

## The complaint

Mr F complained that Scottish Equitable Plc trading as Aegon (Aegon) transferred both of his pension plans to a new provider, when he had only asked for one to be transferred. This resulted in a loss of guaranteed benefits on the policy he did not wish to transfer. He would like to be compensated for this loss of benefits.

Mr F is being assisted in this complaint by his independent Financial Adviser (IFA). For simplicity, I shall refer to all correspondence as if it were directly with Mr F.

## What happened

I issued my Provisional decision in November 2023, the relevant parts of which are reproduced below and forms part of my decision:

*On 1 November 2022, Mr F called Aegon to ask if it was possible for him to transfer his drawdown pension benefits from Aegon to another provider, while keeping his secure retirement income (SRI) benefits with it. During the call he was incorrectly advised that this would be possible, and this information was confirmed in an email to him two days later.*

*His IFA subsequently submitted a transfer request to his new provider on 17 November 2022. The pension transfer form Mr F completed asked for a partial transfer of an Aegon plan reference ending [8325], a reference that related to his non SRI benefits, with an approximate value of c£31,000. The form was accompanied by a note to the new provider that stated:*

*Please note, I wish for full transfer, but of this pot only, reference 70908325. He has another Aegon pot that is linked, reference 9459, which we WISH TO LEAVE WHERE IT IS AND NOT TRANSFER.*

*I therefore recognise full transfer instead of partial should have been keyed, but I just wished to clarify this point in case the linked Aegon pot was also transferred.*

*The transfer request was submitted by the new provider via origo on 21 November, asking for a full transfer of benefits, but citing a third reference number ending [9383]. This request was initially rejected by Aegon on 23 November 2022, as there was a discrepancy relating to Mr F's national insurance number. The origo request was amended accordingly and the information received by Aegon on 29 November.*

*Mr F's funds were then transferred by Aegon to his new provider on 14 December 2022. This request was, however for a transfer of all Mr F's benefits, meaning that all Mr F's pension benefits were transferred to the new provider, including the SRI element that he had wanted to retain with Aegon.*

*Once Mr F became aware that this had happened, he contacted Aegon to reiterate that he had only asked for his drawdown pension benefits to be transferred, with his secure retirement income benefits remaining with Aegon. He asked Aegon to investigate the circumstances surrounding the transfer and to reverse the transaction relating to his*

*protected benefits. He contacted Aegon on 5 January 2023, when Aegon began to treat the investigation as a formal complaint.*

*Aegon subsequently informed Mr F on 12 January 2023 that a partial transfer would not have been possible, as his plan was already in drawdown. This confirmed that the information he was previously told was incorrect. Aegon also informed Mr F that the origo request from the new provider had requested a full transfer of benefits. Aegon maintained that if it had been informed that he wished to retain his SRI, the transfer request would have been rejected as this type of partial transfer is not allowed. It went on to inform him that the transfer could not be reversed as the SRI product was no longer available from Aegon.*

*Aegon gave its final response to Mr F on 26 January 2023. It accepted that Mr F had been provided with incorrect information twice, first on the telephone and subsequently confirmed in an email that a partial transfer of benefits would be possible. It offered Mr F £400 compensation in recognition of providing him with this incorrect information.*

*It did not, however, uphold the element of Mr F's complaint relating to the transfer as the new provider had requested a full transfer of his benefits relating to account [9383], which included his SRI. It accepted that although Mr F had previously expressed a wish for a partial transfer of benefits to Aegon in a telephone conversation, it considered this was superseded by the later origo request for a full transfer. It also explained that the origo request made no mention of the desire to exclude the SRI from the transfer, and if it had the transfer would have been rejected, as a partial transfer of benefits was not possible.*

*Mr F rejected the offer of £400 and referred his complaint to this service.*

*Our investigator looked into the circumstances of the case and reached the view that although Aegon had provided incorrect information to Mr F, as the new provider had requested a full transfer of funds via an origo request which contained a reference for his Flexi Drawdown Access plan containing all his funds, it had acted correctly in this regard.*

*Mr F disagreed with this view, stating that he had not provided the reference that appeared on the origo request to the new provider. Consequently, he believed that Aegon had altered the reference on the origo request without informing him it had done so. He also provided a copy of correspondence between his IFA and Aegon, as well as his IFA and the new provider. He also provided a copy of the transfer form his IFA sent to his new provider which showed the policy reference number to be transferred as [8325].*

*Aegon responded on 14 June 2023. In its response, it explained that Mr F had two accounts with them – [8325] was the reference for his uncrystallised SIPP account, and the account number [9383] referred to a SIPP drawdown account. The reference number [9559] related to Mr F's SRI benefits, although this was not an account number – and Mr F's SRI holdings were held within the drawdown account [9383]. It went on to explain:*

*For further information the holdings under the SIPP [8325] moved in to the Drawdown wrapper [9383] in July 2022 – so at the time of the transfer request in question there were only funds held in the Drawdown [9383].*

*However if we had received a request for the SIPP wrapper [8325] we would have to reject the request and asked [the new provider] to send us a new one with the active wrapper number on it as the wrapper [8325] didn't contain any funds.*

*I can confirm we can't amend the reference used on a request we receive in from another provider.*

*Having reviewed the additional information provided by both parties, our investigator did not change their view.*

*As Mr F did not agree, it has been passed to me to make a final decision.*

Following my provisional decision, Aegon confirmed that it accepted my decision. Mr F did not agree, and repeated that he believed the fault lay with Aegon.

### **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.

In my provisional decision I wrote the following:

*Having done so, and considering the view of our investigator, although I intend to uphold the complaint, I will not be asking Aegon to do any more than pay Mr F the £400 compensation it has already offered him. However, given the contradictory nature of some of the evidence, I feel that it is fair to give both Mr F and Aegon the opportunity to comment on my findings before I make a final decision.*

*Let me explain how I have reached my provisional decision.*

*Before I do, I have to reiterate that my role in this process is to evaluate the evidence provided by both Mr F and Aegon, and to reach a decision that I believe is fair and reasonable based upon the balance of probabilities.*

*I think it's important to note that Aegon has admitted that it gave Mr F incorrect information relating to his transfer on two occasions, leading him to believe that a partial transfer of his benefits was possible, when it was not. This element of the complaint is not in doubt. What I need to decide is whether this mistake was the cause of the transfer of Mr F's SRI benefits.*

*To do this, I must consider each element of the complaint and the process in turn.*

*Firstly, I need to establish whether Mr F was clear in his instruction to his new provider about what he wanted to happen, and also whether he would have continued with the transfer if he knew that a partial transfer of his benefits was not possible.*

*When Mr F's IFA contacted the new provider, the communications clearly show that he instructed it to request a transfer of account [8325], with a transfer value of c£31,000 from Aegon on 16 November 2022.*

*A note which accompanied the transfer application form stated:*

*please find attached application forms for a transfer of Mr F's Aegon plan. Please note, I wish for full transfer, but of this pot only, reference [8325]. He has another Aegon pot that is linked, reference [9459], which we WISH TO LEAVE WHERE IT IS AND NOT TRANSFER.*

*From this, I find it reasonable to conclude that Mr F was clear in his communication to the new provider in that he wished his SRI benefits to remain invested with Aegon and also that he would not have chosen to continue with the transfer if he knew that was not possible.*

*Turning now to the transfer request which was subsequently sent by the new provider to Aegon using the origo system.*

*The new provider initially sent through the information Mr F had provided to its transfer team stating:*

*Please see the attached pension transfer application. Aegon account reference to be transferred is [8325].*

*Please note - transfer form shows partial however it's actually a full transfer.*

*Crucially, the origo request was for a full transfer of Mr F's benefits, but showed the account reference [9383], which contained Mr F's SRI benefits along with the rest of his drawdown benefits, rather than the reference [8325] which was given on the transfer form Mr F had sent. It is also important to note that the origo form contained no notes relating to Mr F's desire to leave his SRI benefits invested with Aegon.*

*Furthermore, Aegon has explained that the account [8325] contained no funds at that time, with the benefits having been moved into the drawdown account [9383] in July 2022, and if the origo request had been received with that reference, the transfer would have been rejected for that reason.*

*Given the request for a full transfer of benefits, the account reference [9383] which contained Mr F's benefits and the lack of any explanatory notes, I find that Aegon did nothing wrong in acting to transfer Mr F's SRI benefits to the new provider, together with his other pension benefits.*

*I understand that Mr F's IFA had communicated with Aegon verbally to state that he wished to keep the SRI benefits with Aegon, but although this was a clearly communicated statement of intent, I consider that this does not constitute a formal instruction. The origo transfer request is a clear instruction, however, so I can't see that Aegon did anything wrong in acting on this later instruction rather than the earlier conversation.*

*Where the evidence becomes less clear is where Mr F has claimed that Aegon must have altered the product reference on the origo transfer request, from the reference his IFA provided [8325], to the reference which appeared on the transfer instruction [9383]. His evidence for this is that the [9383] reference was not given to the new provider.*

*Aegon disputes this and has confirmed that it is unable to amend details on an origo request, instead having to ask the originator of the form – in this case the new provider – to make any necessary amendments. This is what it did when it found a discrepancy in the National Insurance number between its records and the origo request.*

*Furthermore, I cannot see any reason why Aegon would make such an alteration to the request form, even if it were able to. Aegon has also said it would have rejected the transfer if the reference [8325] had been provided on the origo request, as that account reference held no funds, with all the funds being held in the product account with the [9383] reference.*

*In the absence of any further information, I find it reasonable to conclude that Aegon did not unilaterally change the reference number on the origo transfer request, as Mr F believes.*

*Consequently, and disappointing as it will be for Mr F to hear, I do not find Aegon to have done anything wrong in relation to the transfer of his benefits.*

*Aegon did, however, provide Mr F with incorrect information that a partial transfer of benefits was possible, both verbally and in writing. It has accepted this mistake, and I find that its offer of compensation of £400 is fair and reasonable in the circumstances of this case.*

### **Putting things right**

Scottish Equitable Plc trading as Aegon should pay Mr F a total of £400 in respect of the distress and inconvenience its mistakes caused him

As Aegon accepted my provisional decision, and Mr F provided no new evidence, I will now issue my final decision.

### **My final decision**

I uphold the complaint. My final decision is that Scottish Equitable Plc trading as Aegon should pay Mr F the compensation it has already offered him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 16 February 2024.

Bill Catchpole  
**Ombudsman**