

The complaint

Mr V complains about problems with the system for managing his investments provided by Scottish Equitable Plc trading as AEGON (Aegon) which he said caused him to miss out.

What happened

Mr V said that Aegon upgraded its system. Following the upgrade he wasn't able to buy and sell in the way that he wanted. He said he had missed out as his pension was not within his control during this time and he could not have responded to market opportunities. This was very stressful. He had to chase Aegon and wait on the phone for a long time. He wanted compensation for his loss.

Aegon upheld Mr V's complaint. It apologised for the inconvenience and offered £250. It accepted that there had been system issues. But this was corrected and there were no ongoing errors. Mr V had been assisted in making a requested fund switch. It checked the position he would have been in had the switch been done on the date he first made contact compared to the actual date of the switch. As he had gained due to the delay there wasn't any loss. It wasn't able to pay him for speculative gains or losses that might have been made.

My provisional decision

I issued a provisional decision on this complaint. I said that it was clear there was a problem with using the new platform. It would seem reasonable for Aegon to anticipate that any change could cause consumers difficulty and put in place the necessary support to help them with that. I had listened to the call from early 2024 where Mr V is assisted to execute the investment changes he wanted. It was clear to me that the changes meant things were not familiar and the call handler needed to direct Mr V as to how to find the investment he wanted. Aegon have accepted there was a problem so I could consider an award for any financial loss and distress and inconvenience arising from the events.

Financial loss

The purpose of an award for financial loss was to put Mr V back, as closely as possible, to the financial position he would have been in but for the events.

I noted that Aegon had already completed a calculation to check whether the investment change completed in February would have been better had it been completed at the time Mr V first wished to make the change. This showed that there was a gain so he wasn't worse off. But Mr V didn't agree. He said that this didn't reflect the changes he might have wished to make had he been able to. He had not however specified what those were so I couldn't make an award for hypothetical losses. I had however taken this into account in considering my award for distress and inconvenience below.

I also asked Mr V whether the difficulty in changing investments affected his income needs and whether he had a pattern of encashment to support his needs. He declined to provide me with details of the sources of his income and how this fund fit in with meeting his normal

needs for income. He said this was private but did say he took money out irregularly as and when the need arose and also depending on the growth of his investments. He said he was partly depending on this source of money. However he didn't provide me with further details so on balance I concluded that the delay in access didn't affect his income needs during that period. I did however also consider this in my award for distress and inconvenience.

So in summary it did not seem that there was a financial loss due to the delay.

Distress and inconvenience

The purpose of an award for distress and inconvenience was to reflect the impact of the events on Mr V and not to punish Aegon. It was clear that the events had an impact in a number of ways. The lack of access meant that Mr V wasn't able to manage and control his investments in the way he wanted. He said he felt the fund came to a standstill and was unmanageable and was fully exposed for almost 2 months. He couldn't make necessary changes at will, this included not being able to make withdrawals, should he have wished to do so.

He said this was very stressful for him over an extended period. Initial irritation became stress when he found no staff able to support him. He was nervous and was concerned that Aegon also was not in control as the staff didn't seem to know how to use the system. He feared this meant his fund was at high risk because it was unmanageable and exposed to market situations to which he would be unable to respond. The situation was constantly on his mind and affected his day-to-day life and he made many calls to try and resolve it. The lack of reaction from Aegon and monthly emails saying there were too busy to deal with his complaint only made matters worse. He was angry and felt ignored and let down. The fact the matter wasn't fixed for two months meant the stress was prolonged. He said it affected his health but wasn't able to be specific about the impact.

I could see that Mr V has been put to distress and inconvenience over a prolonged period and that this had a very stressful impact on him. We all experience frustration and annoyance in day-to-day life but I thought the impact on him was much more than that. I thought the events caused considerable distress, upset and worry over 2 months and took a lot of effort for Mr V to get it sorted. In the light of what Mr V had said and the time period over which this happened I thought an award of £650 would be fair and reasonable in all the circumstances.

Aegon said it didn't wish to challenge the provisional decision. It did however comment that given Mr T could not be specific about the impact on his health it felt a lower amount of around £400 to £500 would be more appropriate in the circumstances.

Mr V said that he had suffered a real financial loss in the shape of the costs of all telephone calls but accepted he had been given chance to specify his loss. He had decided not to spend time doing this as it had already taken so much of his time. He was hoping I would honour either some allowance or recognition that a financial loss had indeed occurred. He was satisfied with the award for distress and inconvenience and said he would fully accept my provisional decision. He also confirmed that Aegon had already paid him the £250 it offered him for distress and inconvenience.

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 note the comment made by Aegon, but as I have explained my award for distress and inconvenience is to reflect the impact of the events on Mr V. Even though he was not able to specify a particular health impact I can understand that continued stress can impact a person's health in ways that can be difficult to identify at that point in time. Further I felt that the impact he described supported my conclusion that he had suffered considerable upset distress and worry even without being able to list a particular impact on his health. For those reasons I remain of the view that the award was fair and reasonable.

I note Mr V's comments about financial loss. I do accept that he may have been put to expense by the cost of the many calls he needed to make. As he says he has not quantified this loss nor supplied supporting evidence so I cannot make any award in respect of it. I don't think I need to make any change to my award for distress and inconvenience as I have already taken into account the time taken to make many calls.

Putting things right

I uphold this complaint. As Mr V has confirmed that Aegon has already paid him £250 I will direct that Aegon should pay Mr V a further £400 such that the total paid is £650.

My final decision

I uphold this complaint and direct that Scottish Equitable Plc trading as AEGON should within 30 days of this service confirming that Mr V has accepted this decision pay Mr V a further £400 such that the total amount paid to him for distress and inconvenience is £650.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 20 September 2024.

Colette Bewley
Ombudsman