

## The complaint

Mr A complains that Scottish Equitable Limited trading as Aegon (Aegon) have incorrectly administered his Self-Invested Personal Pension Plan (SIPP) depriving him of access to his money. He wants his money returned to him.

## What happened

Mr A was auto enrolled by his employer into the Aegon SIPP in November 2022. He left the employer in June 2024 and says he is unemployed and facing financial difficulties. In July 2024 Mr A contacted Aegon wanting to fully encash or withdraw his SIPP which was worth around £7,500. Aegon said it would first need to verify Mr A's identity in line with the money laundering regulations as it hadn't been able to do this electronically. It said this could be done by either posting original documents to it, which it would return or by having copies of the documents certified which Mr A could then email. Mr A emailed Aegon a withdrawal form and various identify documents but these hadn't been certified. Mr A said he wasn't prepared to post original documents to Aegon due to concerns about fraud and the loss of documents based on online reviews he'd seen.

Aegon said it couldn't accept the uncertified documents as evidence of identity and these procedures were in place to help protect Mr A from fraudulent activity. It also said as Mr A was under the age of 55 it wasn't possible for him to withdraw his pension fund unless he was in serious ill health. In August 2024 Mr A requested the transfer of the SIPP to what he said was his new pension scheme seemingly based at his home address. Aegon said it would need confirmation of the new scheme's details including its registration number with HMRC. Mr A said his new scheme wasn't prepared to provide this information to Aegon until after the transfer had been completed due to fraud concerns. Aegon said the rules in place didn't permit it to complete a transfer without having fully verified details first, also due to fraud concerns.

Over this period various complaints were recorded by Aegon which it didn't uphold. Mr A referred his complaints to our service. He also further complained to Aegon that he'd actually opted out of the SIPP in November 2022 by sending an email to it. And on this basis, it should refund his money. Aegon also rejected this complaint saying it had no record of receiving the email from Mr A. It said the email address Mr A said he'd used had only been able to accept "*structured forms*" after 16 May 2022 and an automatic rejection notice would have been sent back to him.

Our investigator looked into the complaints, but he didn't uphold them.

Our investigator said Aegon hadn't treated Mr A unfairly. He said Aegon was correct in saying Mr A couldn't withdraw his funds before the age of 55, and also that it couldn't transfer the plan without having full details of the receiving pension scheme. He said Mr A had provided a screen shot of an email dated 30 November 2022 to Aegon, requesting an opt out of his employer's scheme. But he said Mr A hadn't followed this up in any way when he didn't receive a response, despite deductions for pension contributions being shown on his payslips each month thereafter. Our investigator said based on this evidence it was unlikely Aegon had received an opt out request.

Mr A didn't agree. He said he was a victim of fraud as Aegon should never have had his money as his opt out request had been "*illegally*" ignored. Our investigator said if Mr A had any further evidence about making an opt out request, he would consider it. Mr A asked if there was any evidence he'd signed anything to join the SIPP and so agreed for Aegon to receive his money. Our investigator said the pension had been set up by Mr A's employer and he might be able to take the opt out issue up with it. Mr A said he'd previously opted out of pension schemes by emailing the providers "*who have allowed opt-out in this way*". He said he'd been scammed, and our service was allowing it.

As Mr A doesn't agree it has come 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.

Having done so I am not upholding the complaint.

I'm sorry to hear that Mr A has had financial problems and understand how difficult things must have been for him. But I don't think Aegon has treated him unfairly or unreasonably, so I can't uphold his complaints.

Aegon is a large and well-known financial services business, subject to significant regulation and there is no evidence of fraud or that Mr A has been scammed. UK pension legislation doesn't allow pension benefits to be withdrawn or encashed before age 55 except in cases of serious ill-health which must be evidenced. Aegon did advise Mr A of this and asked him to provide medical evidence if that was the case and he did not.

Legislation also only allows transfer of pension funds to other registered pension schemes and the rules require Aegon to fully check the details to ensure the legitimacy of the receiving arrangement. The purpose of these rules is to help prevent consumers being victims of scams aimed at stealing their money. Or from them incorrectly accessing their pension benefits which would result in severe tax penalties from HMRC and potentially criminal proceedings. Aegon repeatedly requested that Mr A provide the details necessary to transfer the SIPP, but he didn't. So, I don't think Aegon did anything wrong here.

Aegon are also required to verify Mr A's identity from time to time, again to help prevent fraud. And its procedures here are similar to those adopted by most financial services businesses in the UK and aren't unreasonable.

In terms of the opt-out, this is an option available to someone who has been automatically enrolled into a pension by their employer under the workplace pension auto enrolment requirements. As Mr A was automatically enrolled, he wouldn't have signed anything in order to join the pension scheme and details about this were set out in the documents sent to him by Aegon at the time. Details of how to opt out are normally provided by the employer as part of the auto enrolment process.

The regulations in place state that the employee is required to obtain an "*opt out notice*" from the pension provider to complete and then give to their employer. If someone opts out in the first month they are treated as though they never joined the scheme and any employee contribution paid will be refunded to the employer to then be paid as salary. So there is no personal refund. It is still possible to opt-out after the first month but after that no refund of contributions is allowed. The Pension Regulator has guides on its website about how the opting out process works.

Here Mr A says he didn't receive any information from Aegon about opting out but emailed a client support email address he obtained from its website. The copy email he has provided mentions his employer and his national insurance number but not the plan number of his SIPP. Aegon says the email address used could only receive specific Aegon forms and I've no reason to doubt that. And Mr A accepts he didn't receive any response or confirmation of this request being actioned. So, it doesn't appear Mr A followed a correct opt out procedure as required by The Pension Regulator.

It's also clear from Mr A's payslips that both employee and employer pension contributions were shown being paid each month. I note that the employee contributions were through salary exchange (sometimes called salary sacrifice). This is effectively a pay cut with the reduction being paid into the pension, saving on national insurance and it's likely that Mr A also separately agreed to this with his employer. Mr A says he only reviewed his payslips in March 2024, but he doesn't appear to have queried anything then. And he does only seem to have raised this concern having been unsuccessful in first trying to encash then transfer his plan. So, I think Mr A should have been reasonably aware that if it was his intention was to opt out this hadn't actually taken place. And I think the onus was on him to take this up further with Aegon and his employer, and I don't think Aegon has made any error here.

Aegon can only act within the law and rules and regulations applying to pension arrangements and money laundering requirements and I don't think Aegon has acted unreasonably or treated Mr A unfairly, so I can't uphold his complaints.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 February 2025.

Nigel Bracken  
**Ombudsman**