

complaint

Mrs M has complained about the investment of her pension fund in Scottish Equitable Plc's Ethical Fund. She also believes that they didn't tell her that she could transfer her policy to another provider.

background

Mrs M met with an independent financial advisor in 1993 and started a personal pension plan with Scottish Equitable Plc (trading as Aegon). Her funds were invested in Aegon's Ethical Fund – which Mrs M now considers to be too high risk.

Mrs M raised her concerns regarding the Ethical Fund in March 2015. She also asked Aegon to explain how she could *“get [her] money out of [their] system as soon as possible”*. Aegon responded to Mrs M's concerns by advising her to seek independent financial advice about her fund choice. Aegon also stated that, in line with recent legislation, Mrs M could take her benefits at the age 55.

Unhappy with Aegon's response, Mrs M referred her complaint to our Service where it was reviewed by one of our adjudicators. The adjudicator was of the opinion that Mrs M's complaint shouldn't be upheld for the following reasons:

- She couldn't look into the suitability of advice or initial recommendation to invest into the Ethical Fund as this was provided by an independent financial adviser – not Aegon.
- If Mrs M wanted to alter her fund choice, she must seek financial advice to do so. However, the adjudicator said that Mrs M should be aware that every investment carries a certain degree of financial risk.
- Aegon didn't set out to deliberately mislead Mrs M by failing to mention she could transfer her fund to another provider.

Mrs M was unhappy with the adjudicator's opinion. Whilst she accepted that she hadn't been advised by Aegon about the Ethical Fund, she remained adamant that Aegon should have told her about her right to transfer her funds.

As a result, the adjudicator sought further information from Aegon. Having done so, she still thought that Mrs M ought reasonably to have been aware of her right to transfer as this information was contained in the annual statements sent to her.

Mrs M disagreed with the adjudicator. She said that the fact that her annual statements contained a “transfer value” didn't mean she would necessarily know that she could transfer her fund. She said this was a technical term and she wouldn't have asked about how to move her funds away from Aegon if this was clear from the statements.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The initial advice about investing in the Ethical Fund appears to have been given by an independent financial adviser. So, I don't think that Aegon were responsible for making sure

that the Ethical Fund was suitable for Mrs M's needs and risk profile. I understand that Mrs M accepts this.

However, Mrs M still feels very strongly that Aegon should have told her about her ability to transfer to another provider. So, I've looked at her actual request as expressed in her letter to Aegon in April 2015 where she raised her concerns about pension. I can see that Mrs M said that she wanted to move her money out of Aegon's "systems".

I think most people would interpret that alone as including a request for information about transferring funds away from Aegon. So, I understand why Mrs M feels the way she does about this matter. Aegon could have avoided confusion by setting out all options available to Mrs M, including her right to transfer.

But I've also looked at one of the annual statement sent by Aegon to Mrs M in February 2015. Although, Mrs M says that references to "transfer value" are technical and not easy to understand, I think the statement is clear. Alongside the transfer value, the statement says that "*this is the amount you could transfer to another plan*". So, in view of this, I think that Mrs M ought reasonably to have been aware of her right to transfer her funds.

I've also taken into account that Aegon appeared to try to give Mrs M full and detailed responses to her queries in March and April 2015. They say that the reason they didn't include information about transfer was because of the context of her queries. These related to not only her fund choice but also her spouses pension and the age at which benefits could be taken. Given this, I don't think they tried to mislead Mrs M about her options.

So, on balance, I don't think there's enough evidence that Aegon have treated Mrs M unfairly. I know Mrs M will be disappointed with my decision. But she still has ability to transfer her funds if she wants to do so and hasn't done so already.

my final decision

For the reasons given above, I don't uphold this complaint.

Under our rules, I'm required to ask Mrs M to accept or reject my decision before 30 December 2015.

Abdul Hafez
ombudsman