

## The complaint

Mrs A complains that Scottish Equitable Plc trading as Aegon (Aegon) caused an avoidable delay to a withdrawal from her pension. And that this led to higher tax than she should've had to pay.

Mrs A raised issues about both Aegon and HMRC when she brought her complaint to this service. This service doesn't have the power to consider complaints against HMRC. My decision only considers the actions of Aegon.

## What happened

Mrs A has a Self-Invested Personal Pension (SIPP) with Aegon. This is in drawdown. On 28 February 2022, she made a withdrawal request for £15,000 from her pension. Aegon didn't make the payment until 8 April 2022. Mrs A was taxed £5,488.56 on this payment, so received £9,511.44 after tax.

In July 2024, HMRC wrote to Mrs A to tell her she owed it tax of £4,892.20 for the tax year 2022/2023. HMRC then instructed a bailiff to collect the outstanding payment due from Mrs A. She said that her intervention with the bailiff led to the issue being referred back to HMRC.

In March 2025, Mrs A complained to Aegon. She asked it to confirm that it had made an error which had led to HMRC's request for outstanding tax. She told Aegon that HMRC had sent bailiffs to collect the tax debt, which had caused her a lot of stress. Aegon said it would investigate the complaint.

On 21 May 2025, Aegon wrote to Mrs A to ask her to provide any further tax bill she'd received due to the late payment in 2022. It said it was still working on a way of correcting this. But needed further evidence.

Although Mrs A provided more information – including a photo of an HMRC letter she received in 2024 which showed she owed it £4,892.20 - Aegon still didn't have what it needed. It asked her if she had any further evidence that would show that it was entirely responsible for the outstanding tax.

Aegon then wrote to Mrs A on 13 June 2025 as it hadn't yet received a response about the additional evidence it said it needed. It asked her to provide that evidence in the next week. And said it would base its decision on the information currently available to it if she didn't provide any further evidence.

Aegon issued its final response to the complaint on 23 June 2025. It said it'd identified that a system issue had prevented the £15,000 withdrawal from being processed before the end of the 2021/2022 tax year. It apologised for the error. And said it had led to Mrs A paying more tax.

Based on the information available to it, and assuming that Mrs A's tax code stayed the same, Aegon calculated that it owed her £2,270.41. It said it'd paid this to the bank account

it had on file for her.

Aegon acknowledged that the amount it'd calculated was different from the amount of tax HMRC said Mrs A owed. It said it still needed further evidence that it was responsible for the full amount owed. It said it would revisit the complaint if Mrs A could provide the evidence it needed.

Aegon also acknowledged its error had caused Mrs A distress and inconvenience. It offered her £500 compensation for this.

Mrs A asked Aegon to explain what its tax calculations were based on and why they differed from hers. She sent further information about the tax she'd paid in 2022/2023. She asked it not to pay any money into her account until she'd agreed with its offer.

Mrs A also wrote to Aegon to explain that HMRC had sent her a tax rebate of £6,276.56 on 22 August 2022. But that it had subsequently asked her to return £4,892.20.

Aegon told Mrs A that it'd used the information she'd provided to establish the tax she should've paid. It said that it'd delayed one payment from the 2021/2022 tax year until 8 April 2022. It said it still needed more evidence from Mrs A that the full amount of tax outstanding had been caused by that one delay.

Aegon said that if that evidence confirmed it was fully liable, it would reconsider its redress. But it couldn't do that without more evidence.

Aegon also said that the payment it'd sent to Mrs A's bank account had been returned as the account it'd sent it to was closed. It asked her for correct bank details.

Aegon reviewed its response and issued a further complaint response letter to Mrs A dated 28 July 2025. It explained how it'd calculated its offer. But it didn't agree it could be fairly held responsible for the full tax bill of £4,892.20 without further evidence. It also said that it shouldn't have tried to pay Mrs A redress of £2,270.41 without first obtaining additional evidence, as that figure wasn't necessarily correct.

Aegon said that it would still honour the amount it'd offered to pay Mrs A. But said it wouldn't increase that offer without clear evidence that it was responsible for all the outstanding tax. It also said that as HMRC had initially sent Mrs A the rebate before then asking her to return an amount, she'd have to speak with HMRC about why it'd done this.

Mrs A didn't accept Aegon's offer as she remained concerned about its calculations. She brought her complaint to this service on 6 August 2025. She said she'd suffered stress and anxiety after being harassed by bailiffs. And she'd had to make considerable effort to find out what had happened and to get Aegon to admit its error.

Mrs A said she'd been very careful to take minimum amounts of payments annually so as not to incur too much tax. And that she hadn't realised at the time that Aegon had paid the withdrawal she'd requested in February 2022 too late for that tax year. She said this had led to her receiving £60K from her pension in the 2022/2023 tax year, rather than £45K. And nothing in the 2021/2022 tax year from her pension, rather than £15K. She said she'd paid £18,238 56 income tax on her 2022/2023 pension withdrawals. She provided evidence for this figure.

Our investigator felt that Aegon had yet to receive the information it needed to determine whether it was responsible for the full amount of outstanding tax. She was pleased to see that it had offered to review any additional evidence Mrs A provided. Given the information

Aegon did have, she felt it'd taken reasonable steps to put Mrs A as closely back in the position she would've been in but for its delay. She also said she'd expect Aegon to pay Mrs A more redress if any additional evidence provided showed it was responsible for more of the outstanding tax.

Our investigator acknowledged that Mrs A had complained about HMRC's actions. But explained that this service doesn't have the powers to direct HMRC to provide her with the evidence she needed. She felt it would be useful for Mrs A to contact HMRC again and to ask it for the following information to help Aegon review its redress:

- Supporting information about why HMRC had requested £4,892.20 in outstanding tax.
- Copies of letters from HMRC which explained why it'd issued a rebate in August 2022.
- HMRC Tax statement for 2021/2022.
- HMRC Tax statement for 2022/2023.

Our investigator also felt that the £500 compensation Aegon had offered Mrs A for the distress and inconvenience it'd caused was reasonable. And in line with what she would've otherwise recommended.

Mrs A told this service she'd asked HMRC for the information our investigator had suggested. It then wrote to her on 11 December 2025. It said the following:

*"...based on the information provided by your private pension in 2022/2023 we calculated that you overpaid tax and issued a repayment of £6,276.56.*

*After receiving further update from your private pension provider, we corrected the calculation, and the actual repayment should be only £1,384.36.*

*The reason why we asking to repay outstanding tax of £4,892.20 is because you were not eligible to receive a refund of £6,276.56 based on updated income figures from your pension provider."*

Mrs A told this service she'd received another bailiff's letter about the tax she owed. She also felt that HMRC's letter was at odds with what Aegon was saying.

Our investigator said the new information was helpful. But Aegon would still need the tax statements for 2021/2022 so that it could work out what she should've paid but for its delays. She asked if Mrs A had asked HMRC for this. She said that without the tax statements, she didn't think Aegon could do more.

Our investigator acknowledged how concerning the bailiff's letter must've been. But said it was Mrs A's responsibility to repay the debt to HMRC. She said this complaint shouldn't delay her repayment plans. She also noted that Aegon had agreed to pay Mrs A £2,270.41 once the complaint was settled. And that it would consider any additional information provided to see if it should pay more.

Mrs A then sent this service screenshots showing her total income for the 2021/2022 tax year. She felt this showed that she would've paid basic rate tax on the £15,000 withdrawal if it'd been correctly paid in the 2021/2022 tax year.

Our investigator said she would share the information Mrs A had provided with Aegon. She said that Aegon had agreed to review any additional information provided. And that it was likely it would need to carry out a more accurate calculation. She noted that the new information about Mrs A's 2021/2022 income hadn't been provided at the time of her complaint. And said that if Aegon determined a higher redress than the £2,270.41 it had already offered to pay was due, she'd expect it to pay the higher amount. She also said that if Aegon couldn't resolve matters after reviewing the additional evidence, Mrs A could raise a new complaint with it.

Mrs A didn't agree that Aegon's offer of compensation was fair. She said she'd spent many hours trying to resolve the complaint. And that it'd caused her significant stress. She said none of the issues she was facing were her fault.

Aegon said it'd passed the new evidence Mrs A had provided to its tax team. And asked if they now had enough to complete a full assessment.

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 agree with our investigator that the compensation Aegon has agreed to pay Mrs A for the delays it caused is fair under the circumstances of this complaint. I know this will be disappointing. I'll explain the reasons for my decision.

Where a business has made an offer to settle a complaint – as Aegon has done – what I have to decide is whether, in all the circumstances, that offer is fair and reasonable.

In this case, Aegon has acknowledged that it caused a delay which led to Mrs A paying more tax than she should've done. Based on the evidence available to it, it's offered to put Mrs A back as close as possible to the position she would've been in but for the delay. It's also offered her £500 compensation for the inconvenience caused.

I first considered whether the settlement offer is fair.

#### *Is the settlement offer fair?*

Before I start, I agree with all parties that Aegon should've paid Mrs A the £15,000 she requested in February 2022 before the end of the 2021/2022 tax year. Had it done so, she would've paid income tax on that withdrawal in the 2021/2022 tax year, based on her earnings and tax code for that year.

Instead, the payment was made in the 2022/2023 tax year. Mrs A was taxed £5,488.56 on this payment, so received £9,511.44 after tax. As our investigator has already noted, Aegon deducted tax from the withdrawal based on the tax code it received from HMRC. I therefore can't fairly say that it shouldn't have deducted the amount of tax it did from this payment.

From the HMRC tax calculation information Mrs A has provided, alongside her earnings of around £14,500, she also took withdrawals totalling £60,000 from Aegon in the tax year 2022/2023. She had only wanted to receive a total of £45,000 in withdrawals from her SIPP in that tax year.

The issue at the heart of this complaint is how much income tax Mrs A would've paid if she'd

received the £15,000 withdrawal without delay in the 2021/2022 tax year.

I appreciate that Mrs A considers that the issue here is that Aegon must be responsible for her outstanding income tax of £4,892.20. But I'm satisfied that instead I need to consider how much more tax Mrs A has paid because the £15,000 withdrawal was paid in the 2022/2023 tax year, instead of the 2021/2022 tax year. As such, I agree with our investigator that Mrs A shouldn't wait for Aegon to finalise its calculations before she addresses the debt HMRC said it owes.

I asked Aegon for further information given HMRC's December 2025 letter had said it'd corrected the calculation after receiving information from Mrs A's private pension provider. I asked it if it'd changed the information it provided about Mrs A to HMRC.

Aegon provided evidence that it didn't change the information it sent to HMRC.

Mrs A has yet to provide this service or Aegon with a physical copy of her 2021/2022 tax statement which would show what other income she received within that tax year. However, she has recently provided screenshots from the HMRC website for that tax year. These showed that her income was around £12,500. Aegon has also confirmed that Mrs A made no withdrawals from her SIPP in the 2021/2022 tax year. I agree with Mrs A that the evidence appears to show that she would've paid basic rate tax of 20% on the £15,000 withdrawal had it been paid in the 2021/2022 tax year.

Aegon has passed the new evidence to its tax team. I would expect it to use it to complete a full assessment of the loss Mrs A has suffered. If it still feels it doesn't have enough evidence to complete that full assessment, I'd expect it to specify exactly what it still needs from Mrs A so it can complete an accurate loss assessment.

In the 2022/2023 tax year, Aegon made four taxed withdrawal payments to Mrs A. This led to total income tax of £18,238.56.

When Aegon carried out its loss assessment based on the evidence available to it at the time of its final response letter, it based that calculation on the assumption that it'd correctly paid the £15,000 withdrawal requested in the 2021/2022 tax year. Using the tax code it held for Mrs A at that time (20T), it calculated that she should've paid total tax of £15,968.15 in that case. On this basis, she'd paid £2,270.41 too much tax (calculated from £18,238.56 less £15,968.15).

I appreciate that Mrs A doesn't feel like the £18,238.56 total tax she paid in 2022/2023 is correct. But this is something she needs to take up with HMRC, not Aegon. I say this because I've not been provided with any evidence that Aegon has taken an incorrect amount of tax from any of the withdrawals it paid to Mrs A. I'm also satisfied that only HMRC can clarify why it initially sent Mrs A too large a rebate.

Overall, I'm satisfied that Aegon has taken reasonable steps to correct the financial impact of the delays it caused. I therefore consider that the settlement offer is fair. I say this because I'm persuaded that Aegon clearly explained to Mrs A – before it issued its final response to the complaint - what evidence it still needed and when it needed it by.

I'm satisfied that Aegon made it clear that in the absence of the additional evidence it'd requested, it would carry out a loss assessment using the information available. It then did as it said it would. It calculated that the loss was £2,270.41. But said that if Mrs A provided further evidence, it was prepared to revisit the complaint. I'm pleased to see that now Aegon has received further information, it is in the process of doing this.

Mrs A doesn't agree that Aegon's offer of compensation is fair. She said it's taken her considerable time and effort to get to this point. And that she's suffered significant stress because of the issues at the heart of this complaint.

### *Distress and inconvenience*

At the outset, I want to acknowledge that none of the issues Mrs A has faced were her fault. It's clear from the evidence provided that Aegon caused payment delays. I can also see that HMRC's actions have caused considerable concern and inconvenience. But, as I noted earlier in my decision, I can't comment on those in this decision.

I acknowledge that the considerable time and effort Mrs A has had to take to sort things out would've been inconvenient and frustrating. And I can see that Aegon's delays caused concern and worry.

But I agree with our investigator that the £500 Aegon has offered Mrs A in recognition of the distress and inconvenience its delays caused her is reasonable under the circumstances of the complaint. It's also in line with what I would've otherwise required Aegon to pay.

Aegon told this service that it has yet to make any payment as Mrs A hasn't given it her updated bank account details. I therefore uphold the complaint.

### **Putting things right**

My aim in awarding fair compensation is to put Mrs A back into the position she would likely have been in, had it not been for the avoidable delays Aegon caused.

### *What Aegon must do*

To compensate Mrs A fairly Aegon must:

- Calculate the difference between the amount of tax Mrs A paid on the gross £15,000 withdrawal it paid her on 8 April 2022 (£5,488.56) and the amount of tax she should've paid if it'd made that gross payment no later than 1 April 2022, so in the 2021/2022 tax year.

This will establish the amount of additional tax Mrs A paid on this withdrawal due to it being paid late. Aegon must then reimburse Mrs A for that additional tax. It should also cover the cost of any penalties or interest if she can evidence that these resulted directly from the delays it caused. Aegon may need additional tax information from Mrs A to complete this calculation.

- Provide the details of the calculation to Mrs A in a clear, simple format.
- If Aegon hasn't paid the £500 it offered Mrs A for the distress and inconvenience caused, it must pay this to her directly.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 10 March 2026.

Jo Occleshaw  
**Ombudsman**