

## **The complaint**

Mr A complains that Scottish Equitable plc trading as Aegon lost documentation, containing his confidential information, which he'd sent to it by recorded delivery. He complains that his claim has been delayed as a result and he's experienced distress and inconvenience.

## **What happened**

Mr A had a personal pension plan with Aegon. He contacted Aegon in September 2022 to enquire about taking his pension benefits as a single lump sum payment. Aegon issued the necessary documentation to him. Mr A did not progress his application at that time. He contacted Aegon again in October 2023 to enquire if he could use the forms he'd been sent previously. Aegon issued new forms to him in November 2023.

Mr A completed the forms and sent them by recorded delivery to Aegon. He used the "Royal Mail Special Delivery Guaranteed next day" service. He posted the forms on 6 November 2023. He says he included a note with the forms asking Aegon to confirm receipt. He heard nothing further. So, he contacted Aegon on 18 December 2023 to check the position.

Aegon told Mr A it had no record of having received his correspondence. Mr A was concerned about this because he'd included his personal details including his name, address and bank account details on the forms. He thought this was a data breach. He complained to Aegon.

Aegon investigated his complaint. It said he'd not provided the Royal Mail tracking number until 24 January 2024. It said it had checked the tracking information but there was no evidence it had received or signed for the letter. It didn't accept it had done anything wrong. Aegon confirmed that Mr A could make his claim online. It acknowledged it hadn't dealt with his complaint within the usual timeframes and it offered him £25 by way of compensation for that.

Mr A didn't accept this. He referred his complaint to our service. Our investigator thought it was likely the forms had been delivered to the correct address and had been lost by Aegon in its premises. She noted there was no evidence that Mr A's details had been used fraudulently.

After further discussion with Aegon she noted Mr A hadn't experienced any loss in value of his pension as a result of the delay. She said Aegon should set a 30 day limit for Mr A to apply to take his benefits and if the value of his benefits was less than it had been on 21 November – which was when she thought his claim could have been processed but for the delay – Aegon should pay him the value at 21 November 2023 plus 8% simple interest on that amount up to the date of settlement. If the value of his benefits at the date of payment was greater than this amount then no compensation for financial loss would be payable.

Our investigator then considered the distress and inconvenience Mr A had been caused because of what happened. This had extended over several months. She thought Aegon should pay him £300 by way of compensation.

Aegon didn't agree. It said the tracking information showed that the letter had been signed for at the local Mail Centre and there was no signature by Aegon or its third party mail handling company to show that it had ever received the letter. It said it hadn't done anything wrong.

Our investigator considered what Aegon said but she didn't change her view. So, the complaint has been passed to me to decide.

### **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.

When considering what happened, our service looks at the individual circumstances of each case and the information that's been provided. Sometimes, as here, it's not possible to be certain about what happened. So, we look at everything and take a view about what's more likely to have happened – on balance of probabilities. Having done so, I'm persuaded, on balance, Mr A's letter was received by Aegon.

When reaching that view, I've taken into account the fact that the letter Mr A sent to Aegon was posted to the correct address. That's confirmed by the certificate of posting which he's provided to us. In general terms our service takes the view that a letter which has been correctly addressed is likely, on balance, to have been received by the recipient – unless there is evidence to the contrary.

Mr A used a Royal Mail service known as "Guaranteed Next Day delivery." This provides tracking information about the letter he sent. This shows as follows:

- the certificate of posting shows Mr A correctly addressed the letter to Aegon. He posted it on 6 November 2023.
- the letter:
  - arrived at the local Mail Centre at 4.23am on 7 November 2024.
  - Was despatched at 5.29am
  - Was delivered and signed at 5.31am
  - Was signed for by "SR43" – which is the first four digits of the address on the envelope at 5.31am
- The location beside the place of "despatch" and the "delivered and signed" information states the local mail centre – not Aegon's address.

Aegon says there's no evidence, on the basis of the tracking information, that it ever received the letter and there's no signature from it. It says it uses a third party mail handling company. Royal Mail delivers the mail to the third party mailing company at 4.30am and 6.30am each day. Aegon says the third party mailing company keeps a log of all deliveries.

It is the case that the tracking information is not as clear as it could be. However, I have noted it does record that the letter was signed for by "SR43" – which does fit with the post code Mr A was requested to send the information to.

I've also noted Mr A telephoned Aegon twice on 18 December 2023. I've listened to both calls. During the second call he provided Aegon with the tracking number. Aegon told him, during the second call, it would put a request into its postal team to look for the forms. There's no evidence it did do that. Aegon did subsequently contact Mr A and request the tracking number again. However, I'm satisfied he'd already provided this information to it during the call on 18 December 2023.

Aegon, in its final response letter, said it hadn't received the tracking number until 24 January 2024 – which is not in line with what I've noted above. It says it checked the Royal Mail online system on 29 January – but it doesn't appear to have carried out any investigation with its own postal team, which it had said it would do.

Aegon has subsequently told our service it checked this matter with its third party mail handling company. It's unclear when it did this - but it was after the complaint was referred to our service. And it appears to have been a request to clarify the process, rather than a specific request for an investigation into what happened with Mr A's letter. For example there's no evidence that the logs were examined.

So, I'm not persuaded, on balance, Aegon has been able to show that the letter wasn't received by it. As I've said above the letter was correctly addressed and the tracking information does indicate it was signed for. I think the four digits of the post code marked against the "signed for" information on Royal Mail's tracking log are persuasive, on balance, that it was signed for at Aegon's address.

Aegon didn't record it as having been received. Our investigator thought it may have been lost somewhere in Aegon's premises. Whilst that will not reassure Mr A, I have noted there's no evidence his personal information has been used for any fraudulent purposes. If he is still concerned about that he should contact his bank and he may also wish to contact the Information Commissioner's Office (ICO) for further advice on what additional steps he could take given what has happened.

Because I've decided that it's likely the letter was correctly delivered to Aegon's premises, I'll now consider what Aegon needs to do to put Mr A back into the position he would've been in if it had processed his claim without any delays.

### **Putting things right**

When thinking about what needs to be done to put things right our Rules provide that we can make a money award for such amount as we consider to be fair compensation for one or more of the following:

- financial loss (including consequential or prospective loss);
- pain or suffering;
- damage to reputation;
- distress or inconvenience

whether or not a court would award compensation.

There is further information available on our website setting out what our service takes into account when deciding what amount of compensation would be fair overall to put right the impact a mistake or as here, a delay, has on a complainant.

### ***Complaint handling***

I'd just comment firstly about the compensation Aegon offered to pay Mr A by way of apology for delays in handling his complaint. In its final response letter it offered to pay him £25 by way of compensation for delays in responding to his complaint.

Under the Rules which apply to our service we cannot consider a complaint, or part of a complaint, which relates solely to how a business has handled a complaint. That's because complaint handling is not itself a regulated activity. So, I cannot comment further about the offer Aegon made to Mr A regarding how it handled his complaint.

### *Financial Loss*

Mr A posted the documentation to Aegon on 6 November 2023 and, for the reasons set out above, I've decided, on balance, it's likely it was received by Aegon on 7 November 2023. I think it's fair and reasonable to say that if Aegon had processed the documentation at that time, Mr A's claim would've been paid within ten working days – that would've been 21 November 2023. That's the date I will use for the purposes of assessing whether Mr A has suffered any financial loss as a result of what happened.

Our investigator thought Aegon should be permitted to give Mr A a 30-day period to make another claim. Aegon also provided him with details about how he could do this online and about how he could do this through the postal service – but without including his personal details on the documents he posted. So, I'm satisfied, on balance, Aegon provided Mr A with a safe and secure means to submit his claim - insofar as his confidential information is concerned.

Mr A has now confirmed to our service he's submitted his claim to Aegon using its online portal (the "new claim"). Aegon has confirmed that the new claim has been processed and payment will be made at the next payroll date of 23 August 2024. Aegon has also confirmed that the payment amount is greater than the amount that would've been paid - if the claim had been processed in November 2023.

I've then thought about the period of time it's taken to finalise the claims process – which Mr A says was because he'd lost confidence in the process especially concerning the security of his confidential information. Our service would usually use 8% simple interest (per annum) to compensate a consumer where, for example, as here, the consumer hasn't had money available to use that he might otherwise have had available. However, in this case I've noted that even if simple interest at 8% per annum had been added to the amount Mr A would've been paid in November 2023 (calculated up to the proposed payment date of August 2024), the amount he will be paid is greater. So, I'm satisfied, on balance, he will not have suffered any financial loss. In these circumstances I don't think it's fair or reasonable to require Aegon to do anything further to compensate Mr A for financial loss.

### *Distress and Inconvenience*

I've then thought about the distress Mr A says he's experienced because of what happened here. He's been concerned about his personal information and worried it could be wrongly or fraudulently used by an unknown third party. He reported these concerns to Aegon in December 2023.

As I've said above, I think Aegon could have done more to investigate his concerns and to have signposted him to where he could get further support and guidance – especially where he was worried about his confidential information. Whilst there's no evidence that Mr A's personal information has been used for fraudulent purposes, I can understand why he would still have been concerned about this. Aegon doesn't appear to have carried out any investigation until the end of January 2024 – even though Mr A had first raised his concerns on 18 December 2023.

Our investigator thought Aegon should pay Mr A £300 by way of compensation for distress and inconvenience for what happened. Having considered everything here, I think that's fair and reasonable and in line with our guidelines for awards for distress and inconvenience.

**My final decision**

For the reasons given above I uphold this complaint about Scottish Equitable plc trading as Aegon. I now require it to take the following actions:

- Pay Mr A £300 by way of compensation for the distress and inconvenience he experienced as a result of what happened here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 September 2024.

Irene Martin  
**Ombudsman**