

The complaint

Mrs B has complained that Scottish Equitable Plc trading as Aegon ('Aegon') hasn't applied her pension contributions since April 2024. These contributions are made through her employer as she is a member of her employer's group personal pension ('GPP'). Mrs B says these issues have caused her investment loss, as well as distress and inconvenience.

What happened

Mrs B holds a GPP with Aegon through her employer but there has been an issue making contributions since April 2024. The problem started after Mrs B's employer's payroll administrator changed, with the old administrator having not carried out a handover. But there have been further problems getting the new administrators the required system access.

Aegon received catch up payments for some missed pension contributions in September 2024. But this payment coincided with Aegon experiencing wider system issues which have been impacting a large number of its customers. These system issues, which started in September 2024, have meant that in some cases Aegon has been unable to apply contributions it has received to the individual pension plans. This means that although it has received some catch up payments from Mrs B's employer, it has been unable to apply these to Mrs B's GPP at this time.

Mrs B complained to Aegon in November 2024. Amongst other things, she said she wanted to know who was at fault for both her own and her employer's contributions not being paid applied to her GPP. And in a later email Mrs B said she was unhappy with the standard of service received from Aegon due to the conflicting information between it and her employer about the contributions, as well as an ongoing computer issue at the root of this.

Aegon wasn't able to issue a final response letter at that time so it provided Mrs B with referral rights to this Service.

When Mrs B referred her complaint to this Service, she explained that she had received two letters from Aegon. The first in August 2024, which informed her that her employer had not made all the contributions due to her plan for the month of April 2024. The second letter, in September 2024, informed her that contributions for May 2024 had not been paid. Mrs B explained that she had been in contact with Aegon (and her employer) but had been unable to establish who was at fault. Mrs B also explained that her employer had also been trying to resolve the issue with Aegon. And having complained, Mrs B's employer had now referred its complaint against Aegon to the Pensions Ombudsman.

One of our Investigators considered Mrs B's complaint. At that time Aegon had failed to provide a copy of its business file so the Investigator's assessment was based solely on the information Mrs B had been able to provide. The Investigator upheld the complaint. In summary, they said there had been multiple issues. Initially, it was believed the issues were down to the change in payroll provider and Aegon not giving the new provider access to make contributions in a timely manner. The employer then made a manual payment in September 2024, for contributions between April and August 2024. However, these hadn't

been applied to the GPP due to system issues. The Investigator noted that Mrs B's employer had confirmed in an email dated, 14 March 2025, that the payroll administrator now had access to Aegon's systems.

The Investigator acknowledged that this matter had caused Mrs B distress and inconvenience. They said Mrs B needed to know where she stood financially with her pension to enable her to accurately assess her plans for retirement. To put the matters rights, the Investigator said Aegon should:

- Provide a written apology, with an explanation for the lack of contributions since April 2024;
- Provide written confirmation to Mrs B that the issue is either resolved, or an indication of when it will be resolved;
- Backdate all contributions to the dates they ought to have been processed, with written confirmation of the dates and units applied;
- Pay Mrs B £350 compensation for the distress and inconvenience caused.

Mrs B responded to the Investigator's opinion. She confirmed that the matter was still unresolved and that having now turned 55, she'd like to take her tax free cash but she doesn't know how much she can take as her GPP value is not up to date.

Aegon didn't respond to the Investigator's findings so the matter was passed to me to consider.

While I was reviewing the complaint, Aegon provided a copy of its file. In its covering email it said it accepted the Investigator's opinion. It also said that it will apply the catch-up payments it's received, as at the date it received them. It said there had been a delay in these payments being received in the first place due to a change in payroll administrator at Mrs B's employer and it was unable to confirm at this stage if it had been responsible for that delay. And since receiving the backdated payments in September 2024, the GPP had been affected by system issues which are preventing it from reinstating the scheme and applying contributions. Aegon explained that it does not have a timescale for a fix being implemented and all outstanding contributions being applied. But it said that once this issue has been resolved and the contributions have been applied to Mrs B's GPP, it will make sure she is not financially disadvantaged as a result of its errors.

I issued my informal thoughts by email to both parties. I said that having reviewed all the information provided, I was partially upholding the complaint. In summary I said:

- I thought that it was fair that Aegon had said it would conduct a full review of the GPP and complete any necessary remedial work to ensure that no loss is suffered as a result of it delays. This would ensure Mrs B has not suffered a loss as a result of contributions that have been paid not being applied to her plan when they should have been. I said I would expect Aegon to provide confirmation to Mrs B of this remedial work in a clear and simple format.
- In terms of payments to Mrs B's plan since September 2024, Aegon has no record of any further payments being received. But I noted that Mrs B had provided a copy of a letter her employer had sent her in December 2024 which suggested that it is holding contributions back until Aegon's system issues are resolved. So it seems likely Aegon hasn't receive contributions from Mrs B's employer since the September catch up payment, rather than further contributions having gone missing payments at Aegon's end.
- In terms of these payments being made, and how they are applied to Mrs B's plan once the system issues are resolved, this would be a matter for Mrs B's employer

and Aegon to resolve as this doesn't just impact Mrs B but is a wider issue impacting all members of Mrs B's employer's GPP. I said I understood Mrs B's employer had complained to Aegon about the issues it experienced. And it had already referred a complaint to the Pensions Ombudsman for consideration. I explained that the Pensions Ombudsman is best placed to review these particular issues as it can consider the role of all parties involved, whereas the Financial Ombudsman Service only has jurisdiction to look at the actions of Aegon. If Aegon is deemed to be at fault by the Pensions Ombudsman, it would usually be directed to put things right.

- I noted that Mrs B had said she wanted to take her tax free cash and I asked her to confirm if she had been in contact with Aegon about this issue already. If not, and she requires her tax free cash now, I suggested she contact Aegon and let it know. I said that I would expect Aegon to do what it can to assist Mrs B with this.
- I acknowledged that these issues had been ongoing for some time and have caused Mrs B inconvenience and frustration. Our Investigator recommended that Aegon pays Mrs B £350 in recognition of this. I explained that this award wasn't to cover any financial loss Mrs B may have suffered; it's to reflect the distress and inconvenience Aegon has unnecessarily caused Mrs B. And having considered everything as it stands, I agreed with the Investigator that £350 was fair in the circumstances of this complaint.

Mrs B didn't accept my informal findings. She said she'd spent a considerable amount of time trying to resolve this issue, coupled with non-communication on Aegon's part. After two initial letters highlighting her employer's lack of contributions, those communications stopped and as a customer she has received nothing further from Aegon regarding her GPP. It's now 17 months on. Mrs B says she's had to complete complaint forms and has had long telephone calls with Aegon in which it has consistently denied any liability.

Mrs B says she is aware that a payment was made to the GPP, listed as September but she has received no communication for that or clarification of what this amount relates to. And if Aegon received some catch-up payments from her employer and have not applied them then this would also seem completely wrong.

The "wider system issues" with Aegon, are completely unknown to its affected customers, other than by means of the Financial Ombudsman Service and the media. The fact that Aegon has told our Service it is looking into the issues, will conduct a review, and ensure no loss is suffered, again has only been communicated to the Financial Ombudsman Service, not directly to her.

Mrs B confirmed that she has not been in touch with Aegon about taking tax free cash as she has no faith that Aegon would act on any such request. And she is also fearful that it would have a negative impact on the current issues it is attempting to resolve.

Mrs B has also said that given the hours of work she has invested, filling in complaint forms, making phone calls, reading and preparing correspondence both to this Service and Aegon, she doesn't consider £350 is fair.

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'm partially upholding this complaint for mostly the same reasons set out in my previous email. I've explained my decision below.

Payments to the GPP since April 2024

I know Mrs B is frustrated at the issues she has experienced with Aegon and that she'd like to know who is at fault for these. But it's not appropriate for me to comment on the initial issue which caused the payments to the GPP to stop in April 2024. I say this because I only have Aegon's side of events here; I don't have information from the payroll administrator and Mrs B's employer. So I can't fairly consider this matter and reach a decision on the information available to me. I also can't consider a complaint against Mrs B's employer or the payroll administrator as they don't fall with the jurisdiction of this Service. So if I determined one of these firms was at fault, I have no power to direct them to put things right.

In addition, this matter doesn't just impact Mrs B's GPP but all member of Mrs B's employer's pension scheme. Mrs B's employer has complained to Aegon about the issues its experienced. And it has already referred a complaint to the Pensions Ombudsman for consideration. The Pensions Ombudsman is best placed to review these particular issues as it can consider the role of all parties involved, whereas the Financial Ombudsman Service only has jurisdiction to look at the actions of Aegon. If Aegon is deemed to be at fault by the Pensions Ombudsman, it would usually be directed to put things right.

Ongoing system issues

While I can't fairly consider who is at fault for the issues that resulted in payments to the GPP stopping in April 2024, I am able to consider Mrs B's concerns about the service she has received from Aegon throughout this period.

It seems from an email Mrs B's employer sent her, that the issue which prevented the payroll administrator from making contributions to the GPP has been resolved. And I'm aware that Aegon received a catch up payment in September 2024. The information on file, along with an email Mrs B received from her employer in March 2025, confirms that this payment was for contributions that should have been made between April and August 2024. However, because this coincided with Aegon experiencing wider system issues - which started in September 2024 and are impacting a large number of its customers - Aegon has been unable to apply contributions it has received to the individual pension plans, including Mrs B's GPP.

That said, Aegon says that once the issues are resolved and it can apply the catch-up contributions it received in September 2024, it will conduct a full review of Mrs B's employer's pension scheme and complete any necessary remedial work to ensure that no loss is suffered as a result of Aegon's delay in applying these contributions.

I think this is a fair way for Aegon to put things right as it will ensure Mrs B not suffered a loss as a result of contributions that have been paid not being applied to her plan when they should have been. And I would expect Aegon to provide confirmation to Mrs B of this remedial work in a clear and simple format. Although I should clarify here that Aegon's remedial action will only take account of delays that it is responsible for.

However, Aegon has confirmed that its investigations into its system issues are still ongoing. And it can't confirm when these will be resolved. This isn't an ideal situation as we are unable to resolve the complaint at this time in a neat and tidy fashion as the outstanding issues require Aegon to apply a fix to its system and can't be put right simply through an award for loss caused.

This means I can't say with confidence when or how this matter will be resolved. And I don't want to say anything in this decision or make a direction that may prevent Mrs B raising a further complaint in future, if Aegon doesn't ultimately resolve matters to her satisfaction. So

my decision and the award for compensation is in only in relation to the service Mrs B has received up to now.

Mrs B says that Aegon hasn't kept her up to date with the situation. She says it sent her two letters back in August and September 2024, letting her know that her employer hadn't made contributions to her plan since April 2024. But she hasn't heard anything more from Aegon since this. She has said that if it wasn't for this Service and the media, she would be unaware of the system issues Aegon is experiencing. And she wouldn't be aware that a payment had been received from her employer in September 2024 and she has never received confirmation from Aegon of what this payment was for.

I am also aware that Aegon has yet to issue a full response to Mrs B's complaint, which she initially raised in November 2024, before raising further concerns in June 2025. Although it did explain – in its email to Mrs B dated 28 July 2025 - that it will be carrying out remedial work on her plan to ensure she hasn't suffered a loss as a result of the delay in applying her pension contributions.

The system issues Aegon has been experiencing are not unique to Mrs B or her employer's GPP: they have impacted a large number of its customers and this in turn has meant that it has been dealing with an increased number of enquiries and complaints. That said, I think Aegon should have done more to keep Mrs B updated with the situation with her GPP. She has spent time contacting Aegon and her employer because she was understandably concerned about her pension contributions. And she was unsure what was happening with her GPP.

I can appreciate why this has been a concern for her, along with the added frustration that it is not yet known when this matter will be resolved. While these system issues will still have occurred, I think Mrs B may have found the matter less frustrating if Aegon had kept her informed. So I think the service Aegon has provided since September 2024 – when its system issues began - has fallen short of what I would have expected.

Mrs B has mentioned the time she has spent in resolving this issue, having to make phone calls and submitting complaint forms. I do appreciate that this has taken time. And I note what she's said about the proposed award, in comparison to realistic chargeable hours of her time; she says this award barely covers two hours.

However, Mrs B has bought this complaint in her free time, not in her professional capacity. So while I have taken into account the time Mrs B has taken dealing with this matter, this service does not make awards based on an hourly rate for time spent.

I should also highlight here that this award is to reflect the impact on Mrs B; not to punish Aegon. I think this matter has caused Mrs B inconvenience but she wasn't in a position to access her pension benefits prior to May 2025. And since then, hasn't been in contact with Aegon about doing so.

I have however reflected on the amount of time Mrs B has spent trying to get answers and the poor service she has received from Aegon. On balance, I remain of the view that £350 is appropriate in the circumstances of this complaint to address the inconvenience caused.

Mrs B is concerned that if she accepts this this award, she doesn't know where she will stand in 12 months' time, if the issues with Aegon are still unresolved. As I've said above, this award is to reflect the inconvenience she has suffered up to now. Going forward, I would expect Aegon to provide Mrs B with regular updates as to how its investigations into the system issues are progressing, when they are likely to be resolved and when Mrs B's plan will be operating as it should, along with how it has completed any remedial action once it is in a position to complete this.

If Mrs B has concerns that going forward Aegon hasn't kept her up to date or if she is unhappy with any remedial work it completes, she will be free to raise a new complaint with Aegon about these further issues.

Tax free cash

Mrs B has also said that she'd like to take her tax-free cash but she hadn't yet been in touch with Aegon about this as she has no faith that it would act on any such request. And she is also fearful that it would have a negative impact on the current issues Aegon is attempting to resolve.

However, if Mrs B requires access to her tax free cash now, she will need to engage with Aegon about this. And if she's unhappy with how it handles this matter, or is concerned that it has made a mistake, she will be free to make a new complaint to Aegon about this matter, and ultimately will have the option to refer any new complaint to this Service, if she is unhappy with Aegon's response.

Conclusion

In terms of who is responsible for the initial issue which meant the payroll administrator was unable to make contributions to Mrs B's GPP, I can't fairly consider this matter and reach a decision on the information available to me. And I'm satisfied the Pensions Ombudsman is best placed to review these particular issues as it can consider the role of all parties involved, whereas the Financial Ombudsman Service only has jurisdiction to look at the actions of Aegon.

In terms of the service received since Aegon has been experiencing its system issues, I think Aegon failed to keep Mrs B up to date. And I therefore think compensation of £350 is appropriate, for the service issues Mrs B has experienced to date.

Going forward, I expect Aegon to keep Mrs B updated regularly. And once it is in a position to carry out remedial work on Mrs B's GPP, it should ensure she has not suffered a loss as a result of errors Aegon has caused in not applying contributions to her plan when it should have done. And Aegon should provide confirmation to Mrs B of this remedial work in a clear and simple format.

In terms of this decision, I've only considered the service issues to date. Going forward, if Mrs B has further concerns, or if she doesn't think Aegon has correctly carried out its remedial work, once it's in a position to do this, Mrs B will be able to raise these concerns as a new complaint with Aegon.

Putting things right

- Aegon should pay Mrs B £350 compensation for the distress and inconvenience this matter has caused her up to now.
- Aegon should also ensure that Mrs B is kept updated about when it will likely resolve its system issues and her GPP will be operating as it should.
- Once it has carried out its remedial work, Aegon should provide details of this to Mrs B in a clear and simple format.

My final decision

For the reasons explained above, I partially uphold this complaint. To put things right, I direct Scottish Equitable Plc trading as Aegon to carry out the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 11 November 2025.

Lorna Goulding

Ombudsman