

The complaint

Ms B complained about the service provided by Aegon Investment Solutions Ltd. She said Aegon didn't carry out a transfer to a third party in a timely manner. She said because of this she has incurred investment losses.

What happened

In January 2022, Ms B put in an instruction to Aegon to sell her investments and then transfer over the cash from her individual savings account (ISA) and general investment account (GIA). Aegon received this instruction on 10 January 2022. It sold all the investments and transferred the cash within the ISA to the third party on 26 January 2022.

Aegon said an error was noticed on 28 January 2022 with Ms B's GIA. It said trading in one of the holdings had been suspended and so it couldn't sell it. It said it made contact on 31 January 2022 about the closed fund, with a valuation sent on 7 February 2022. Then on 17 February 2022 it was accepted by Ms B and agreed that this closed fund be re-registered with the third party. Aegon then disinvested the remaining holdings on 25 February 2022 and made payment for these on 7 March 2023. On 23 March 2023, the remaining closed fund was reregistered with the third party.

Ms B said Aegon delayed selling the holdings within the GIA account. She said it should have done this sooner than it did. She said it failed to carry out her instructions in a timely manner. She complained to Aegon about this and said it had caused her investment losses.

I issued a provisional decision on this complaint in June 2023. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

"I currently uphold Ms B's complaint. These are my findings that explain why:

- Ms B put in an instruction to Aegon on 7 January 2022 for it to sell all the holdings in her ISA and GIA, and then transfer the cash to a third party. Aegon says it received this instruction on 10 January 2022.
- Aegon went about carrying out Ms B's instruction for her ISA and managed to complete the transfer on 26 January 2022.
- Aegon says it was responsible for a delay in arranging the transfer of funds from Ms B's GIA. It says it should have sent over a valuation and started its process a lot sooner than it did.

- Aegon says Ms B held a suspended fund within her GIA and it couldn't sell the holding. It agreed with the third party to re-register the holding and transfer it that way. Aegon said its process when dealing with re-registering holdings would be to deal with that first, then after it had successfully done this, it would sell the remaining holdings and then transfer the cash.
- Aegon says it didn't follow its own process on this occasion, because it had caused a delay so instead it sold the holdings first and transferred the money. It did this on 7 March 2022. It then completed its re-registration of the closed fund on 23 March 2022.
- Aegon received an instruction to sell all of Ms B's holdings in her ISA and GIA at the same time. It transferred the cash from disinvestment of her ISA holdings on 26 January 2022. So, it stands to reason that it was practicable for it to be able to do the same with Ms B's GIA holdings too, taking aside the re-registration of the closed fund.
- I am minded to conclude, putting aside the re-registered holding, Aegon could have disinvested and transferred over the cash from Ms B's GIA at the same time it did her ISA. It would have then been left with just one holding to re-register, something that I acknowledge may have taken longer.
- Aegon has said its process is to deal with the re-registration first. I have looked at Aegon's terms and conditions relating to the GIA, and I can't see anywhere that it states that it will prioritise pre-registering holdings first and then will go on to sell any remaining holdings. Aegon also hasn't been able to explain why it would need to do things in this order either.
- Aegon has admitted it caused a delay regarding the transfer of funds from Ms B's GIA account to a third party. I agree that it has. But I also think it could have done this transfer sooner than it did, at the same time as it transferred over Ms B's ISA funds, with the exception being the re-registering of one holding. So, because I have concluded this, Aegon needs to put things right.
- Ms B says she hasn't received a final statement showing each holding, the book price, sale price and proceeds. Aegon has shown a statement it sent shortly after it disinvested the holdings in the GIA. I can see it has provided some detail within this statement and so can see that it has provided a statement here. Ms B would need to contact Aegon and ask for this statement again if she hasn't received it.
- Ms B has also queried why Aegon still holds a combined balance of around £428 on the ISA and GIA accounts. Aegon has provided a screenshot that shows the balance on both of her accounts is zero. So, I am satisfied that there is no money in her accounts. If Ms B still believes that this is not the case, she would need to provide some evidence and supply this to our service that shows otherwise.
- Aegon gave Ms B £200 worth of vouchers because it said it should've dealt with her complaint sooner than it did. I think this is fair and reasonable in the circumstances.

Looked at overall, I think Aegon could have disinvested the majority of holdings in Ms B's GIA and transferred the cash at the same time as it did for Ms B's ISA holdings on 26 January 2022. It could have dealt with the re-registration separately.

In conclusion, I am currently minded to uphold Ms B's complaint and Aegon needs to now look to put things right."

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision. Aegon responded on 24 July 2023 and said it would again like to reiterate that its process is to transfer all funds through re-registering first and then send cash.

Ms B's representative responded on 7 July 2023 and said:

- The screenshot that Aegon supplied showing a zero balance, was only because it sent the final transfer seven days before my provisional decision.
- Two payments were made in March 2023 and the final one in 2023. It has been a long ordeal to get the payments transferred.
- They hope I will consider several recommendations to resolve the complaint. These included compensation for any loss with interest, reimbursement of charges, an ex-gratia lump sum payment and a penalty fine.

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 have looked again at the circumstances surrounding the transfer and considered the comments made by both parties.

Aegon has reiterated its process again in response to my provisional decision. I understand what it is saying and that, in a standard transfer its process currently is to deal with re-registrations and then transfer cash. But as I said in my provisional decision, its process is not explained within the terms and conditions of its product. I looked at the terms relating to the GIA, and I can't see anywhere that it states that it will prioritise pre-registering holdings first and then will go on to sell any remaining holdings. Aegon again hasn't been able to explain why it would need to do things in this order either. So, although I acknowledge its comments, it hasn't been able to provide any further explanation here about why it does things that way round.

I acknowledge the points that Ms B has made also, through her representative, and I do think she makes some valid observations about her experiences she's had with Aegon, the transfer and then subsequent transfer of payments.

I've read through the list of recommendations Ms B has suggested to resolve the complaint and can see that what I have already suggested in my 'putting things right' section of the provisional decision, covers one of these. I have suggested that Ms B is compensated for any loss of funds with interest. I can see that Ms B also has received vouchers from Aegon for the distress and inconvenience caused and I concluded this

was fair and reasonable. I still think that. I also don't think Aegon has levied any unfair charges that I can see.

Finally, I cannot recommend Aegon pays a fine, as I am not the regulator, the Financial Conduct Authority is. I can only consider the merits of Ms B's complaint and decide on the balance of probabilities whether Aegon is responsible for any failings here and if so, what it needs to do to put things right.

In conclusion, I think Aegon could have disinvested most holdings in Ms B's GIA and transferred the cash at the same time as it did for Ms B's ISA holdings on 26 January 2022. It could have dealt with the re-registration of one holding separately.

So, it follows that I uphold Ms B's complaint and Aegon needs to now put things right.

Putting things right

Aegon needs to put Ms B back into a position she would've been in but for the delay that I have concluded it is responsible for. To do this Aegon should:

- Obtain the value that Ms B would have held from her GIA account had Aegon disinvested all holdings it could have sold on 26 January 2022 (A). This relates to all holdings except for the one suspended investment that needed to be re-registered. Compare this to the amount that was eventually disinvested on 25 February 2022 (B).
- If A is greater than B, pay that difference to Ms B. If B is greater than A, there is no loss.
- To any loss identified when comparing A to B, add 8% simple interest a year (less tax if properly deductible) on the amount Ms B lost calculated above, from the date she should have received the money to the date of settlement.

My final decision

My final decision is that I uphold Ms B's complaint about Aegon Investment Solutions Ltd. I direct Aegon Investment Solutions Ltd to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 29 August 2023.

Mark Richardson
Ombudsman