

The complaint

Mr G complains that Scottish Equitable Plc trading as Aegon (“Aegon”) has failed to pay him some pension income in a timely manner.

What happened

Mr G holds pension savings with Aegon. He is currently not receiving any income from employment so is reliant on withdrawals from his pension savings to meet his day to day living costs. Mr G is also suffering from some mental ill-health problems. Aegon is aware of Mr G’s current situation and has designated him as a vulnerable customer.

On 30 May 2025 Mr G asked to take a withdrawal of £8,000 from his pension savings. Aegon accepts that it didn’t process that withdrawal as quickly as it should have and as a result the payment missed the bi-monthly payroll cut-off. During the processing of that request Mr G asked for a further income payment of £15,000 to be made. Aegon says that it didn’t send the correct forms to Mr G for that payment and missed that a form had already been received for the earlier payment. As a result, it processed the two payments outside its normal payroll process and made both payments to Mr G on 25 July.

In response to a complaint about that delay Aegon paid Mr G some interest to reflect the time he had been without the money. And it paid Mr G £250 for the inconvenience he’d been caused.

Mr G made another withdrawal request, this time for £6,000, on 30 July. Mr G returned the completed instruction forms to Aegon on 15 August. Aegon told Mr G that his payment would be made via the next available payroll run (allowing for its normal processing time) on 10 September.

A further withdrawal request was made by Mr G on 2 September. After confirming whether Mr G wanted to use crystallised or uncrystallised funds for the withdrawal, and ensuring sufficient funds were available in the chosen pot, Mr G returned the instruction form he had previously been sent on 16 September. Aegon told Mr G that meant his payment would be allocated to the payroll run on 10 October.

On 25 September Mr G asked for a withdrawal of £5,400 to be made. Aegon says that after following its normal checks Mr G returned the instruction forms on 6 October. Normally that would have allowed his payment to be made in the payroll run on 24 October. However, Aegon isn’t able to allow two income payments to be made in the same month. So, Mr G was told that his withdrawal would be allocated to the payroll run on 10 November.

Mr G complained to Aegon about the delay. He said that the change to the expected payment date had caused him financial difficulties and he’d needed to alter when his mortgage repayment was due together with taking borrowing from friends and family to bridge the gap. Aegon however didn’t agree with the complaint. It said that it was satisfied each of the payments had been made in line with its normal timescales. Unhappy with that response Mr G brought his complaint to us.

Mr G's complaint has been assessed by one of our investigators. She thought that what Aegon had done to put things right following the delays to the payment made in July 2025 was reasonable. And the investigator thought Aegon had followed its normal reasonable processes when determining the payment dates for the later withdrawals. So, the investigator didn't think the complaint should be upheld.

Mr G didn't agree with that 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 G 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.

Firstly I would like to say how sorry I was to see the problems that Mr G has faced, and continues to face, with his mental health. I can understand why his interactions with Aegon have caused him additional distress. But what I need to decide here is whether Aegon has treated Mr G fairly. And as I will now go on to explain, although I agree that Aegon did not meet Mr G's expectations, I don't think Aegon was unreasonable in the approach that it followed.

Mr G's complaint is primarily about the withdrawals he requested between August and October 2025. But he reasonably thinks it important that I consider what happened earlier in the year when Aegon accepts it caused a delay and paid him some compensation. Mr G says that earlier problem underlines why he is so concerned about what happened with the later payments as it demonstrates a systemic failing in Aegon's payment processes.

It doesn't seem to me that Mr G is specifically complaining about what Aegon did to put things right in August 2025. I have looked at the compensation Aegon paid to Mr G both as interest on the late payment and for the inconvenience he was caused. Like our investigator I think that compensation is fair and in line with what we would normally award in circumstances such as these. So I don't intend to make any further findings specifically about what happened at that time. But I will of course bear those problems in mind when looking at what I think is the crux of Mr G's dissatisfaction – what happened regarding the payment dates in October and November 2025.

Like most providers, Aegon has certain cut off dates that it applies to when income payments are made. Aegon will generally run its payroll operation twice a month, around the 10th and 24th of the month. And in order for payments to be made on those dates it needs a completed instruction around three weeks before – it publishes those cut off dates on its website.

But a further restriction also applies as Mr G discovered when he attempted to take a second income payment in October 2025. Aegon only permits one income payment to be made each calendar month. So, as happened here, if a payment was scheduled for the 10th of the month, any subsequent payment could not be made before the 10th of the following month.

I entirely accept that this restriction isn't shown on the information Aegon provides on its website about processing cut off dates. But in my experience a request for two income payments to be made just two weeks apart is relatively unusual. I don't think it surprising that the general information Aegon provides doesn't cover every possible scenario.

I think what is most important is that Aegon meets the promises that it gives when processing each payment. I can see that each time Aegon clearly set out for Mr G when he should expect to receive his income payment. And, in the specific case here, Aegon told Mr G that the income payment he had instructed on 6 October would be paid on 10 November.

I am satisfied that, on each occasion, Aegon paid Mr G his pension income on the date that should be expected based on when he returned the completed documentation to the firm. And I'm not persuaded that the vulnerabilities that Mr G had described to Aegon were such that it would be appropriate for the firm to have treated any of his requests as requiring exceptional processing. Sadly I think it was Mr G's responsibility to manage his finances such that the income he required could be paid following an instruction provided before the cut-off date.

For completeness I would also like to deal with a specific query Mr G has raised in relation to the final payment. He has said that the cut-off date for that payment was only missed due to delays in Aegon processing his application. But the evidence I have before me doesn't suggest that was the case. Aegon has confirmed that Mr G's application did in fact meet the cut off for a payment on 24 October as it was received on 6 October. But as I have explained above, that payment date couldn't be used as income was already planned to be paid on 10 October.

It is clear that Aegon's service to Mr G fell short in regard to the payments he received on 25 July. But I am satisfied that the compensation it has paid him for that delay is fair and reasonable. I don't think Aegon has caused any other unreasonable delays in the payments later requested by Mr G. I think those payments were made within a reasonable time and in line with the normal processing expectations set out by Aegon.

I appreciate how disappointing this decision will be for Mr G. Aegon has explained that, if a consistent payment date is important to Mr G going forwards, he could set up a regular instruction rather than using the one-off payment instructions he has used to date. Doing so would greatly reduce the checks it needs to make, and so speed up the processing times for Mr G.

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 G to accept or reject my decision before 11 February 2026.

Paul Reilly
Ombudsman