DRN-5797072

Financial Ombudsman Service

The complaint

Mr M complains that Scottish Equitable Plc ("Aegon") has failed to correctly apply pension contributions that he has made over the past seven years.

What happened

Mr M holds a personal pension with Aegon. Mr M has made regular monthly contributions to those pension savings of £900 (after the addition of tax relief) since April 2017. He has also made ad-hoc contributions from time to time.

In December 2024 Mr M looked at his pension using Aegon's online portal. He was concerned to notice that since 2017 the contributions he had paid between October and December each year had only been valued at £338.38 rather than the correct £900. So, he complained to Aegon about the error.

It took some time for Aegon to respond to Mr M's complaint. So in the intervening period he brought the complaint to us. But Aegon did later respond to Mr M's complaint. It told him that it was experiencing some problems with its online reporting following an earlier system update. It reassured Mr M that those problems had no impact on the actual value of his pension savings and those were recorded correctly in its systems. And it sent Mr M a further copy of a statement it had previously sent to him in December 2024 showing the correct contribution amounts being added to his pension savings. But Aegon acknowledged that the confusion would have caused some distress and inconvenience to Mr M. So it paid him £150 as an apology for what had happened.

Mr M's complaint has been assessed by one of our investigators. He thought that the evidence Aegon had provided suggested that there was no underlying problem with the value of Mr M's pension savings – just a problem with how that information was shown on the online reporting. The investigator thought that the compensation Aegon had paid Mr M for his distress and inconvenience was fair.

Mr M didn't accept that assessment. He said the online reporting problems were still present and that he had faced some further difficulties in the reporting of a transfer that he had instructed to move some of his pension savings to another provider. Although not part of the original complaint Mr M had made, Aegon said that the problems with the reporting of the transfer were caused by the same underlying issues. It said the transfer was being progressed correctly and offered Mr M a further £100 for the inconvenience he had been caused. But it said that it couldn't give any timescales about when the reporting problems would be resolved, so wouldn't expect to pay Mr M any further compensation for related reporting errors in the future.

Mr M didn't accept that offer and again asked his complaint remain open until the reporting issues were resolved. 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 M 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.

There is little doubt that the information Mr M saw about his pension contributions when he accessed Aegon's online portal in December 2024 was incorrect. That information suggested that Aegon had not applied significant sums to Mr M's pension savings. I think it is clear why that information would have been of great concern to Mr M.

But around the same time Aegon had also sent other information to Mr M by post, in response to an unrelated request, that showed all of his previous pension contributions had been applied correctly. Whilst I don't think I should expect Mr M to have automatically put both pieces of information together (the paper and online reporting) and so lessened any anxiety he felt, it does give me some confidence that there is nothing fundamentally wrong with how Aegon has processed his monthly contributions in the past.

From the information Aegon provided in writing to Mr M in December 2024 that summarised his contribution history, and from what Aegon has told us about its system problems, I am satisfied that it is most likely Aegon has correctly applied all of Mr M's previous monthly contributions. Aegon has said that, for administrative reasons, it divides Mr M's monthly contributions into amounts of £561.62, £150.00, £150.00 and £38.38. When taken together those amounts total the £900 that Mr M would expect to see. But it seems that in some months the online reporting overlooks the amount of £561.52 and so only shows a contribution of £338.38 as was seen by Mr M.

Given that Aegon appears to be aware of the problem, it is a little disappointing that it took almost six months before it answered Mr M's complaint and explained that what he was seeing was just an online reporting problem – rather than something more sinister. An earlier answer would undoubtedly have helped Mr M reduce some of the distress he would have felt. But I am satisfied that Mr M should have no concerns that his pension savings are a correct reflection of the contributions he has made.

Aegon has told us that it doesn't have any indication of when these reporting problems will be corrected. So, I should warn Mr M that any information he sees that appears to be incorrect might well be as a result of this problem. But Aegon has also said that he should feel free to get back in touch with its teams should he require any reassurance about the information he has seen. I appreciate that Mr M is quite reasonably keen for his full online access to be restored. But that isn't something that any directions from me can achieve. I am satisfied that Aegon will be working diligently and at pace to correct these errors. But at this stage it cannot provide any assurances when those corrections will be completed.

When it responded to Mr M's complaint, Aegon paid him £150 for the distress and inconvenience he had been caused. I've thought carefully about the amount of that payment and considered it against awards I would expect to make in similar circumstances. Having done so I am satisfied that the payment Aegon has made for the problems Mr M encountered in December 2024 is fair and reasonable.

After our investigator had issued his assessment Mr M told Aegon about some further problems he experienced in the reporting of a transfer that he had instructed for some of his pension savings to be moved to another provider. Aegon confirmed that those problems were of the same root cause as the earlier reporting issues Mr M had previously experienced. It has said that it would be willing to make a further payment of £100 for that inconvenience. But it would want Mr M to confirm that he accepted the additional payment on the basis it would cover the issues he has experienced and takes into account that the issues are likely to persist until its IT team can fix the problem.

As these later matters did not form part of the complaint Mr M originally made to Aegon I will not be making any directions in this decision in regard to the additional payment Aegon has offered. But I will note that, based on the evidence I have seen, the additional payment is also fair and reasonable. I will leave it with Mr M to contact Aegon should he wish to accept that additional offer on the basis that it will take into account that further reporting issues might arise on his account. Should he not wish to accept that offer Mr M would need to raise a further complaint with Aegon about the latest problems.

I appreciate that this decision does not go as far as Mr M would wish. But I don't think it either reasonable or appropriate for me to delay my decision on the complaint until Aegon corrects its online reporting. Whilst that reporting was no doubt upsetting for Mr M when he was unaware of the system problems, the issues will remain until a fix can be found. But I am satisfied that those problems do not affect the fair value of Mr M's pension savings, and other communication channels are available to him to receive any information he seeks.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Scottish Equitable Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 October 2025.

Paul Reilly
Ombudsman