

The complaint

Mr R has raised three connected administration complaints regarding the transferring of one defined benefit (DB) pension and five defined contribution (DC) personal pensions.

Three different companies are ultimately subject to his complaints and I will be writing three separate Decisions. He says their respective inaction and poor service combined has meant he's lost around £23,788.

In this first Decision, I'm only addressing the complaint against Scottish Equitable Plc trading as Aegon. And to keep things simple, I'll refer mainly to "Aegon".

I'll refer to the two other firms as "Firm SW" and "Firm PW" but these will be fully identified and addressed in two other separate Decisions relating to Mr R's two other complaints.

Put another way, I am dealing with one firm at a time – one Decision relating to each firm. This is Decision number one and is relating to Aegon.

What happened

Broadly speaking, Mr R wanted to consolidate all his pensions to make dealing with them easier and more transparent. It seems his original intention when he set out on this journey was to get them all to a position where they were manageable under one or two pension platforms.

For the five defined contribution schemes, this ought to have been relatively easy because the regulatory requirements around these types of schemes are comparatively straightforward. What he essentially needed to do was to get all the relevant information about each existing DC pension he had, which would then enable them to be transferred to one single pension platform. He'd identified the likely new provider and platform he wanted to use going forward, so he set about asking all the DC providers to begin the process of transferring. His DC scheme with Aegon was one of the personal pensions included in this cohort.

However, Mr R also had an existing DB pension scheme which was deferred from a previous employer some years prior. He essentially wanted to do the same thing with this – transfer it to a new platform – but as this was a DB scheme the regulatory requirements were much tighter. What the financial regulator requires is that when a member of a deferred DB scheme wants to transfer away and into a personal pension arrangement (a DC scheme) then in most cases regulated financial advice needs to be obtained from a firm with the correct permissions to do this. Mr R therefore sought regulated financial advice from "Firm PW" and he made it clear his preference was to transfer away from the DB scheme and into a DC scheme, even though he was giving up some useful guarantees and benefits.

As I'll explain more about later, the whole process took far too long. And what this meant was that having been told in January 2022 that the cash equivalent transfer value of his DB pension was £111,115 Mr R anticipated this amount was what he'd be able to transfer

across to a new DC scheme. However, obtaining the required advice took until the end of July 2022.

In common with standard industry practice, when Mr B received the CETV it came with a validity period which meant the £111,115 was only guaranteed until 23 March 2022. The delays I've described above caused this date to be substantially missed. Mr B didn't receive the advice he needed until 28 July 2022 and the advice, in any event, was *not* to transfer; "Firm PW" said transferring away from a DB scheme wasn't in his best interests.

Mr R didn't agree with the advice and he took a decision to use another adviser essentially to go through the same process again. Ultimately that adviser recommended a transfer but Mr R was distressed to find that by this time, a new CETV had been sought out and this was much lower than the one he had previously been given. By this time the CETV had reduced to £87,327.

Mr R's complaints all allege that "Firm SW", "Firm PW" and Aegon are all partly responsible for the delays which have caused a loss to Mr R. The crux of the complaint is that if they had all collectively acted in his best interests then he would have received a CETV of £111,115 rather than only £87,327.

One of our investigators has looked into the complaint against Aegon and found insufficient evidence to hold it responsible for the delays which Mr R says have caused the loss regarding his DB Scheme's CETV. Whilst accepting that Aegon could have done certain things quicker, the investigator found that "Firm PW" was ultimately responsible for the delay which Mr R alleges has caused him a loss. And whilst Aegon dealt with his complaint rather poorly, it has offered £500 and an apology. The investigator thought this was fair and reasonable. Mr R has asked for an ombudsman's Final Decision about this.

As the parties couldn't informally agree, the complaint has come to me.

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 think the offer to settle the complaint is fair and reasonable and so I'm not upholding the complaint against Aegon.

In terms of what the actual allegation against Aegon is here, it's hard to separate the issues of the consolidation of all his five DC schemes in to one (of which Aegon was one element) – and the more complicated area of transferring his DB scheme. The consolidation of the DC schemes should have been relatively simple, whereas the transfer of the DB scheme was always going to be rather harder because of all the rules involved. The expiry date of the CETV was also quite tight.

Our investigator comprehensively explained all the delays involved and provided dates when things did or didn't happen. Therefore, in this particular decision, I'm not going to set all these out again as I see no point – I agree with what she has said and I think she described the timeline very well. More so, I've noted too, that Mr R has said he considers the investigators view to have been a *"detailed investigation and summary"* and that *"in essence I agree with your findings"*. Nevertheless, he still asked for an ombudsman's Final Decision.

In simplistic terms, the alleged loss Mr R is unhappy about relates to the DB scheme. "Firm PW" was contracted by Mr R to provide regulated financial advice and he says it took from January until July 2022 to provide that advice. As I've said, I'm going to issue a Decision

specifically in relation to “Firm PW” in due course and this will show whether, or to what extent it is responsible, rather than any other company. I will address whether it bears the substantial responsibility for the delays.

The investigator pointed to some actions during this period which Aegon should have had a better ‘grip’ on and probably could have responded to certain requests from “Firm PW” more quickly. However, in my view Aegon is not responsible for the overall delay which resulted in a much lower CETV.

As far as Aegon is concerned, the other pertinent issues relate to dealing with the DC consolidation and how it responded to Mr R’s complaint about the whole time-related matters (including the DB transfer). As I’ve said, the investigator has been very detailed around this and I note poor complaint handling is acknowledged by Aegon in this case. It’s offered £500 which I think is both fair and reasonable.

Summary

I understand the frustration endured by Mr R over this whole issue.

What I’ve needed to do is to separate the complex issues here into manageable parts. I’ll be dealing with what is essentially Mr R’s predominant complaint (by some way), by issuing a Decision soon about “Firm PW”.

However, as for Aegon, I do not find it responsible for any losses that might have been incurred from delays which caused a reduced CETV to be issued in respect of Mr R’s DB pension scheme.

I agree it handled some complaints relating to his DC scheme consolidation poorly. But I think this is recognised by the offer it has made some months ago.

My final decision

For the reasons I’ve given above, I am not upholding Mr R’s complaint about Scottish Equitable Plc trading as Aegon.

Scottish Equitable Plc trading as Aegon should pay Mr R the £500 it has already offered if it has not already done so.

Scottish Equitable Plc trading as Aegon does not need to do anything else.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr R to accept or reject my decision before 21 March 2024.

Michael Campbell
Ombudsman