

## The complaint

Mrs A complains that Scottish Equitable Plc (Aegon) delayed the transfer of her other pensions to it, during which time the values declined and caused her inconvenience and distress in chasing progress.

## What happened

Mrs A wanted to transfer two pension plans from previous employments to her current Group Personal Pension Plan (GPPP) with Aegon. I'll refer to the plans she wanted to transfer as "ceding scheme A or B" as necessary". She called Aegon on 15 February 2023 saying she wanted to forward documents from the ceding schemes for it to complete and return to her. She would then liaise with the ceding schemes. Mrs A says the call handler didn't seem sure of the procedure but said to send the forms with a covering letter, which she did the same day. Aegon says it received on 22 February 2023. It isn't disputed that this wasn't the correct procedure.

Unfortunately, Aegon then misunderstood Mrs A's request. It wrote back to her the same day enclosing different documents that would enable her to transfer her Aegon GPPP out to another pension provider. Following a lengthy illness, Mrs A called Aegon on 12 May 2023 saying it hadn't done as she'd asked and hadn't sent the forms back to her. Aegon now said the correct process was for it to treat this as an "*execution only transfer*" as it normally only dealt through financial advisers. It ran through this process and said it would send her a form to sign and once returned would request the transfers from the ceding schemes via the Origo electronic transfer system.

Mrs A checked with the ceding schemes. She says ceding scheme A said it didn't use the Origo system and needed paper forms completed by her and Aegon. She called it on 15 May 2023 and asked where the original documents she'd sent it were. Aegon then said it wouldn't complete ceding arrangements paperwork (which was incorrect) but said it would see if an exception could be made, but a manager confirmed it couldn't be. Mrs A said she wanted her documents back even if Aegon wouldn't complete them.

Aegon said it didn't know if the documents had been retained or destroyed after being scanned. Mrs A said that wasn't reasonable and she wanted them back. She decided to make a complaint the same day (15 May) by email about the failure to deal with her original request properly and Aegon's refusal to complete the paper forms. Aegon recorded a complaint and Mrs A sent further emails the next day and Aegon logged further complaints.

On 17 May 2023 Aegon emailed Mrs A illustrations and various documents for the transfers to be made to it. Her employer then also emailed Aegon over the transfer process and a further complaint was recorded. On 22 May 2023 Aegon provided a final response upholding Mrs A's complaint. It said it had given her incorrect information when it responded to her on 22 February 2023, and that it did complete paper transfer forms where required. It said it was looking into whether her original forms had been retained and that these would be returned if it had them. It offered Mrs A £300 compensation for the distress and inconvenience caused. She said this wasn't adequate and Aegon increased its offer to £400.

Aegon said it would use a copy of the forms to complete the transfers to it, but that it still needed its own form back from Mrs A to proceed. These were returned by email on 25 May 2023, with Aegon confirming receipt on 2 June 2023. Mrs A replied saying she'd asked for the forms to be returned so she could liaise with the ceding schemes as one didn't use the Origo system. Aegon wrote to both ceding schemes on 5 June 2023 requesting the transfers and sent Mrs A a copy of all the documents. This included copies of the original forms on which it had completed the necessary information. Separately Aegon's complaints team emailed Mrs A to say the forms had been posted back to her, but not that these were copies. On 20 June 2023 Mrs A emailed Aegon's complaints team to say she'd received copies but not the original forms. It said it would look into this.

On 22 June 2023 Aegon chased ceding scheme A, which said it hadn't received anything in the post and asked that the documents be emailed to it, which Aegon did. It also emailed Mrs A and confirmed it no longer had the original documents she'd sent on 15 February 2023 as these had been destroyed. Ceding scheme A, then emailed both Mrs A and Aegon asking her to provide various identity verification documents. On 30 June 2023 Aegon emailed Mrs A asking for an update on this. On 3 July 2023 Mrs A replied wanting to know how Aegon knew about this. It advised it had been copied in on the email. She then complained about when Aegon had contacted ceding scheme B, saying it had caused five months of delay.

Aegon said it had written to both ceding schemes on 5 June 2023. It chased the other ceding arrangement on 12 July 2023, which said it was waiting for information from Mrs A. On 18 July 2023 ceding scheme A told Aegon Mrs A had told it to put the transfer on hold. Mrs A said this was because she'd lost faith in Aegon. It said it would leave the case open for four weeks and then close it if it didn't hear from her. On 26 July 2023 Aegon advised Mrs A that ceding scheme B was still waiting for information from her. Aegon says it then received an email on 29 August 2023 from ceding scheme A, saying it would be sending £18,105.15 by BACS. Aegon confirmed this to Mrs A on 1 September 2023 and sent her updated plan documents. Aegon didn't hear further from ceding scheme B or Mrs A about this transfer.

In the meantime, Mrs A had referred her complaint to our service. She said given the problems she'd decided to take benefits from ceding scheme B and invest in an ISA rather than transfer to Aegon. She said she'd suffered losses as the value of her plans had fallen during the delays. That Aegon had failed to respond to her request correctly, misinformed her about procedures and wasted her time in needing to chase things up and raise complaints about *"their abject failures all along the line"*.

Our investigator looked into the complaint, but he didn't uphold it.

Our investigator said it wasn't unusual for pension transfers to take some time to complete and having considered the timeline of events he didn't think Aegon had caused unreasonable delays in the process. He said Aegon had made an error in February 2023 by misunderstanding Mrs A's request. But it was then Mrs A who was unable to deal with things due to her being in hospital, so the transfer couldn't have been progressed until mid-May 2023 anyway. He said after that Aegon had dealt with the transfer in a timely manner.

Our investigator said there was confusion over the return of the original forms to Mrs A, but these weren't actually required, which Aegon had confirmed on 24 May 2023. He said as it hadn't caused delays after May 2023 and was waiting for the ceding schemes to make payment after 5 June 2023 it wasn't responsible for any potential loss. He said he thought Aegon had already offered fair compensation of £300, which was in line with what he would have awarded in the circumstances. He said it was ready to pay this once Mrs A provided her bank details.

Mrs A didn't agree. She said it was an "*overstep*" to assume her ill-health had prevented her from being able to send off the forms if Aegon had returned them to her in February 2023 as requested. She said it shouldn't take from mid-February to September to make a transfer and that Aegon made it "*almost impossible*" to speak to someone who would take responsibility. But she said if £300 was all our service would tell Aegon to pay her then she'd accept payment by cheque.

Our investigator contacted Aegon about the payment to Mrs A. It apologised and said contrary to what it had told the investigator it had already paid Mrs A £400 in compensation having first offered her £300 which she'd rejected as inadequate. Our investigator confirmed this to Mrs A, who said the whole matter of Aegon's "*ineptitude and delays*" was a "*huge disappointment*"

As Mrs A doesn't agree it has come to me to decide.

### **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 am not upholding the complaint.

Whilst I've set out quite a detailed background to what happened above, I haven't included every aspect, or all the points made by both Mrs A and Aegon. But I have considered them and taken account of everything in coming to my decision. Aegon accepts it made errors and if it had better explained its processes at outset most of the confusion here could have been avoided. But I do think it has already paid fair compensation for the distress and inconvenience that has been caused to Mrs A by those errors.

Aegon wasn't providing Mrs A with advice and has explained it doesn't normally deal directly with customers but rather financial advisers. But it does have a process to facilitate execution only instructions for customers not using an adviser. I think that in part, explains without excusing, the initial errors it did make here.

It is clear from the timeline that there are really two parts to this transfer, events before mid-May 2023 and those after. After mid-May I don't think Aegon caused any unreasonable delays. For much of this time it was awaiting payment of the transfers and was chasing up both Mrs A and the ceding schemes as I'd expect it to do. It was also made clear by 24 May 2023 that the original forms Mrs A had sent to Aegon in February 2023, weren't required to complete the transfers.

And unfortunately, I think the multiple queries made in close succession with different departments about their whereabouts just added to the confusion. But I don't think the issue of where the original documents were caused any delay in the process. And in the end ceding scheme A was content to accept the documents by email and was able to process the transfer once its own requirements from Mrs A had been met.

But in the period before May 2023, Aegon clearly did cause a delay by misunderstanding what Mrs A was trying to achieve. It should have identified this when she first called. Had it, the execution only process to instigate the transfer could have started then. This would have given Aegon the information it needed to contact the ceding schemes on Mrs A's behalf. And it is important to note that this is the normal industry basis on which pension transfers are made. With the receiving scheme contacting the ceding scheme to instigate a transfer, rather than the customer acting as a conduit.

So, not starting the execution only process did cause a delay and Aegon should have further realised this when it received Mrs A's forms. Instead, it made another error in thinking she wanted to transfer her Aegon pension out.

However, Aegon promptly wrote to Mrs A providing detailed information and documentation about transferring out to another provider rather than returning her forms. And it is clear that Mrs A was aware there was a problem when she received the letter of 22 February 2023. So, at an early stage. But said in her complaint made in May 2023 that due to health concerns she hadn't:

*"felt up to contacting Aegon to ask where the transfer documents ... were ... having received the nonsensical letter of the 22<sup>nd</sup> February."*

It's unfortunate that Mrs A was been in poor health but having considered this carefully I don't think it's reasonable to blame Aegon for the entire delay. There are several reasons why I think this. Ultimately it wasn't aware it had made an error, but Mrs A was aware there was problem, and it didn't know that Mrs A was unwell.

Mrs A has said that she wasn't able to deal with the transfer herself but told our investigator that her husband could have posted the forms to the ceding schemes had Aegon returned them as she'd requested. I'm sure her husband could have done this but that alone wouldn't have got the transfers completed. Because it wasn't the correct process for Aegon. And it would have required further documents to be completed by Mrs A. And both ceding schemes also had further requirements that needed to be dealt with. And the usual transfer process across the pensions industry is that the receiving arrangement – Aegon - instigates the transfer request.

This is what did happen after Mrs A contacted it in May 2023, with Aegon immediately initiating the correct process. But that involved issuing forms for her to sign and return that could take up to 10 working days to issue. So, if this process had been started on 15 February it might have been 28 February or 1 March 2023 before Mrs A received those documents, possibly too late for her to deal with until sometime later.

It's possible that Mrs A's husband might have been able to assist with dealing with all these additional requirements had things been dealt with properly on 15 February 2023. But on the same basis Mr A might have been able to liaise with Aegon on Mrs A's behalf (with her authority) once the letter of the 22 February 2023 made it clear there was a problem (the letter included a telephone number in the event of queries) before Mrs A felt well enough to do so herself in May 2023.

So, I don't think it is reasonable to say Aegon was responsible for the whole delay and any potential financial consequence of that first period. Realistically it may have caused a week or so's additional delay after Mrs A first contacted it. And she was still keen to proceed with the transfer in May 2023, suggesting that she wasn't concerned about falling values at that point. And from then Aegon dealt with matters promptly and chased up the ceding schemes and Mrs A over outstanding matters as I'd expect it to.

So, taking everything together I think the payment Aegon has already made of £400 for the delays, error, and inconvenience it did cause is fair under the circumstances of the complaint, and it needn't do anything further.

Your text here

### **My final decision**

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 20 December 2023.

Nigel Bracken  
**Ombudsman**