

The complaint

Mrs M complains that Cofunds Limited trading as Aegon has unreasonably delayed the transfer of her stocks and shares ISA.

What happened

Since 2013, Mrs M and her husband held investment ISAs with Aegon – on its Nationwide platform. In April 2022, they decided to transfer their ISAs to Aegon's Cofunds platform as a means of consolidation with their chosen financial planning business (*'the adviser'*). Their intention was to sell down the holdings in the Aegon Nationwide ISAs and purchase units in a different 'abrdn MyFolio Market III Platform 1 Fund' held on the Aegon Cofunds platform.

Though this complaint is solely restricted to Mrs M's stocks and shares (investment) ISA, some of the background relates to her husband, Mr M – as he transferred his own investment ISA on the same basis; Mrs M explains that the differential treatment of the two investment ISAs is central to her complaint.

After notifying their adviser of their intention to transfer, several delays occurred with arranging the transfer with the advisory business, which meant these were not completed until August 2022. Mr and Mrs M made a separate complaint about that business, which was referred to this service and upheld. That complaint is now concluded.

In relation to Aegon, it received the ISA transfer authority forms for Mrs M and for Mr M on the same day – 14 September 2022.

On 16 September 2022, Aegon posted transfer requests out to Aegon Nationwide for both Mr and Mrs M.

On 20 September 2022, Aegon Nationwide received the sale request for Mr M. On 26 September 2022, it received Mrs M's sale request.

Mrs M's holdings were sold down on 27 September 2022, and the transfer was completed on 4 October 2022. However, Mr and Mrs M noted that Mrs M's new fund value had reduced, so they originally sought clarification via their adviser. It later became apparent to them that Mrs M's holdings were sold six calendar days after Mr M's.

In May 2023, Mrs M complained. She said Aegon had caused an undue delay, despite their respective forms being issued by the adviser at the same time. Aegon had failed to clarify this, and it was only the adviser giving a breakdown of the new fund value which made Mrs M aware of her losses. She explained that she believed as a direct result of the six-day delay in her Aegon ISA funds being traded, their combined valuation dropped £2,928.97 from her previous £87,414.46 portfolio value on 21 September 2022. Mrs M contended she had been financially disadvantaged compared to her husband and Aegon should reimburse her.

On 22 September 2023, Aegon issued a written response to Mrs M's complaint. It agreed that it had incorrectly delayed Mrs M's ISA transfer – not by six days, but rather by one working day. Having checked the price comparison for the holdings, it noted Mrs M had been

financially advantaged by £122.48.

Aegon explained how it had received Mrs M's paperwork two days later than Mr M's but it did not agree there had been any other delay to compensate Mrs M for. Though Mr M's transfer was dealt with more quickly, it had met its own service timescales for completing an ISA transfer for them both.

Aegon did issue Mrs M £200 in retail vouchers by means of an apology for two reasons: firstly, for the delay in providing a final response to the complaint and secondly, for the one day's delay in processing the transfer form.

A further series of emails were then exchanged between Mrs M and Aegon's complaint handler up to December 2023; but Aegon was not willing to change its view on the complaint outcome.

Mrs M thereafter lodged the complaint with this service. She explained that – in her view – because Aegon had received the ISA transfer authority forms at the same time, it should have processed her transfer on the same effective date as her husband's. Had it done so, she would have received a further £2,912.51 – as this was in fact the amount the fund had decreased by, when Aegon sold down the holdings on 27 September 2022. Instead, Mrs M said she was bearing the brunt of a postal delay which was not reasonable.

Mrs M set out why she felt Aegon had wrongly interpreted the terms and conditions applying to her account. She also said it had caused her notable stress, frustration and upset which exacerbated a physical condition for which she had to attend hospital in March 2023.

One of our investigators reviewed the complaint, but he didn't think it should succeed. He said that though he did not believe Aegon ought to be responsible for postal delays, he did agree that the overall time of the transfer could have been brought forward by one day. Aegon had therefore been reasonable to assess if any compensation was due on that basis – but it wasn't.

The investigator also agreed that given the upset Mrs M had been caused by Aegon's delay in replying to her, £200 compensation was reasonable in the circumstances. He didn't otherwise think Aegon needed to do anything else to resolve the complaint.

Aegon accepted the outcome reached by our investigator. Mrs M disagreed. She asked for the complaint to be referred to an ombudsman. She supplied some further written submissions. She noted:

- She respectfully disagrees with the contention that Aegon wasn't accountable for a postal delay.
- The delay was caused entirely by Aegon sending her transfer forms to the wrong place – something Aegon only admitted when challenged.
- In her view, responsibility for the postal delay lies squarely with Aegon.
- The investigator didn't refer to the terms and conditions when reaching his findings.
- Aegon has created additional rules beyond those terms and conditions which the investigator seems to agree is entirely acceptable.
- However, any additional bogus rules do not form part of the terms and conditions.
- On this basis, she feels the investigator's review was flawed and unfair.
- In their related complaint, Aegon has previous culpability of providing scant, incorrect, and misleading assertions.
- Therefore, to accept Aegon's word over evidence she has provided is unreasonable.

- Though she was issued the £200 in vouchers as compensation by Aegon, she never spent them – in case this was seen as acceptance of the overall complaint.

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 was sorry to learn of the medical circumstances Mrs M has set out, and I send her my best wishes. I also thank both parties for their considerable patience whilst this matter has awaited an ombudsman's decision, given the current demand for our service.

I've fully reviewed the information on file about this complaint, including the representations both parties have made since the complaint was referred to this service. However, in reaching my findings, I've focused on what I consider to be the key issues. Our rules allow me to take this approach; it reflects the informal nature of our service, as a free alternative to the courts.

Our role is to investigate disputes and resolve complaints informally, whilst taking into account relevant laws, regulations, and best practice. We are not a court; and though there are rules I may rely on in respect of complaint handling procedures, I am not required to make specific determinations on every submission put forward by the parties. So whilst I appreciate the level of detail Mrs M has supplied in furthering her complaint here, I do not need to comment on every individual argument to be able to reach what I think is the right outcome based on the evidence before me.

Though I realise my decision will be a disappointment for Mrs M, I do not consider that this complaint should be upheld. For the following reasons, I agree with the conclusion reached by our investigator:

- I understand that Mrs M has brought a separate complaint to this service and that was upheld – but that does not mean I am compelled to reach the same outcome.
- Instead, I've looked at this complaint on its own individual facts and circumstances.
- Aegon accepts it caused an unreasonable delay in providing Mrs M a final response letter as an outcome to the complaint.
- However, even if I were minded to do so, I cannot direct Aegon to pay Mrs M compensation about that.
- The recourse open to Mrs M (instead of waiting longer than the eight weeks permitted for a business to provide an outcome to a complaint) was to bring the matter to this service once the eight-week time limit had passed.
- I am not able to otherwise look at concerns about the timeliness for which Aegon dealt with the complaint, as complaint handling is not a regulated activity in its own right and it doesn't fall within the jurisdiction of this service.
- I am mindful of the points Mrs M has made about Aegon's postal procedures.
- However, I should note that we are not the regulator; that role falls to the Financial Conduct Authority. So, I won't be making findings on the fairness of Aegon's processes in relation to its choice of administration for ISA transfer forms.
- Nonetheless, I have reviewed the circumstances set out by both parties carefully in order to determine if I consider Aegon has behaved reasonably in completing the ISA transfer – and aside from accepting it could have completed it one day sooner, I believe it has otherwise acted fairly in the circumstances.
- On general grounds, I'd expect to see that a business moves an ISA transfer along as quickly as is practicable in the circumstances.

- Each stage of a transfer may necessitate a different amount of human intervention and effort. Normally, in order to decide how long a transfer ought to have taken, I'd take into account a business's own service level agreements and any wider standards.
- In this case (a transfer from a stocks and shares ISA), Aegon sets a timescale of 30 days from an acceptance date to complete the ISA transfer. As the acceptance date was 14 September 2022, Aegon met its own timescale as the transfer was completed by 10 October 2022.
- That also complies with industry guidance, which requires transfers of this type to be completed within 30 calendar days.
- I do not believe the fact that Mr M's sale request was received on a different day is something I can hold Aegon accountable for – it sent them to Aegon Nationwide at the same time but Mrs M's was subject to a two day postal delay.
- I do not agree that Aegon was otherwise accountable for this delay because of its administrative function(s) as Mrs M has set out.
- The mistake Aegon made – which it accepted in its final response letter – was that Mrs M's form could have been scanned onto the system more quickly (something Mrs M attributes to the form being sent to the wrong place), and an error meant this happened on 26 September 2022 not 22 September 2022.
- I realise Mrs M sees this as a total six-day delay, but I disagree. The delay was in uploading the form on receipt, but Aegon has a service level agreement of receipt plus two working days to process paperwork – this meant the holdings could have been sold down at the latest on 26 September 2022.
- As the holdings were sold down on 27 September 2022, Aegon looked at the delay as one working day – and I find this reasonable.
- That Mr M's holdings were able to be sold down on the same day as the paperwork was received is not material to what ought to have happened in Mrs M's case – based on the required timelines in Aegon's service level agreement.
- Accordingly – and again based on Aegon's terms and expected service level standards – the new units could have been purchased one working day earlier, so Friday 7 October 2022, rather than Monday 10 October 2022.
- I realise Mrs M has rightly pointed out the downturn of her holdings at the time, due to certain economic forces, notably political instability in the domestic government.
- However, the reason Aegon has established that Mrs M did not suffer a financial loss is because the drop in value conversely meant that Mrs M was able to purchase more units in the new abrdn fund on 10 October 2022 than she otherwise would have been able to on 7 October 2022.
- Accordingly, Aegon submits that Mrs M hasn't been financially disadvantaged overall by that one working day delay. I find Aegon's reasoning to be fair.
- It follows that I cannot agree with Mrs M's contention as to the approximate £2,900 in damages she has since asked for. Nor can I uphold this complaint, as I believe Aegon has done enough to put matters right.
- I consider the £200 she was issued in retail vouchers is appropriate in the circumstances of the errors Aegon identified in its final response letter.
- Mrs M therefore remains free to determine what she wishes to do with her vouchers – should she wish to use them. If they are unused but have expired, Mrs M could liaise with Aegon about that to have them reissued.
- I do not otherwise believe Aegon needs to do anything further to resolve the complaint.

My final decision

I know my decision won't be what Mrs M has hoped for, However, for the reasons set out, I cannot uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 28 April 2025.

Jo Storey
Ombudsman