

## The complaint

Mr M complains that Scottish Equitable Plc trading as Aegon (Aegon) has for some time failed to properly deduct and invest his contributions to his pension.

## What happened

Mr M has a Stakeholder Pension with Aegon.

I understand that around August 2024, Aegon carried out a planned upgrade to its technology platform. This unexpectedly led to some of its customers experiencing the following issues:

- Pension contributions failing to be correctly applied to accounts.
- Limited or no online access to their plans.
- Increased call waiting times.

In November 2024, Mr M made a £60,000 contribution to his pension. Although Aegon received the contribution, it didn't initially appear on Mr M's online account. Later, when it did appear there, Aegon had recorded it as having been made in January 2025.

Aegon also failed to take Mr M's regular monthly contributions of £1,000 in December 2024 and January 2025. It then took a payment of £3,000 in February 2025. When Mr M checked his account, only a payment of £2,000 appeared to have been allocated.

Further, Aegon failed to regularly collect contributions until around July 2025, when it resumed collection of £1,000 each month. These contributions didn't appear to have been applied to Mr M's pension account.

Mr M said he called Aegon at least six times to try to establish what had happened to his contributions. He said that each time Aegon failed to explain what had happened. And that it'd never returned the calls it'd promised. Mr M said he was very concerned about his pension contributions. This situation continued as Aegon didn't attempt to explain what had happened for some time.

Mr M complained to Aegon in May 2025. Although it acknowledged the complaint, it didn't issue a final response. So Mr M brought his complaint to this service in June 2025. He said the situation had been a great strain on him. And that he'd wasted hours of time in phone calls with Aegon. He said this had led to frustration and annoyance. Mr M felt that Aegon had done nothing to handle his complaint.

On 3 October 2025, Aegon issued a statement to Mr M which showed that it had added the £60,000 contribution on 27 November 2024. Aegon also wrote to Mr M on 1 November 2025 to ask him if he wanted it to collect the four missing monthly contributions for £1,000 from March to June 2025 inclusive.

Our investigator asked Aegon for its complaint file. But it didn't provide it. He went on to make a recommendation based on the evidence available.

Our investigator acknowledged Mr M's reasonable concern that his contributions had gone missing. And that Aegon's failure to update him meant he didn't know what was happening with his pension.

To put things right, our investigator recommended that Aegon took the following steps:

- *Backdate the £60,000 single contribution to 26 November 2024, ensuring the contribution purchased the correct units based on the price on that date and, if necessary, performing a unit adjustment to correct the pension's position.*
- *Backdate each monthly contribution of £1,000 to the correct date for each month since December 2024, ensuring each contribution purchased the correct units based on the price on each date and, if necessary, performing a unit adjustment to correct the pension's position.*

He also felt it should pay Mr M £300 compensation for the distress and inconvenience caused.

After our investigator had issued his view, Aegon provided this service with further information. It said that it had recommenced direct debits in February 2025. And that it had taken contributions of £3,000 to cover December 2024, January 2025 and February 2025. It said it had been able to start normal direct debit collections again in July 2025.

Aegon said it was waiting to hear from Mr M about whether he wanted it to collect the four months of missing contributions, totalling £4,000.

Aegon said that although it had initially added the £60,000 contribution in January 2025, it had corrected this on 3 October 2025. It said it had backdated the contribution to 27 November 2024, the date it had received the payment.

Aegon said that due to system constraints, it might not be able to backdate the contributions in the way our investigator had recommended. Instead, it expected to carry out redress by adding additional units to the fund if Mr M had made a financial loss. It asked if this proposed method of redress was acceptable.

Aegon agreed to pay Mr M £300 for the distress and inconvenience it had caused.

Mr M generally agreed with Aegon's proposal to put things right. But felt that the compensation our investigator had suggested for the distress and inconvenience caused was much too low. He felt £1,000 was fairer. He also wanted his pension account to reflect reality before he agreed to the suggested resolution. Mr M also said he was happy to make a £4,000 contribution for the missing months.

Our investigator told Mr M that Aegon had explained that it could only allocate the contributions to the pension so that it reflected reality once he'd agreed to the collection of the additional contributions. He said there was currently no time frame for Aegon to resolve the matter.

Mr M wasn't happy that Aegon still couldn't fix the problem within a specified time. He said that the ongoing situation was causing him stress, worry and concern. He felt that this was made worse by Aegon being unable to provide a time frame for resolution.

As agreement couldn't be reached, the complaint has come to me for a review.

### **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 going to uphold it. While I agree with our investigator's findings, I note that Aegon has already correctly backdated the £60,000 contribution – as such, I've amended the remaining required steps. I'll explain the reasons for my decision.

The evidence shows that Aegon made the following errors:

- It initially failed to invest Mr M's £60,000 contribution on the date it received it. However, it has now correctly backdated this contribution.
- It failed to take Mr M's monthly contributions for December 2024, January 2025 and February 2025 in a timely manner. And then provided Mr M with unclear information about what it had done.
- It didn't take the regular monthly contributions for four months between March and June 2025.

Mr M would've preferred Aegon to correct his pension in full before he agreed to the resolution our investigator recommended. However, Aegon told this service that the underlying issue affecting contributions has now been fixed. But it still needs to carry out a remediation exercise to correct all the plans that have been affected by the issue. It couldn't provide a timeline for when this exercise would be fully completed.

In light of this, Mr M agreed to make a £4,000 contribution for the missing months.

I first considered what Aegon still needs to do to put things right for Mr M.

#### *What must Aegon do to correct its errors?*

Where a business has made a mistake, we look to put the affected party back in the position they would have been in had the mistake not occurred.

It's not in dispute that Aegon failed to correctly take Mr M's monthly contributions between December 2024 and June 2025. Had no errors been made, Mr M's monthly contributions would've been deducted and invested on time between December 2024 and June 2025. And his pension fund may now have a different value.

To put things right, I agree with our investigator that Aegon must backdate each monthly contribution of £1,000 to the correct date for each month from December 2024 to June 2025. Aegon must do this by adding additional units to the fund if Mr M has made a financial loss.

While I acknowledge Aegon also failed to correctly invest the £60,000 contribution in a timely manner, I'm satisfied that it has taken reasonable steps to ensure that Mr M is now in the position he would've been in respect of this contribution but for its mistake.

I went on to consider the distress and inconvenience caused.

#### *Distress and inconvenience*

Mr M told this service that the situation had put him under great strain. And caused him considerable inconvenience, frustration and annoyance. This was compounded by the fact that he felt Aegon had done nothing to handle his complaint and couldn't provide a time frame for resolution. He therefore felt compensation of £1,000 would be fairer.

I acknowledge that Aegon's errors have caused Mr M concern and inconvenience over a period of several months. However, I can see that Aegon has already taken steps to correct its error with the £60,000 contribution. I'm also pleased to see that it communicated this correction to Mr M on 3 October 2025.

Aegon has also acknowledged that it needs to correct the contribution history and resulting units held for Mr M in respect of the monthly contributions between December 2024 and June 2025.

While I appreciate Mr M will remain concerned until the issue is completely resolved, compensation of £300 is in line with what I would've otherwise recommended. However, as Aegon has been unable to provide a time frame for resolution, I'm going to require it to pay interest at 8% simple each year on the value of any unit adjustment it needs to make if it doesn't pay compensation within 28 days of Mr M's acceptance of my final decision.

### **Putting things right**

I require Scottish Equitable Plc trading as Aegon to take the following steps to put things right:

- Backdate each monthly contribution of £1,000 to the correct date for each month since December 2024. Aegon must do this by adding additional units to the fund if Mr M has made a financial loss.
- Pay Mr M £300 compensation for the distress and inconvenience caused.

If payment of compensation is not made within 28 days of Scottish Equitable Plc trading as Aegon receiving Mr M's acceptance of my final decision, interest must be added to the compensation at the rate of 8% per year simple from the date of my final decision to the date of payment.

Income tax may be payable on any interest paid. If Scottish Equitable Plc trading as Aegon deducts income tax from the interest, it should tell Mr M how much has been taken off. Scottish Equitable Plc trading as Aegon should give Mr M a tax deduction certificate in respect of interest if he asks for one, so he can reclaim the tax on interest from HMRC if appropriate.

### **My final decision**

For the reasons set out above, I uphold Mr M's complaint. Scottish Equitable Plc trading as Aegon must take the actions detailed in "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 February 2026.

Jo Occleshaw  
**Ombudsman**