

# Scottish Widows Complaint: PO-14071

*Involving fraudulent evasion of pension encashment by SW,  
and its brazen cover up by The Pensions Ombudsman*

Complainant: Ian Clive McInnes  
Email: [ian.mcinnnes@yahoo.com.mx](mailto:ian.mcinnnes@yahoo.com.mx)  
Website: <https://www.elpobrecorderito.com/PersonalPensionFiasco/>

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

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

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

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

## Document Details

Date Sent / Received	24 July 2016
Sender / Recipient / Medium	Ian Clive McInnes / TPAS (Denis O'Brien) / <a href="#">Email</a>
Description	<p>Enquiry as to the form in which they wanted the correspondence relating to my case, and also on my case - especially over my findings on the key issue of verification (by now I was clear that their demands were totally invalid). There was an automatic <a href="#">out-of-office</a> notification.</p> <p>I stated that I had scrutinised the government documents to which they had provided links to, and that these made clear that no verification at all was required by a pension holder (who has an ongoing business relationship with the pension provider as a face-to-face customer). Moreover, even if verification were required, SW's requirements are grossly excessive in relation to those of the government. I also explained something of SW's manipulations to prevent the matter from being brought to justice.</p> <p><i>It seems that this created some difficulties for TPAS, as I did not receive a response until 19 August - and that was to tell me that my case was to be allocated to another advisor, which may be in another few weeks time...</i></p>
Website Links to More Info	<a href="#">Event Summary</a> / <a href="#">Verification</a>

## Re: 163274 - Ian McInnes CRM:00042381

Gente

- [Ian McInnes <ian.mcinnnes@yahoo.com.mx>](mailto:ian.mcinnnes@yahoo.com.mx)
- 
- jul 24 a las 3:04 P.M.

Para

- [Denis O'Brien](#)

### Texto del mensaje

Dear Denis,

Thank you for your reply. I am in need of guidance; firstly in the area of what communications are required, and secondly relating to my case.

I note that you require documents of the correspondence, but in what form do you require them to be sent? I hope that electronic ones in the form of PDF documents would be acceptable. I must state here that the postal service between the UK and Mexico is extremely slow (nearly always over two months), and of questionable reliability; thus communication by post is hardly practical. The only sensible way for me to send paper would be by courier, but this is very expensive.

I am also not sure exactly which documents you would require. I have added a page to my website giving a list of documents:

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

This makes it easy to identify and select the relevant documents for download. These are all in PDF format, and are listed in the following categories:

1. General (Background & Summary, Verification Issues, Chronology, Document List)
2. Correspondence (all relevant correspondence, complete and unedited)
3. Verification documents as I submitted to Scottish Widows

If for some reason you cannot download from the website, but could accept them as email attachments, please let me know. If they must be printed and sent by post, I really would like some idea as to whether this is likely to be worthwhile.

I assume that written communication (or "in writing") includes email and other forms of communication that leave a record - please let me know if this is not so. As I noted in my previous email, I have made a complaint to Scottish Widows by email, and received (by email) an offer only of discussion by telephone. After I rejected this, I have heard nothing further from Scottish Widows.

My case is based on the invalid rejection by Scottish Widows of my application to take a lump sum from my personal pension. The rejection was on the grounds that I (quite legitimately) could not completely fulfil Scottish Widows' verification requirements. These requirements bear little relationship to the verification requirements of the government in anti-money laundering measures, and it seems clear that no Customer Due Diligence whatever was appropriate in my case.

On 1st July, I received an email indicating that my documents are now acceptable. But this was only after they got wind of the fact that I was in the process of making a complaint (you may remember that they denied any familiarity with the term "Internal Dispute Resolution Procedure"). I have not followed up on this. To proceed with the encashment now would involve a substantial financial loss, due to the very weak pound; I chose to encash them back in April because the exchange rate was at that time very favourable.

Given the amount of trouble I have been put to in trying to fulfil their illegitimate requirements, and the lack of any consideration on their part, it would be grossly unfair if I had to bear these losses.

After reading the documents to which you kindly supplied links, there seems to be little doubt that Scottish Widows had no business to require me to verify my identity at all (as a face-to-face customer taking the lump sum as part of an ongoing business relationship). This is underlined by the fact that about two years previously, I encashed an investment plan with Scottish Widows under just the same circumstances (and with payment to the same bank account to which payment of the lump sum is to be made). Although this amount was many times larger than the lump sum, no verification was required; I simply sent a signed letter by courier. As I result, it initially seemed that the "government legislation" quoted by Scottish Widows to justify the verification requirements must be specific to pensions. It was only your previous email that made me realise that it refers to general money laundering regulations.

Even if verification were appropriate, it is clear that Scottish Widows implementation of it does not conform to government requirements and guidelines. For example, government documents make clear that Verification is required on Name, plus EITHER Address OR Date of Birth. However, Scottish Widows requires verification of both. It was my inability to provide up-to-date proof of the address they hold that proved the stumbling block (for reasons that I took great trouble to explain). My application was summarily rejected on this basis (even though I made clear that what I provided was the best I could do). Had Scottish Widows' requirements been consistent with government documents, I could easily have fully complied with them.

Scottish Widows also failed to use common sense and discretion in rejecting my application, as should be done in doubtful cases. Especially significant is the bank account to which the payment was to be made; this is in my name, and had already been used by Scottish Widows to transfer a much larger amount. Further, I supplied a certified bank statement from this account confirming clearly my name, address and all bank details. There could be no good reason for rejecting my application on the legitimate basis of complying with government anti money laundering regulations. Scottish Widows rejected it instead on the narrow and illegitimate grounds that I could not completely fulfil their (invalid) requirements.

I would hope that this would fall within your remit; I would certainly say that it amounts to maladministration by Scottish Widows. I guess that I will have to refer this to the Pensions Ombudsman, but any information you can give me to make a proper case would be very welcome.

Kind Regards,  
Ian McInnes.

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**De:** Denis O'Brien <Denis.O'Brien@PensionsAdvisoryService.org.uk>  
**Para:** 'Ian McInnes' <ian.mcinnnes@yahoo.com.mx>  
**Enviado:** Lunes, 18 de julio, 2016 3:49:45  
**Asunto:** RE: 163274 - Ian McInnes CRM:00042381

Dear Ian,

Our service is geared up to dealing with correspondence as per my last email rather than websites as you have submitted. So if you have tried to resolve the issue in writing without success and it is something that comes under our remit (i.e. administration / maladministration of pension schemes as opposed to evidence of identity issues) then please send us a summary of your concerns with copies of all items of relevant correspondence and documentation an we'll review this to see if we can help; remember, we need actual copies of the correspondence rather than summaries, excerpts or transcripts.

Kind regards,

Denis O'Brien Dip PFS  
**Technical Specialist – Information & Guidance Team**

**From:** Ian McInnes [mailto:ian.mcinnnes@yahoo.com.mx]  
**Sent:** 17 July 2016 23:39  
**To:** Denis O'Brien  
**Subject:** Re: 163274 - Ian McInnes CRM:00042381

Dear Denis,

I am grateful for your very helpful response to my request. I have now made an (interim) complaint by email to Scottish Widows. I received a response in which they offer only communication by telephone. This is not acceptable as, apart from the fact that I have a hearing impairment making this difficult, I would have no record to present to the Pensions Ombudsman.

I am preparing a website to document my case:

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

I have also sent this link to Scottish Widows.

I would be very grateful if you could review this and advise me as appropriate. Of particular relevance here is the item for 13 July (currently the last entry) in the page "Chronology and Documents". I believe that the issues here amount to serious shortcomings in Scottish Widows' handling of verification procedures, that will affect many people.

Kind Regards,  
Ian McInnes.

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**De:** Denis O'Brien <Denis.O'Brien@PensionsAdvisoryService.org.uk>  
**Para:** "ian.mcinnnes@yahoo.com.mx" <[ian.mcinnnes@yahoo.com.mx](mailto:ian.mcinnnes@yahoo.com.mx)>  
**Enviado:** Miércoles, 6 de julio, 2016 5:45:46  
**Asunto:** 163274 - Ian McInnes CRM:00042381

Dear Ian,

Thank you for the following emailed enquiry:

*I am resident in Mexico, and have attempted to encash two Personal Pension plans of Scottish Widows. Essentially, I am quite legitimately unable to meet the requirements of proof of name and address that they state the government requires for this encashment, and thus obtain payment.*

*It is my understanding that in order to obtain a ruling by the Pensions Ombudsman, I must first have completed the Scheme's Internal Dispute Resolution Procedure. Having searched on the internet and found no reference to an IDRP for Scottish Widows, I emailed them asking that they send me this; to which I received this stunning response (copied and pasted from the password-protected PDF they sent):*

*"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."*

*I can only interpret this as a refusal to supply me with this document, and thus deny me any means of pursuing my case.*

*I would therefore be grateful if you would resolve the following issues:*

*1. How I can obtain the IDR for Scottish Widows, or otherwise how I can pursue my case if such cannot be obtained*

*2. What verification of Name and Address is required by the government in order to take a lump sum from a Personal Pension Scheme*

To start with, it may help if I clarify our role which is to try to help individual members of the public who require general information about pensions, or are concerned about their entitlement under an occupational, personal pension or stakeholder pension scheme. In helping members of pension schemes our aim is to ensure that they receive their correct benefits from the trustees/scheme authorities and understand their rights but we do not give legal advice.

Furthermore, when there is evidence of maladministration which has created financial loss for an individual and the individual has done what they can to resolve the matter in writing, we will consider mediating with the parties involved on behalf of the individual to seek satisfactory resolution. We have no statutory powers but use our skill and experience to mediate with the parties concerned to try and reach a successful outcome to ensure the individual has not suffered a financial loss.

In the following link you will find a leaflet outlining our role "Who we are" as well as our leaflet "Avoiding and resolving disputes" for your information and assistance:

<http://www.pensionsadvisoryservice.org.uk/publications/category/leaflets-and-guides>.

From these you will note that when a problem arises with a pension scheme, the first thing to do is to raise this in writing with the people responsible asking that they support their feedback with copies of appropriate documentation / legislation. This will give the parties involved an opportunity to either correct an error if one has taken place or justify their actions.

Once you have received a response or if you have already written and received a response or if an acceptable response has not been forthcoming within a reasonable period of time, if you remain dissatisfied and believe the treatment is unfair, you can then write to us with a summary of your concerns, supplying copies of **all** items of relevant correspondence and documentation, whereupon we will review the position to see if we can help. Please note, we will need actual copies of the correspondence rather than summaries, excerpts or transcripts.

In the meantime I can explain that Internal Disputes Resolution Procedures (IDRP) are features of occupational pension schemes. Personal pension plans are not occupational pension schemes and they do not have IDR. In other words, to escalate an unsuccessful complaint to the Pensions Ombudsman Service for a personal pension plan you can do this once you have exhausted your written efforts to have resolved this - there is no IDR to complete first. There is also no obligation to avail yourself of our services although the POS will often suggest that you do.

As to evidence of identity, this is not a pensions specific matter; it is a requirement for all financial organisations. Consequently, it is beyond our area of expertise but I have managed to find the following links to Government information on this topic which may help you:

[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) and <https://www.gov.uk/guidance/money-laundering-regulations-your-responsibilities>. As mentioned, we are not expert with this matter so it may be more appropriate for you to refer to the Information Commissioner (IC) about this. I am attaching a link to the IC's website for your assistance: <http://www.ico.gov.uk/>.

I hope this has helped.

*As money related decisions can be those that affect our life the most you may be interested in a new free service we have been given access to that will help you know when and where to trust your own 'money' judgement in future. Bambooning is an easy online test. It takes about ten minutes and provides you with a free report that will give you an insight into your 'financial personality' and how that might, or might not, sometimes serve you!*

Click the following link to get started: [How are you Bambooning?](#)

Kind regards,

**Denis O'Brien Dip PFS**

**Technical Specialist - Information & Guidance Team**

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Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

Give us feedback: [www.pensionsadvisoryservice.org.uk/about-us/feedback-on-our-service](http://www.pensionsadvisoryservice.org.uk/about-us/feedback-on-our-service)

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