

The complaint

Mrs G complains about the service provided by Cofunds Limited (trading as Aegon) during the process of arranging the re-registration of her Stocks and Shares Individual Savings Account ('ISA') and General Investment Account ('GIA') with a new provider (whom I'll call 'W'). She says Aegon was responsible for delays during the transfer to W which caused her financial loss as well as a great deal of anxiety and frustration.

To put things right, Mrs G wants more financial compensation than Aegon has paid her.

What happened

The background circumstances are not in dispute so I've set out below just a brief summary showing the timeline of key events.

ISA re-registration:

- 12 May 2022 - Aegon received a transfer request, which it had to reject as the name on the request didn't match the name on its records
- 17 May 2022 – Aegon received name evidence and after further emails, received acceptance from W on 25 May 2022
- Aegon delayed initiating the re-registration until W chased this up in late June
- 28 June 2022 – Aegon actioned the matter and re-registration was submitted
- 30 June 2022 - the final fund couldn't be re-registered electronically, so Aegon sent a paper Stock Transfer Form for the fund manager to manually process the re-registration
- 4 July 2022 - all except one fund had been re-registered
- 13 July 2022 – transfer completed

GIA re-registration:

- 14 June 2022 – Aegon received a request for the GIA. As the form was evidently incorrectly dated, it said it couldn't accept it
- 27 June 2022 – Aegon received a properly completed form and so should have been able to start the process promptly at this point
- 15 July 2022 - Aegon provided a valuation of the GIA which it uploaded to an automated account transfer and asset re-registration electronic system but further delay followed when Aegon had to re-send the valuation as W didn't use the same system
- 21 July 2022 – when Aegon re-sent the valuation, W confirmed acceptance of the funds
- 28 July 2022 - re-registration of funds was completed (bar one outstanding fund) but the remaining cash wasn't sent until 11-15 August 2022
- 8 September 2022 - the outstanding fund was re-registered completing the transfer.

Aegon admitted it had caused delays on both the ISA and GIA and upheld Mrs G's complaint, paying her total compensation of £961.91. This was made up as follows:

- £750 for the delay and its poor complaint handling,
- £202.59 charges refunded
- £9.32 interest.

Mrs G didn't feel this was enough to resolve things and she brought her complaint to us. One of our investigators looked into what happened. He thought that Aegon had broadly done enough to put things right, although he said if there was evidence of investment loss also as a result of Aegon having delayed the sale of the fund that had to be sold, then Aegon should refund this also.

Mrs G feels that Aegon should pay more compensation. She doesn't feel that the following issues have been adequately addressed:

- the main outstanding matter is the impact on her of the poor performance by Aegon. She felt the electronic transfer of her portfolio content to a new stockbroker should have been completed in a couple of weeks.
- Mrs G had to repeatedly contact Aegon via phone, email and letter to get the transfer done.
- When Aegon received the transfer forms, Mrs G was no longer able to see what was happening with her portfolio as she couldn't access information in her online account. She said this meant she was unable to make any informed decisions to mitigate loss and instruct stockbrokers to take appropriate action. She believes that '*...Aegon is completely at fault for the losses incurred during the period that they took to complete the transfer...*'
- she also said there were numerous other issues - Aegon refusing to transfer cash, issuing wrong forms, not responding to complaints, not following appropriate complaint procedures, not responding to emails or phone calls, not keeping to timescales, not clarifying matters with Mrs G and taking unilateral action on the account without speaking her – Mrs G says: '*...the list could go on...*'

As an agreement couldn't be reached the matter has been passed to me for a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'd like to reassure Mrs G that I've looked at the complaint afresh. Having thought about everything I've seen and been told, I've independently reached broadly the same conclusions as our investigator. I'll explain my reasons.

The background facts are not in dispute and Aegon has upheld Mrs G's complaint so I don't need to say more about what happened. I agree that Mrs G was entitled to expect a better level of service from Aegon than she experienced. In my decision, I will concentrate on the question of fair redress, which is the main concern now and the reason Mrs G has requested an ombudsman referral.

As I understand things, the crux of Mrs G's complaint is that, had she been able to access her online account in the usual way, she would have been able to see exactly what was happening with her portfolio and make investment decisions accordingly to mitigate the loss of value in her portfolio.

Mrs G told us she accepts that Aegon cannot be responsible for what happened to the value of her portfolio between January and up to the beginning of May 2022 but says her complaint is about Aegon's '*...lack of fiscal management, process management and complaint handling during the months of May to August*' which led directly to her portfolio losing value.

All parties agree there was avoidable delay on the part of Aegon. And it's completely understandable that the length of time taken for these transfers to complete was a source of frustration and anxiety for Mrs G. It's fair that the compensation she receives properly reflects the impact on her of Aegon's service failings on this occasion.

So I have first considered if there was any financial impact.

Aegon wasn't responsible for advising Mrs G on her holdings – it was up to Mrs G to make investment choices and decisions.

I appreciate that one of Mrs G's key concerns is that she couldn't access her account to see what was happening to her holdings – aggravated by the fact that the matter was taking so long to complete and she was unable to find out information from Aegon. But as she had already instructed the transfer of her entire holdings with Aegon, I don't think it was unreasonable that access to the account was restricted from that point on, given that any change in the portfolio would've affected the transfer process – effectively the transfer would have stalled until new valuations were obtained and accepted.

Mrs G had given instructions for the transfer to be made '*in specie*' – in other words, Mrs G's existing holdings were to be transferred to W (as opposed to being sold and the cash transferred). So she remained invested throughout and was (and would continue to be for as long as she was invested) subject to market movement.

If Mrs G had decided instead that she wanted to sell some of her holdings rather than transferring in specie, then it would've been open to her to contact Aegon with her new instructions. Mrs G hasn't provided me with any evidence that she did this. Aegon has confirmed that if she'd done this, it would have looked at carrying out a cash transfer for her. So I can't fairly say that restricted access to her account was a barrier to Mrs G changing her instructions to Aegon – and Mrs G could have accessed market and pricing information to help inform any investment decisions without needing to get into her account.

I've thought carefully about the delayed sale of the holding that had to be sold to cash in order to enable the re-registration of the remaining funds to W. Aegon has since provided information showing that the unit price had gone up by the date of sale, compared to the date the fund should've been sold had Aegon dealt more promptly with this. So I find that the delayed sale did not result in any financial loss to Mrs G. I hope it's some consolation to Mrs G to know that on this occasion, she didn't lose out in money terms as a result of Aegon's delay.

I think Mrs G's understanding that the matter should take just a couple of weeks was over optimistic. Nonetheless, I can see how Aegon's handling of matters would've caused Mrs G distress and inconvenience as the whole process took longer than she was reasonably entitled to expect. And it's clear to me that Aegon didn't communicate effectively with Mrs G, so adding to her anxiety about the delay – especially bearing in mind the substantial amount of money involved. I'm aware that part of Mrs G's complaint concerns the way Aegon managed its complaint process and all this resulted in Mrs G escalating her concerns to the most senior person she could identify at Aegon, its CEO, which is a clear measure of her worry and frustration about the matter generally.

The industry regulator, the Financial Conduct Authority (FCA), says our service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity. We can however consider the customer service Mrs G received and I have kept this in mind when thinking about what Aegon needs to do to fairly compensate Mrs G.

Thinking about everything, I find the payments Aegon has made are fair compensation overall for its delay and poor performance issues. Aegon has paid an amount that is in line with the level of award I consider fair to reflect the extent and impact on Mrs G of the service failings on Aegon's part. As I haven't identified any financial loss, I don't think it would be fair to ask Aegon to make any additional payment here.

If I have not referred to everything mentioned during the course of this complaint, that's because I've concentrated on what seems to me to be the core issue I needed to address – essentially the question of fair redress. If Mrs G feels she has further cause for complaint (that goes beyond the scope of the complaint she brought to us), then she should first tell Aegon what her concerns are, so it has an opportunity to respond. If she still feels unhappy after that, she may be able to bring a new complaint to this service. I can't award redress for any complaint where the financial business hasn't first been given a chance to put things right.

I'm sorry to disappoint Mrs G. But as I'm satisfied Aegon has dealt with her complaint fairly I'm not telling it to take any further action.

The approach I've taken reflects the fact that we provide an informal complaints handling service as a free alternative to the courts. I hope that setting things out as I've done is helpful and even though this isn't the outcome Mrs G hoped for, she will feel that her complaint has been fully considered by the Financial Ombudsman Service.

My final decision

I don't uphold Mrs G's complaint and I do not require Cofunds Limited (trading as Aegon) to take any further action in relation to the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 4 August 2023.

Susan Webb
Ombudsman