

The complaint

Mr L complains that Scottish Equitable Plc trading as Aegon ("Aegon") failed to complete the transfer of some of his pension savings in a timely manner.

What happened

Mr L holds pension savings with Aegon. His relationship with that firm was conducted with the assistance of a financial advisor. But in this decision, for ease, I will largely refer to any communications as if they have been with, and from, Mr L himself.

In April 2024 Mr L decided to transfer some of his pension savings to another firm. Aegon received a request for the cash transfer of £22,000 via the automated Origo Options system and sent an email to Mr L asking him to confirm which investments he would like to be sold in order to realise sufficient cash to complete the transfer.

Mr L responded to that request using an email account that was not registered with Aegon. So it asked him for some further information. Shortly afterwards Aegon asked for some further clarification on the disinvestments Mr L had requested. Mr L's financial advisor emailed Aegon to confirm he had submitted a formal disinvestment request using Aegon's online system the previous day.

Due to changes in the value of Mr L's pension investments the instruction provided by the financial advisor would not generate sufficient funds to meet the requested transfer. So Aegon sent an email to the address it held for the financial advisor. It has more recently transpired that the email address used had a typographical error, and in fact related to Mr L's previous financial advisor who had now retired. I will discuss the impact of those errors later in this decision.

Unsurprisingly Aegon didn't receive any response to its email. So in line with its normal approach it chased the matter around ten working days later. Mr L responded to that chaser and asked Aegon to immediately transfer the cash that had been disinvested, and then sell some further investments to make up the difference to be transferred later. But Aegon didn't send the initial payment and the payment of the balance was also delayed. The transfer completed on 17 May 2024. Mr L complained to Aegon about the delay.

Aegon accepted that it hadn't transferred the initial payment when it had been asked to. And although the second payment was delayed slightly by the receipt of a new regular contribution from Mr L's employer, Aegon also accepted it hadn't transferred the balance as soon as it should have. So it asked Mr L's new pension provider to calculate the loss that had been caused by the late payments. On receipt of that loss calculation Aegon made an additional transfer to Mr L's new pension of £891.24. And it told Mr L it would pay him £200 for the inconvenience he'd been caused. Unhappy with that response Mr L brought his complaint to us.

Mr L's complaint has been assessed by one of our investigators. She thought that the calculations Aegon had done, to determine when the transfers should have been completed were reasonable. The investigator thought that Aegon had no reason to know that Mr L's

previous financial advisor had retired so sending him an email was reasonable. And she didn't think the initial disinvestment instruction sent by Mr L by email was sufficiently clear. So the investigator didn't think Aegon needed to pay any additional compensation to Mr L.

Mr L didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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 deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr L and by Aegon. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

I don't think the basic timeline behind this complaint is in dispute. What I need to decide in this decision is whether the actions taken at various times by Mr L, and by Aegon were reasonable, and whether those actions should be considered to have an influence on the timings of when things should have been completed.

Aegon has calculated the compensation it has already paid to Mr L on the basis of two errors. It accepts it received a clear instruction from Mr L for a partial transfer to be made on 29 April 2024. And it says that it should have completed the remainder of the transfer by 7 May 2024. I am satisfied that the compensation Aegon has paid, following the information it received from Mr L's new pension provider, is reasonable for the delays that Aegon says it caused.

But Mr L says that he thinks the delays Aegon caused are longer than those for which compensation has been paid. He says that he gave Aegon a clear instruction for the initial disinvestment that should have allowed the transfer to be completed. And, even if I thought that wasn't the case, he doesn't think it reasonable that the completion of the remainder of the transfer should be delayed by the receipt of a regular contribution from his employer. I will deal with each part of those delays in turn.

Once it had received the transfer request Aegon sent Mr L an email asking for details of which investments should be sold to generate the cash to be sent to the new provider. At first Mr L responded to that email from an email account that wasn't held on Aegon's records. So a short delay ensued whilst Aegon verified Mr L's new email address. But, as I will now go on to explain, I'm not persuaded that verification unduly delayed the disinvestment of Mr L's pension savings.

Aegon had asked Mr L to confirm the exact monetary amount that he would want disinvesting from any funds that he held. But the instruction that Mr L sent to Aegon by email asked that it disinvest his entire holding in three listed funds apart from leaving £1 invested. Aegon says that instruction was not sufficiently specific for it to complete the transaction.

I am satisfied that Aegon's decision here is reasonable. The value of an investment changes on a daily (or sometimes intraday) basis. So Aegon would find it difficult to meet Mr L's request of leaving £1 invested in each fund. So I think it was reasonable that Aegon sought further clarification from Mr L.

In response to that request for clarification Mr L's financial advisor submitted a new instruction using Aegon's online system. At this stage I should note that Mr L's original financial advisor (who worked for the same firm as his current advisor) had retired in December 2022. But the online instruction was sent using the login details of the retired advisor. So Aegon had no way of knowing that the advisor was no longer actively managing Mr L's affairs.

The instruction that had been submitted did not generate sufficient cash to satisfy the whole of Mr L's transfer request. So Aegon needed clarification whether to make a partial transfer or await the sale of further investments. It sent an email to Mr L's financial advisor asking for further instructions. But the email Aegon sent was misaddressed – it made a typographical error in the name of the advisor.

I'm not however persuaded that error caused any delay to Mr L's transfer. As I have explained, I don't think it would be reasonable to expect Aegon to be aware that Mr L's former financial advisor had retired. And I've not seen anything to persuade me that the email address Aegon reasonably held on its records was still active. So even if the email had been addressed correctly, I'm not persuaded it would have been safely received and acted upon by Mr L's new financial advisor.

Aegon chased a response to its query on 29 April. That was, in line with its normal processes, ten working days after the initial request had been sent. I don't think that timescale is unreasonable. So, given I don't consider Mr L's email to have been sufficiently clear for the disinvestment to start, and I don't think Aegon's email unreasonably delayed matters even though it was misaddressed, I think that 29 April is a reasonable date to conclude the transfer activities could have restarted. So I think that Aegon's assessment of the compensation due in regard of the first part of the transfer is correct.

As I have said, the initial disinvestment instructions were insufficient to generate all the cash that Mr L wished to transfer. So his financial advisor provided some further instructions for the remainder. But those instructions were received around the same time as Mr L's employer paid a regular monthly contribution. Clearly there would be a conflict in ensuring that contribution was correctly invested, whilst disinvesting the remaining transfer monies. Aegon says that it needed to delay the disinvestment until the regular contribution had been correctly added to Mr L's pension plan. I also think that approach is reasonable. So I agree the earliest the remaining transfer could have been completed was 7 April.

So I am satisfied that the dates Aegon has used when assessing what compensation should be paid to Mr L are reasonable. I don't therefore think any further compensation for financial losses is due to Mr L.

Aegon offered Mr L £200 for the inconvenience he was caused. It isn't entirely clear to me whether that compensation has yet been paid. So, if that amount remains outstanding Aegon should arrange for its payment to Mr L.

My final decision

For the reasons given above, I don't uphold the complaint. I think that the compensation Scottish Equitable Plc has already paid to Mr L in relation to the complaint is reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 6 May 2025.

Paul Reilly
Ombudsman