DRN-5651634

Financial Ombudsman Service

The complaint

Mrs W complains AJ Bell Management Limited ('AJ Bell') incorrectly emailed her personal data to another customer, causing her a great deal of distress and worry, as well as inconvenience.

What happened

Mrs W has a self-invested personal pension ('SIPP') with AJ Bell. Sadly, she was going through a difficult divorce and on 26 January 2025 she wrote to AJ Bell about a possible Pension Sharing Order ('PSO') and asking for information about her SIPP.

On 5 February 2025, AJ Bell emailed out the information Mrs W had requested. But Mrs W called AJ Bell two days later because she'd not received it. During this call it was found that AJ Bell had wrongly emailed the information to another of its customers instead.

Over the next few days, Mrs W and AJ Bell had further communication as Mrs W was very concerned about the data breach. AJ Bell emailed Mrs W to say it had raised the breach with its Risk and Compliance Team, that the personal information incorrectly shared was her full name, address, account number, and SIPP value, and that it had asked the incorrect recipient to delete the email.

Mrs W remained concerned and AJ Bell logged a complaint for her. In its final response letter of 13 February 2025, AJ Bell said the data breach was caused by an administrative error, it had given feedback to the relevant staff member to ensure it didn't happen again, and a senior staff member would oversee her case and any further correspondence about the PSO. AJ Bell explained it took data breaches very seriously and had registered, assessed, and managed this one in line with the UK General Data Protection Regulations. It also apologised to Mrs W and offered £200 compensation for her distress and inconvenience, and added that she could get back in touch if there were further matters she wanted to bring to its attention.

Unhappy with this, Mrs W referred her complaint to the Financial Ombudsman Service. She added that AJ Bell had put her at risk of hackers, identity theft, scams, fraud and financial loss. That she's now receiving phishing emails and texts, and has lost control of her personal data. She said this had caused her a great deal of distress at an already difficult time, and the £200 compensation offered didn't reflect the seriousness of the breach.

An Investigator at our Service considered Mrs W's complaint. He said it wasn't disputed that AJ Bell had made an error, but there was no evidence this had caused Mrs W a financial loss. He thought the actions AJ Bell had already taken, including offering Mrs W £200 compensation, were a fair and reasonable way to put things right for her.

Mrs W disagreed and provided further comments. In summary, she said:

- She intended to report this breach to the Information Commissioner's Office ('ICO').

- The breach wouldn't have been found if she hadn't called AJ Bell to chase for the information. In that call, AJ Bell left her on hold distressed, and didn't transfer her to a manager as it promised. And it hadn't called her or apologised verbally since.

- AJ Bell put her at risk of financial loss. The incorrect recipient had the information for days, including that she was getting divorced, and could have copied it and shared it. AJ Bell should confirm that phishing attempts she'd received since weren't linked to the breach, that her account was secure, and that this would never happen again.

- The breach highlighted AJ Bell's inadequate online service, employee training, IT security and data breach prevention. It had a duty to protect her data and to adhere to the regulator's (the Financial Conduct Authority, 'FCA') rules and guidance, including prioritising data security to protect customers data; managing conflicts and treating customers fairly; protecting client assets and preventing foreseeable harm to customers; and comprehensively training employees. But AJ Bell had broken its duties and her trust, and caused her paranoia, anxiety and distress. So £500 was fairer compensation in the circumstances.

But our Investigator didn't change his mind. As agreement couldn't be reached, this complaint has been passed to me for a decision.

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 doing so, I've taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. This includes the Principles for Business ('PRIN') and the Conduct of Business Sourcebook ('COBS'). And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

Mrs W has made submissions about AJ Bell's systems, staff training and other processes not being adequate. But I'd like to be clear that it's not our Service's role to tell a business like AJ Bell what its processes should be. Instead, our role is to look into the particular circumstances of an individual complaint to determine if the business has made an error, and if so, how to put things right for that individual consumer. So that is what I'll do here.

AJ Bell accepts that it made an error. It accepts that it sent an email intended for Mrs W containing her personal information to another of its customers instead. As that's not in dispute, I don't need to consider that matter further.

But what is disputed here is whether AJ Bell has done enough to put things right for Mrs W, and so I've considered this.

From the evidence provided to me, I think AJ Bell took action promptly once Mrs W alerted it in the 7 February 2025 call that she hadn't received the information she was expecting. I say this because Mrs W has told us AJ Bell sought to confirm the correct email address in that call. And I can see that only six days later, following the further communication both parties told us about, AJ Bell issued its final response letter in which it set out the actions it had taken. These included that it had registered, assessed, and managed this data breach in line with the UK General Data Protection Regulations. That it had asked the incorrect recipient to delete the email. And that it had given feedback to the member of staff involved and would have a senior member of staff overseeing Mrs W's case. I think these were fair and reasonable steps for AJ Bell to take in order to minimise the risk to Mrs W resulting from its error and to reassure her going forward. In any case, I note Mrs W has said she intends to refer this to the ICO. That's for Mrs W to decide, and so I'll leave that to her.

Mrs W says she's recently received phishing attempts, and I know she feels very strongly that AJ Bell has put her at risk of hacking, identity theft, scams and fraud. Unfortunately, phishing is not unusual nowadays. But regardless, I've not been provided with any evidence to make me think that the phishing attempts Mrs W has told us about are linked to the data breach she complains of here. And I've not been provided with any evidence that Mrs W has been the victim of a hacking, identity theft, scam or fraud, or to make me think that the data breach in question has directly caused her an actual financial loss. But if in future something new happens or Mrs W has new evidence, then Mrs W could raise this with AJ Bell as a new complaint, and if she was dissatisfied with its response, she could then refer that new complaint to our Service for an impartial investigation.

All that said, I accept that Mrs W would have been very upset and worried to find that her personal information, including her name, address, and SIPP account number and value, had been sent to another customer instead of to her as intended. And given what she's told us about her circumstances, it's clear this happened at an already very difficult time for her. I also accept she's been caused some inconvenience, as she's had to follow up with AJ Bell about the information it incorrectly shared. But as I've explained, I think AJ Bell then took prompt and reasonable steps to minimise the risk to Mrs W and to reassure her. And so in the circumstances, I think its apology and its offer of £200 is fair and reasonable compensation for that distress and inconvenience. Neither party has disputed that this £200 has so far only been offered, rather than paid. So if Mrs W accepts my final decision, AJ Bell should pay this to Mrs W if it hasn't already done so.

My final decision

For the reasons given, I uphold this complaint. AJ Bell Management Limited has already made an offer to pay Mrs W compensation of £200 for the distress and inconvenience its error has caused her, and I think this offer is fair in all the circumstances. So my decision is that AJ Bell Management Limited should pay £200, if it hasn't already paid this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 6 August 2025.

Ailsa Wiltshire
Ombudsman