

The complaint

Mr G complains he was unable to access his online account with Scottish Equitable Plc trading as Aegon (Aegon) and couldn't manage his Group Personal Pension Plan (GPP) for many months, causing inconvenience and potentially investment losses. He wants an explanation and compensation for any losses incurred.

What happened

Mr G joined his employers GPP (the plan) with Aegon, in 2012 and had used its online account to access valuations and manage the plan since 2013. Over the long weekend of 24-26 August 2024, Aegon updated part of the system. Following which Mr G was unable to log on, with an error message saying there were issues with secure online services being unavailable or taking longer to access than usual. Aegon said it was working on a solution and in the meantime, customers could call the helpline, with potentially higher call volumes than usual, or requests could be submitted using an "*online form*". Mr G says many of his colleagues were having the same problem.

On 5 September 2024 Mr G, who works in IT, complained saying he hadn't been able to access the system for around three weeks, and the update should have been thoroughly tested before being implemented. He said Aegon hadn't provided any update on what the problem was or when it would be resolved. He said some people might have been unable to switch investments and could have lost money and asked whether this would be compensated. Aegon replied on 7 September 2024, it didn't uphold the complaint, but it apologised for the problems. It said it was working to fix the issue as a priority but didn't have a timescale to complete this. It said if Mr G required a valuation, he could request this online or by calling and it provided a current valuation.

Mr G referred his complaint to our service; he said the problem had now been ongoing for around three months. He also made several further points. He said he understood from his employer that there were issues with Aegon accepting contributions and applying them to members individual pension plans, which could result in investment losses. And as he wasn't able to check his plan, he didn't know if this had impacted him, as Aegon didn't respond to valuation requests through the website or call system. He said he understood Aegon's systems were old and not fit for purpose.

Our investigator looked into the complaint.

Aegon said after the update in August 2024 it was aware that some, but not all customers were having "*intermittent difficulties*" accessing online systems. It said it was still working on a fix, that had taken longer than expected and the issue was the "*connectivity and interfacing with our main database*". It said the data base was working correctly and there was no evidence Mr G's data had been affected. It said that online access, was a free, additional service rather than being contractually provided for under the plans Terms and Conditions, and online access wasn't guaranteed. It said the age of the plan was such that it was never intended to be managed purely online, but by post and telephone. Aegon said call volumes had increased due to the issues, and it had taken on additional staff and redeployed others to help deal with this. But that it had continued to administer the plan in line with the Terms

and Conditions and didn't believe it had caused Mr G any financial loss or material distress and inconvenience.

Our investigator said the complaint should be upheld in part because even though Aegon wasn't contractually obliged to provide online services it had been doing so for Mr G since 2013 and for this to be suddenly unavailable had caused him inconvenience. Particularly, as he'd since complained that Aegon hadn't responded to valuation requests he'd made through its website. Our investigator said our service couldn't tell Aegon to fix the issue any faster but as Mr G had been caused inconvenience over a period of months it should pay him £100 in compensation.

Aegon accepted our investigators view of the complaint, but Mr G didn't. He said £100 compensation was "*an insult*" given it was now the end of January 2025, and the problem remained unresolved. He said hundreds of his colleagues had been impacted and reiterated that there had been problems and delays allocating contributions for other members of his employers GPP, which Aegon had "*sat on*". He said it wasn't acceptable for Aegon to fob people off by saying online access wasn't a guaranteed or required method of accessing the plan. He said it was impossible to contact Aegon by other means and it still hadn't provided a valuation he'd requested on 16 October 2024. Mr G said Aegon had a duty of care to ensure customers could access systems when needed. He said if he couldn't manage his account, he "*could be incurring losses*". He said in the past he'd been paid significant compensation by a stockbroking firm when a systems failure had prevented dealing during a market downturn. Our investigator said the compensation of £100 was based on the duration of the inconvenience caused at the time Mr G had raised his complaint, and he could raise the ongoing situation with Aegon if necessary.

As Mr G 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 upholding the complaint in part.

Our service can't tell a business how to manage its processes and systems or sanction it if things go wrong as we aren't the financial regulator. But we can award compensation when problems and errors have resulted in unfair outcomes. And I can only consider the impact any problems have had on Mr G, not on any of his colleagues, when deciding on his complaint.

I understand Mr G's frustration and I think he was inconvenienced by what happened. But in deciding what is fair in the circumstances, it is relevant that there was no contractual obligation for Aegon to provide online access to the plan. Pension providers are required to provide a statement annually. I've checked the policy conditions for this plan (policy version GPP V13B available on Aegon's website) and these don't refer to online access at all and state any instructions or requests need to be given in writing. The error message shown when Mr G attempted to login did refer him to a separate online request system and to Aegon's customer helpline. So, there were alternatives available, even if they themselves weren't as convenient, or as efficient.

Mr G is an IT expert and the comments he's made about how system updates should be planned, tested and rolled back in the event of problems seem entirely sensible. That said, problems do occur from time to time, and as he says and Aegon accepts, this is an older plan likely to be administered on a legacy back-office system. Aegon says the issue was

intermittent and took longer to resolve than expected, but it put extra resources into call handling and back-office processes to deal with the additional work volumes that resulted. That seems a reasonable response in the circumstances.

Mr G has said that Aegon is taking much longer to respond to valuation requests than it should, and if so, he would need to take this up with it separately. Because he didn't specifically complain about this on 5 September 2024. When it did respond promptly, and provided him with a valuation in two days, which I think was a reasonable timeframe.

Mr G did say in his complaint that "*some people*" may have wanted to switch investments and might have lost out. Aegon didn't refer to his initial comment about this in its final response. Subsequently he told our service that if he couldn't manage the plan online "*he could be incurring losses*", although he didn't provide any specific example or evidence of this. Generally, we think it is fair to consider what did happen, rather than what might have happened in a certain scenario. And I understand it was still possible to place switch instructions via the online form system that was linked to the error message.

Mr G says he knew there were problems over allocating contributions for other members of his employers' pension scheme. That isn't something I can directly consider here. But Aegon has said that contributions have been "*applied*" correctly on the date they were received. By "*applied*", pension providers mean allocated on, which might be some days after the contribution was paid. Effectively the investment of the contribution is backdated to the correct date at the prevailing price on that day, that means there would be no investment losses.

That's different to a typical stockbroking account where investments like shares are usually (but not always) bought or sold in real time. Mr G may be able to review his own plans contribution history online, but if not, he could request a transaction summary from Aegon, which would show the date each contribution was invested. If that showed any issues this could be raised as a separate complaint with Aegon.

If there were problems for Mr G's employer being able to make contributions when due, that is something it would need to take up with Aegon directly. But again, if a pension provider has caused such a delay, we'd expect it to backdate the investment of those contributions to the date they should have been received to ensure no financial loss to members was caused.

So, taking everything together I think Mr G was inconvenienced through not having access to a system for many months that had been made available for more than ten years previously. But he was still able to place instructions if he needed to and initially at least, he was provided with valuation information promptly when he requested it.

Putting things right

It's fair that Mr G be compensated for the inconvenience he was caused. I think compensation of £100 is fair here, and is in keeping with what our service would award in similar circumstances.

My final decision

My final decision is that I uphold the complaint against Scottish Equitable Plc trading as Aegon.

I direct Scottish Equitable Plc trading as Aegon to pay Mr G £100 in compensation for the distress and inconvenience caused unless it has already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 September 2025.

Nigel Bracken
Ombudsman