DRN-5913502

The complaint

Mr T complains that Scottish Equitable Plc trading as Aegon ("Aegon") has failed to administer pension plans he holds in an effective manner. Specifically, he complains that information he was shown online was confusing and incorrect. He complains that Aegon failed to complete the transfer of one of his pension plans to another provider in a timely manner. And he complains that Aegon has refused to allow him to take some protected tax-free cash and enter a drawdown arrangement without taking financial advice.

What happened

Mr T holds pension savings with Aegon. Originally those pension savings were held in two separate plans. But, in November 2024, Mr T transferred one of his pension plans to another provider – and what happened during and after that transfer forms part of this complaint.

In the lead up to the transfer in November 2024 Mr T complained that the information he could see about his pension investments on Aegon's online system was incorrect. He said it showed multiple investments in the same funds with different values and charges. When he complained to Aegon it explained that it had recently carried out a planned upgrade to its technology platform. But that upgrade had introduced some connectivity issues meaning some information being displayed was incorrect. Aegon reassured Mr T that the underlying information it held about his pension investments hadn't been affected by the problems.

Mr T decided to transfer one of his pension plans to another provider. Aegon received a request for that transfer from the new provider by the automated Origo system on 22 November. In line with its normal approach it set the effective date for the transfer to be two working days later – 26 November. And it sent the transfer to the new provider via the BACS system two days later on 28 November. The new provider confirmed receipt of the funds on 4 December.

But after the transfer had been completed Mr T checked his online reporting for that plan. It showed a small balance remained in the plan. So he complained to Aegon that the transfer hadn't been properly completed. Aegon explained that the small balance that was shown was also a result of the systems problems it was facing. It said that no balance actually remained in that plan and the transfer had been completed. But Aegon accepted that it had taken too long to provide that information to Mr T so it sent him a cheque for £200 in respect of the inconvenience he'd been caused.

The pension plan that Mr T still holds with Aegon provides him with the ability to take an increased pension commencement lump sum (known here as protected tax-free cash - "PTFC"). In June 2025 Mr T asked Aegon to pay the PTFC to him and move the rest of his pension savings into a flexi-access drawdown ("FAD") arrangement.

In response to that request Aegon told Mr T that it had recently received some updated guidance from HMRC about how it was dealing with PTFC payments. It said that guidance was being considered by its legal team so there would be a delay in completing his request. But it also told Mr T that it would require him to take independent financial advice before proceeding given the valuable nature of the PTFC benefit. It said that the pension plan Mr T held did not give him the contractual right to use his pension benefits to take the PTFC and then enter a FAD arrangement – but it would be prepared to allow that concession following him receiving financial advice. And in early July, Aegon told Mr T that the review by its legal team was complete so it would be able to start offered PTFC payments again, although still subject to the financial advice stipulation.

Mr T's complaints have been considered by one of our investigators. He didn't think that Aegon had done anything wrong. The investigator noted that the problems with Mr T's online access had only occurred for a short period of time and had been corrected by Aegon shortly after the transfer had completed. The investigator was also satisfied that the transfer had been dealt with in a timely manner and had been fully completed. He accepted Aegon's explanation that the residual balance was due to the system errors it had experienced. And the investigator thought Aegon was entitled to ask Mr T to take financial advice in order to move his pension savings into the FAD arrangement after taking his PTFC. He noted that, by October 2025, Mr T had still not proceeded with that application.

Mr T didn't agree with our investigator's assessment. 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 T 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.

I appreciate that Mr T is unhappy that we have chosen to deal with multiple complaint points in one final decision. And I accept that the matters I am dealing with here relate to two different pension plans. But each of his complaints are in relation to actions by Aegon. As a service we are set up to decide complaints quickly and with minimal formality. So I think it appropriate that we have set the complaint up in this way. And I want to reassure Mr T that each of his complaint points will be considered in this decision on their own merits.

Aegon has explained to us that it has faced some online system problems resulting from an upgrade it introduced last year. It seems that those problems have caused the issues that Mr T faced when looking at his pension reporting. But I am satisfied that the problems Mr T has told us about simply related to how the information was displayed on Aegon's online portal – the underlying information that Aegon would use to value Mr T's pension savings at the time of the transfer was not affected.

I can understand why these reporting problems might have caused some concerns and inconvenience to Mr T. But I must remind him that he doesn't have, under the terms and conditions of his pension plan, any right to access information about his pension investments in that way – it is simply an additional benefit that Aegon offers and can withdraw at any time. And when system upgrades are performed, no matter how carefully they have been tested, there is always the possibility that errors might be introduced into a live system.

Mr T first became aware of the system problems in relation to another of his plans in August 2024. At that time Aegon provided Mr T with reassurance – in similar terms to what I have set out above that the issue didn't affect the safe operation of his pension plan. And I have seen that another ombudsman has explained to Mr T that he didn't think Aegon did anything wrong at that time. So I don't think Mr T should have been unduly concerned about the reporting problems he saw on this plan. And I think that Aegon acted quickly to reassure Mr T that it was again its systems upgrade that was causing the problems he was seeing. I've not seen anything to make me think these problems meant that Mr T couldn't transact on his pension plan, albeit with some minor inconvenience of needing to access reporting information by other means.

The transfer of Mr T's pension savings to the new provider was completed, in my experience, far more quickly that might be considered normal industry practice. His pension savings had been transferred to the new provider within four working days of the request being received by Aegon. And then the funds were then available at the new provider four days later in line with normal banking timescales. So I don't think I should have any concerns about the speed of Aegon's response to Mr T's transfer request.

It does seem that Mr T would have been confused about a small residual value remaining in his pension plan. Normally, if a consumer had transferred their pension savings to another provider, that balance wouldn't have been visible. But since Mr T still retained one pension plan with Aegon, the residual balance appeared on his reporting. So I think it was reasonable that he queried what had happened with Aegon.

Aegon accepts that it took too long to answer Mr T's question. It has paid him £200 for the inconvenience he was caused. I think that level of payment is fair and reasonable in the circumstances here, and in line with what I would expect to award.

The answer that Aegon belatedly gave to Mr T was relatively straightforward. The small residual balance shown was as a result of the same system reporting problems that he had experienced before. I have looked at the transfer that Aegon completed for Mr T and it appears that explanation is correct. There is no evidence that the transfer it sent to the new provider was for anything other than the full value of Mr T's pension investments in that plan. So I'm satisfied that Aegon completed the transfer correctly.

In June 2025 Mr T asked Aegon if he could take the PTFC that he was entitled to receive under his pension plan. Around that time Aegon had received some guidance from HMRC on how those benefits should be treated. Specifically HMRC had told Aegon that in order to pay the PTFC it also needed to deal with the remaining pension benefits at the same time. Under the terms of the pension plan that would normally happen automatically. The stated benefits would see the PTFC be paid and then an annuity be purchased with the remaining funds. But changes to pension legislation in 2015 introduced alternative means of taking pension benefits including FAD. Aegon needed to discuss with HMRC whether a FAD arrangement was sufficient to allow the PTFC to be paid. So it told Mr T it needed to pause his instruction until it had resolved that question.

I understand that delay might have been frustrating for Mr T, but as I will now go onto explain I don't think it meant any delay to when the PTFC would have been paid to him.

As I have said above, the pension plan Mr T held made no provision for the residual benefits to be taken as FAD – at the time the pension plan was opened that option wasn't available. And the changes to the regulations in 2015 didn't place any obligations on providers to offer all the new benefits methods on historic pension plans.

But Aegon made a commercial decision to support the use of FAD with Mr T's pension plan (and those of other consumers similarly affected). But taking those benefits in that way would potentially have irrevocable impacts on the income available to Mr T in retirement. So Aegon made a commercial decision that it would require consumers to take independent financial advice before it would allow the benefits to be taken in that way. Whilst that advice might not be strictly required by the regulations I don't think Aegon was unreasonable in adding that requirement. The requirement was made to ensure that consumers didn't make poor financial decisions that would affect them for the rest of their lives.

Aegon provided Mr T with details of a financial advisor that could support him in using his pension benefits in the way he wanted. But it also explained that Mr T was free to use any financial advisor of his choosing. And no financial advice would be needed if Mr T decided to use his pension savings to provide retirement benefits in line with the original terms and conditions of his plan by purchasing an annuity.

I appreciate that taking financial advice of this nature will come at a cost to Mr T. And that he feels it unnecessary in his circumstances. But if he wants to make use of the additional flexibility that Aegon is offering to him, in excess of the benefit arrangements set out within the plan's terms and conditions, he will need to abide by Aegon's requirements.

As at the time of our investigator's assessment – in October 2025 – Mr T had not proceeded with taking financial advice and putting his pension benefits into payment. So that would lead me to conclude that the short delay Aegon caused whilst considering the guidance it received from HMRC did not cause any delay to Mr T receiving his pension benefits. So I don't think this aspect of Mr T's complaint should be upheld either.

I appreciate that my decisions here, on each of the complaints Mr T has raised, will be disappointing for him. But I am satisfied that Aegon hasn't treated him unfairly in how it has managed his pension plans, or the transfer of one plan to the new provider. So I don't think any part of his complaints should be upheld.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 December 2025.

Paul Reilly
Ombudsman