

## **The complaint**

Mrs J complains that Scottish Equitable Plc (trading as Aegon) didn't sufficiently warn her that the investments within her self-invested personal pension (SIPP) would change as a result of her amending her retirement age on its online system. She says this caused her a financial loss.

## **What happened**

On 31 March 2022, Mrs J changed her selected retirement age from 60 to 65 on Aegon's online system. Later that day Aegon sent Mrs J an email confirming she'd updated her retirement age and that it had amended its records with this change. And, on 8 April 2022, Aegon wrote to Mrs J saying her instruction to switch investments in her SIPP had been carried out, enclosing a statement confirming this.

In April 2022, Mrs J complained to Aegon via her financial adviser that, in summary, the online process wasn't clear that a fund switch would be made upon her changing her retirement age. She said she was just experimenting with the retirement goals and updated her profile, without any warning of the impact on her investment fund.

In August 2022, after Mrs J's financial adviser seemingly asked Aegon to complete a loss calculation, it said it could request a price comparison if Mrs J decided to switch back into her original fund. And, in October 2022, Aegon sent Mrs J its final response letter. It said, in summary, that it acted in line with the information Mrs J input on its system, after she had been made aware of the potential impact of this on her investments. It said that as Mrs J is invested in a Lifestyle fund the changes she made automatically initiated a switch to realign her to the correct stage of her fund path. And Aegon said it would only carry out a calculation if it had made a mistake, which it didn't think it had. Although it said it would send Mrs J a hamper to make up for its delayed response to her complaint.

Shortly after, Mrs J switched her investments back into the original fund. And, in January 2023, unhappy with Aegon's response, she brought her complaint to our Service. Mrs J added, in summary, that she was only checking if her pension was on track and her profile was up to date, in the way the system encourages. And that she thought it was just a tool to see different scenarios rather than implementing changes. Mrs J said if she makes changes to her pension then she does this through her financial adviser rather than alone. And that, while she received an acknowledgment of the age change, there was no indication her funds would be switched and she wasn't made aware this had happened until several weeks later. Mrs J said that her fund losses continued to increase while she was waiting for Aegon's delayed final response, until her adviser recommended she switch her funds back.

One of our Investigators looked into it and said Aegon had given Mrs J sufficient information to make her aware that changing her retirement age could impact on her investment fund, so it wasn't responsible for her losses. And that, in any case, Mrs J could have switched her funds back sooner to mitigate this. Our Investigator also said the time Aegon took to give its final response letter is complaint handling, which doesn't fall within the remit of our Service.

Mrs J didn't agree. She added, in summary, that she didn't receive Aegon's letter dated 8 April 2022 until a few weeks later, at which point she contacted her financial adviser. She said that if Aegon provided a warning on the online system then this wasn't clear and it didn't ensure she fully understood what would happen. Mrs J said she's been told the portal has since been updated. And that she didn't look at the support guide when changing her retirement age to know this could impact her investment mix, given she wasn't intending to switch funds. Mrs J said she didn't switch her funds back sooner, as she didn't want to change her approach during the complaints process and because Aegon indicated it had done something wrong when it said it could do a price comparison. Mrs J also said Aegon hasn't acted in line with the response timescales set by the regulator, compounding the impact on her. And that she didn't know what the hamper was for and found this insulting.

So the complaint's been passed to me for a decision.

### **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 not upholding Mrs J's complaint for largely the same reasons as the Investigator. I'll explain why.

The purpose of the Lifestyle fund, which Mrs J doesn't seem to dispute she was invested in, is to automatically move a person's investments from higher to lower risk assets as they approach their selected retirement age. This is set out in the SIPP terms and conditions that I think Mrs J is likely to have been provided with and agreed to when she enrolled in it. These also say that if she changes her retirement age then Aegon will take action within 60 days to ensure the Lifestyle fund and unit holdings she has corresponds to the amended age. And the online platform guide made available to Mrs J confirms under '*Important things to remember about changing your retirement age*' that if she's invested in a Lifestyle fund then this will automatically adjust based on her new retirement age. So I think Aegon provided Mrs J with enough information to make her reasonably aware that changing the retirement age on her pension meant her investments could be sold and reinvested, without needing a particular instruction from her.

Aegon has sent us screenshots of what it says Mrs J would have seen at the time she was using its online system. And I can see that under the section headed '*Preferred retirement age*', before a box in which Mrs J could change this, she was shown a clear message which began with '*Please be aware*'. The first sentence said that changing her retirement age would impact her available fund at retirement. And the second said that '*If you invested in a Lifestyle fund changing your retirement age may also impact your investment mix.*'. Mrs J was then presented with the option to either '*Submit*' her changes or go '*Back to wrapper summary*'. So I think Aegon gave Mrs J clear enough information at the time to make her aware she was making changes to her actual pension rather than just using a planning tool, and that changing her retirement age might affect her funds.

The email Aegon sent Mrs J later that day confirmed she'd changed her recorded retirement age on her pension. And Aegon wrote to Mrs J eight days later, on 8 April 2022, explaining investment switches had been carried out and what these were. I think Aegon sent this to Mrs J in a reasonable timescale and that it was enough to sufficiently confirm she'd made changes which impacted on her actual pension fund. Especially when taken alongside the information Mrs J had already been given on Aegon's online system. I appreciate Mrs J said she didn't receive Aegon's letter until weeks later, but I can see it was correctly addressed and I can't hold Aegon responsible for the time it took her to receive this in the post.

Mrs J said Aegon's delayed response and misinformation during the complaints process compounded matters, causing her to lose out more. While Aegon suggested it could do a price comparison if Mrs J switched her funds back, it was yet to give its final response at that point. And, in any case, Mrs J didn't need to wait for Aegon's final response before switching funds. She and her financial adviser continued to be responsible for her investments, including taking steps to minimise any losses by switching back to her original fund in the way she wanted.

In summary, for the reasons given, I think Aegon gave Mrs J clear enough information to make her aware she'd made changes to her pension that might impact her funds. So I can't fairly hold Aegon responsible for the resulting losses Mrs J says she incurred. And this means I'm not asking it to do anything.

### **My final decision**

For the reasons I've given, my final decision is that I don't uphold Mrs J's complaint against Scottish Equitable Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 14 August 2023.

Holly Jackson  
**Ombudsman**