (amongst other blatant errors), it now declared that "statements printed of(sic) the internet are acceptable".*

*But on 16 June, before receipt of the above shoddy and unwanted forms, I received the same form with a letter dated 14 April rejecting my documents. More letters and forms were sent on 24 May (for P56879Q, received 06 July), 26 May (also for P56879Q, received 10 October), and 01 June (for N80803X, received 06 July). The last of these referred to my follow up, and contained a form quite different to the other paper ones, being similar to (but still different from) the PDF document. And they endorsed the sending of all these forms in their Final Response, in which yet another was to be enclosed "for my convenience".*

### ***Neglectful and Rigid Response compounded by Egregious Use of Post***

In their rejection letter of 14 April (received 16 June) I learned that my documents had indeed been declined, apparently on the grounds of the 2007 bank statement that was the only means I had of verifying my address. There was no clear explanation of what was found lacking, only some innuendo about being "unable to accept any documentation that has fall(sic) out of the required timescales". It seemed that no attention had been paid to my email, beyond the first sentence calling out my inability to completely fulfil the address requirement. I was outraged to be required to supply further documents after having carefully explained why my circumstances precluded this. The disregard shown by SW in their peremptory rejection of my documents stands in sharp contrast to the trouble that I had gone to in providing them.

It was also outrageous that this response was sent by post (the delivery time of over two months being par for the course), given what I stated in the very first paragraph of my email. Moreover, they required a reply within 14 days of the date of the letter! I never would have expected this, when it was only necessary to reply to the email with a few lines of explanation.

*On the same day that I received the above rejection (16 June), they sent a letter terminating my application (received 04 August), as I had not supplied adequate documents, nor responded to their "requests for information". They had totally disregarded my explanations of why I could not satisfy their requirements. And as they closed my application on the very day I received the initial rejection, with the first of these requests being received three weeks later, I would have needed a time machine to prevent this termination, even if I could meet their requirements. Moreover, their statement "we must assume that you do not wish to proceed with this claim" can have no credibility, especially since I sent a follow up, to which they referred in their letter of 01 June. And even if I were in the UK, I would hardly have had their 14 days to respond to this.*

### ***Dishonest and Evasive Handling of my Complaint***

After receiving the rejection letter on 16 June, I was unsure how best to deal with the matter. My attempts to deal with Equiniti Paymaster's refusal to pay my army pension indicated that before TPO would handle my complaint, I would have to complete an onerous internal complaints procedure, no doubt involving stonewalling and the use of post. Not only was this likely to prove insurmountable, but without a direct and provable financial loss there would probably be nothing to gain. But it was also clear that the impending Brexit referendum of 23 June could significantly affect my case, as the resultant devaluation of the pound would substantially reduce the value of my lump sum. I therefore waited to see if there would be such a financial claim.

After Brexit, I decided that I must attempt to complete the dispute resolution processes, in the hope that I might eventually receive compensation for the financial losses that I had incurred. So I sent an email to SW on 26 June, requesting a copy of their Internal Dispute Resolution Procedure (not realising then that this applies only to occupational pension schemes).

On 01 July I received **by email** two password-protected PDF documents with secure reply:

1. (dated 27 June) astonishingly denied any familiarity with the term "Internal Dispute Resolution Procedure" (*and SW also handles occupational pensions*).
2. (dated 30 June) requested me to send the documents by post; it appears that now a complaint was brewing, they had become acceptable. *They stated that they emailed this only after trying several times to telephone me; it was then also posted (received 04 August).*

I then made an online enquiry to TPAS, to which I received a very helpful reply on 06 July.

On 10 July I sent an interim but detailed formal complaint by email, to serve while I developed my website. This explained that I could not satisfy their verification requirements. I told them that I was investigating government anti-money laundering regulations, and had already formed the view that these require only verification of either Address or Date of Birth, not both. I also made clear that due to a hearing impairment, I found it difficult to use the telephone.

On 13 July I received an email response to my complaint, offering only discussion by telephone (*ignoring my hearing difficulties*). They deterred the use of email with risible concerns over my security, and signified that for this reason they were unable to deal with my complaint by email (*despite having been able to email me password-protected PDFs with secure reply on 01 July*).

On 15 July they sent this email again. *The same department also sent a letter containing Complaint Information (which I received on 10 October); this referred me to the **Financial Ombudsman on both pages**, but there was no mention of either TPAS or TPO.*

I rejected the offer of discussion by telephone in an email of 17 July. Apart from my difficulties with this, it would provide no record for TPO to review; anyway, this case is far too serious to be resolved over the telephone. *And it had become apparent that SW chooses this medium in preference to post for communications that they want to keep off the record.* I had by now reached my present view that SW's verification requirements have no valid basis. I gave a link to my website, now complete (as a first draft); this included the current Verification Issues page that explains the reasoning behind my rejection of their requirements.

On 01 August I received an email from another source in SW, offering to accept a scan of my certified ID Card (alone) as proof of identity, provided it were emailed by my bank. There were some other stipulations that appear to have been invented on the spur of the moment. *And my certified ID card was disallowed in their Mk I paper form, and might also be rejected as not "clear and legible"*. This email was said to be in response to my email of 10 July, and dealt with its verification question, in that proof of Address was no longer required. But I had by now totally rejected their verification requirements on my website (perhaps they did not look at this).

Lacking credibility and not addressing the serious issues I raised, the above email did not seem to require a reply, and I did not see fit to respond to it. *But they sent a follow-up letter dated 22 August (which I received on 15 September); this introduced yet more changes in requirements.*

#### **Note on the "Concessions" of 30 June and 01 August**

Whilst these might have enabled encashment of my pension plans, I did not take up either of these "offers" for the following reasons:

1. Following Brexit my lump sum now has a value of the equivalent of several thousand pounds less than it did at the time that payment should have been made. In all these circumstances, I think it would be grossly unjust if it were I who had to bear these losses.
2. I could no longer trust the statements of SW, and was therefore no longer willing to comply with their changing and invalid requirements. These "concessions" were not consistent with SW's insistence that all these verification documents are "*required under UK legislation*". And after investigation, their deceit became plain, and I could no longer accept that SW should have required any verification documents whatever.
3. I am incensed by the injustices and shabby treatment revealed by this case. I hope that by exposing this matter, I can prevent other pensioners from being victims of SW. Their draconian policies and cavalier disregard for my circumstances have caused me considerable trouble and stress, and I am sure that I am not alone. To accept their reduced demands in order to get funds for the moment would be morally wrong, and undermine my fight for justice.

On 04 August I received the letters of 16 and 30 June, closing and unclosing my application.

On 15 September I received both the email follow up of 22 August, and the Final Response.

### ***Intransigent Final Response and My Conclusion***

SW's Final Response is dated 24 August, and arrived less slowly than any other post over this period, so fortunately I did not have to wait for long before approaching TPO.

It reaffirms their obdurate stance before the complaint, and evades the main issue. This is that SW rejected and then closed my application as I could not fulfil their verification requirements, even though from the beginning they had clear proof of my identity. It ignores their "concessions", only reasserts the original requirements with yet another form (*although no form was actually enclosed*). These, it states, must be satisfied "*prior to the settlement of these types of pension policies*", and again "*are required under UK legislation*". These statements pretty much acknowledge that their requirements are an end in themselves, not a means of verifying identity. And once again I am illegitimately denied encashment of my pension plans.

Instead of referring me to TPAS and TPO, I am again referred to the Financial Ombudsman, which I understand is appropriate only for complaints relating to the sales and marketing of pensions. And again, the only medium offered for any follow up is telephone.

They acknowledge that I am unhappy with their requirements documentation, seemingly confident that they cannot be called to account for this, no matter how much trouble it causes the customer. But the emphasis is on the delays, which they assert are due entirely to the Mexican postal service (and of course have nothing to do with their forcing the use of it). A paragraph is devoted to stating that they had always responded in a timely manner (this is perhaps the only positive thing that could possibly be said of their conduct, and was not one of my complaints).

They also complain that I had sent them documents via email, whilst they are insisting that I send them by post. This is immaterial; had I sent them by courier, the outcome would have been just the same, except that the documents would have arrived a few days later, and I would have wasted a significant sum of money in sending them. I have already explained why I sent them by email, and this vindicates my decision. Anyway, they had no good reason to require these verification documents; but even if they were appropriate, scans should have been acceptable.

I find particularly extraordinary the following justifications for their postal responses:

- "*Scottish Widows is a UK based company and our processes are set to suit the majority of our customers*"
- "*We cannot be held responsible for any mail you have not received in a timely manner due to the Mexican postal service*"

I would certainly agree that their "*processes are set*". But I can hardly believe that the majority of their customers in the UK use only post, or would want only postal responses to their emails. And SW should consider that it has a responsibility not only to those using pen and paper in the UK, but also to others who have invested with them, including those who are living overseas. Far from being an imposition, the use of efficient communications media should save SW money; and the vast reduction in paper consumption and transport usage would certainly help to save the environment. I cannot imagine ever seeing these antiquated and Fawltyesque attitudes here in Mexico.

SW's unreasonableness in their use of post is evinced by the fact that they require postal replies within 14 days of the date of their letters (and their letter of 16 June closing my application indicates that this period includes post both ways). As they send by ordinary post, this would make compliance impossible for many others living overseas (especially considering also the difficulties in fulfilling their "verification" demands). ***My TPO application took 5 days to reach the UK by the fastest means available (DHL Express Letter), at a cost of around £50.*** However, SW **will** use email when it suits **them**, as exemplified in their resuming its use in their attempts to firstly nip a complaint in the bud, and subsequently to firefight it.

But despite the serious failings of SW's communication (both in its fixed and inappropriate medium, and in the considerable deficiencies of its content), I must emphasise that the main issue is that of their "verification" demands. These are applied inflexibly as an end in themselves; as a result, they illegitimately refused to encash my pension. It is patently wrong to reject an application on verification grounds when there is clear proof of identity. That SW did this indicates that their demands have nothing to do with legitimate verification of identity, and that their claims that they are "*required under UK legislation*" are grossly deceitful.

It appears that SW's "verification" measures are applied only to pensions: firstly, they were not required for my much more substantial encashment of investment and mortgage plans; secondly, SW indicated this themselves in their Final Response (referring to "*these types of pension policies*"). But government anti-money laundering regulations are not pension-specific. And they appear to have designed their requirements to cause the customer as much difficulty as possible, without being manifestly impossible to fulfil. But my circumstances make their address verification requirements both unachievable (without devious subterfuge) and invalid. Yet SW will not accept this, still insisting that I satisfy them.

As these "verification" demands can have no legitimate basis in government AML regulations, I can only interpret them as a strategy to make it difficult for pension holders to take advantage of the 25% tax concession provided by the government's Pension Freedom of April 2015. Perhaps being "*required under UK legislation*" is an oblique reference to this? Given SW's deceitful implication that it is the UK government that requires these measures, and the fact that SW gains financially each time it evades pension encashment, I think that this is a clear case of fraud that demands a criminal prosecution.

### ***Stop Press***

On 29 September I sent SW an email notifying them that the matter is now in the hands of TPO. I attached a list of Questions to give them an opportunity to clear up my serious concerns, especially over their verification demands. Hopefully, the involvement of TPO would give SW some incentive to respond if they have any answers to these questions. The lack of a satisfactory response could only confirm the illegitimacy of their policies.

On 10 November I recorded three voicemail messages from five telephone calls that were made by SW on 08/09 November. These could only be about my complaint, and asked me to call them back. But I did not do so, having already explained why I will not discuss this complaint over the telephone. However, after a suggestion by TPO on 23 November, I sent them an email in response to these telephone calls, requesting that their reply also be by email. I also reminded them of the unanswered list of questions. Yet the most recent written communication I have received from SW remains their Final Response of 24 August.

## A Case of Fraud by Scottish Widows?

[www.elpobrecorderito.com/PersonalPensionFiasco/Epilogue.html#fraud-case](http://www.elpobrecorderito.com/PersonalPensionFiasco/Epilogue.html#fraud-case)

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

[www.elpobrecorderito.com/PersonalPensionFiasco/Epilogue.html#fraud-equation](http://www.elpobrecorderito.com/PersonalPensionFiasco/Epilogue.html#fraud-equation)

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 01 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 08/09 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 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 the Financial Ombudsman 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 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 an unlawful (and probably criminal and corrupt) "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 have been facing for several months are taking hold, and the prospects of achieving a just outcome are becoming ever bleaker.