

Ombudsman's Determination

Applicant	Mr R
Scheme	Aegon UK (the Scheme)
Respondent	Aegon UK (Aegon)

Outcome

1. I do not uphold Mr R's complaint and no action is required by Aegon.

Complaint summary

2. Mr R has complained that Aegon failed to transfer his funds between his Quilter managed fund and his Aegon cash fund.
3. Mr R has said that he suffered a financial loss of £450 to £500 because the fund switch did not complete.

Background information, including submissions from the parties

4. The sequence of events is not in dispute, so I have only set out the salient points. I acknowledge there were other exchanges of information between all the parties.
5. In September 2020, Mr R transferred his funds from a Quilter managed fund to his Aegon cash fund as he was concerned about the volatility of the American Presidential election.
6. On 16 November 2020, Mr R was unable to move his cash funds back into a Quilter managed fund using Aegon's online system. The Aegon system displayed a message that stated there was a problem connecting to a server so he should call Aegon.
7. On the same day, Mr R telephoned Aegon three times. He made two short calls of approximately one minute in duration and a longer call which lasted 13 minutes. When Mr R spoke to Aegon he transferred his cash fund into another cash fund online.
8. On 1 March 2021, Mr R telephoned Aegon to say it had not processed his switch correctly and he asked it to listen to his calls of 16 November 2020.

9. On 16 March 2021, Mr R called Aegon via a web chat facility to complain. On the same day, Aegon emailed Mr R to say it had requested call recordings for 16 November 2021.
10. On 19 March 2021, Mr R emailed Aegon to complain that it had not responded to an email he had sent about his concerns.
11. On 23 March 2021, Aegon emailed Mr R to say it would respond within 20 working days regarding the concerns he had raised. On the same day, Mr R emailed Aegon questioning why it would take so long for it to look into his concerns.
12. On 29 March 2021, Aegon sent its response to Mr R's complaint. It enclosed a copy of his online summary document page and said:-
 - It had reviewed all the information available, and it did not agree that it had acted incorrectly.
 - On 16 November 2020, the switch instructions Mr R conducted were to move his available cash into another cash fund.
 - It attached his summary document page which its system produced from Mr R's switch journey for him to review, check and download.
 - The summary document page provided a breakdown of what information Mr R had entered and processed. It was Mr R's responsibility to check that the information on it was accurate.
 - During Mr R's online switch journey, it displayed a summary screen before the submissions page. This showed the user what data they had entered. It provided full details of which funds the customer was switching their money to and from.
 - The summary screen was not something that it had access to view when Mr R called it on 16 November 2020. On this basis, it acted in good faith based on the data Mr R supplied to it. If he had submitted the data incorrectly, it accepted no liability.
 - It did not agree that it was at fault so it would not conduct a price comparison or consider compensation for any potential financial loss Mr R might have incurred.
 - It confirmed that its failure to communicate with Mr R had caused him inconvenience. It upheld Mr R's complaint on this basis and sent him a £50 voucher.
13. On 12 May 2021, Mr R emailed Aegon and requested a transcript of the 16 November 2020 call. He also asked for an explanation of the system issues that caused him a problem at the time. Aegon logged this as a second complaint.
14. On 20 July 2021, Aegon sent Mr R a response to his second complaint and a copy of the call of 16 November 2020. It said:-

- Mr R called it on 16 November 2020 because he needed help with an online switch. It did not comment on the funds a customer wanted to switch in and out of. Only the customer knew their personal circumstances, so it must be their decision.
 - Mr R created two identical switches on 16 November 2020. These switches were for £8,928.34. Both switches showed he had selected to switch out of Cash (Investment ID44) and back into Cash (Investment ID44). He did not request an actual switch into an alternative fund.
 - Its system allowed a cash fund to cash fund switch to go through as it would only prevent the switch if the fund was unavailable to a customer.
 - In these switches, although Mr R may have intended to switch out of cash and into alternative funds, this was not what he did. This is why there were no purchases of funds following the switch.
 - At the end of the online switch journey, its system would have presented Mr R with a switch summary. The switch summary would have shown him that he was switching out of cash and back into cash.
 - Its system would have presented Mr R with a summary screen that showed information about his requested switch before the online declaration. If Mr R had noticed his cash-to-cash switching error at the time, then he would have had the opportunity to amend the fund selection and correct it.
 - It had looked at Mr R's account on 16 November 2020 and there were no system issues affecting his switch requests.
 - During the call of 16 November 2020, it told Mr R that the reason the online switch did not work was because he was trying to move all the money he held in a cash fund into the Quilter managed fund. This did not work because Aegon's system required Mr R to leave a minimum of 0.25% in cash to cover any charges due. Mr R then resubmitted the switch leaving 0.25% in cash; however, this also did not go through. Aegon stated that this was a due to Mr R not having the appropriate level of gating as his was set to level one. Aegon helped Mr R increase his gating level which fixed the problem and Mr R was able to submit the switch.
 - It accepted that it took it from 12 May to 20 July 2021 to respond to Mr R's complaint and it sent him a further £100 in gift vouchers.
15. On 21 July 2021, Mr R asked Aegon if it had copies of the other telephone calls he made to it on 16 November 2020.
 16. On 4 August 2021, Aegon emailed Mr R to request further details of the other two calls in question. On the same day, Mr R emailed Aegon to provide details of the three calls he made to Aegon on 16 November 2020.
 17. On 11 August and 1 September 2021, Mr R emailed Aegon about his complaint.

18. On 28 September 2021, Aegon emailed Mr R to advise him that it was unable to provide copies of the other two other calls on 16 November 2020 as both calls were approximately one minute long, and it had no recordings.

19. On 13 October 2021, Mr R submitted an application to The Pension Ombudsman (TPO).

20. **Summary of Mr R's position: -**

- He precisely followed Aegon's instructions in the call of 16 November 2020. His responses in the call recording indicated that he followed its instructions so the switch should have gone through properly.
- He made the other two calls to Aegon on 16 November 2020 because there was an online message saying there was a system problem. Aegon confirmed this to him, however, when he pressed "Enter," the system moved to the next page. This may have been the root cause of the problem.
- When he tried to withdraw his funds, he found that the switch had not taken place. There was a "switch pending" message. Aegon has not told him what that message was about, but he suspects it was more evidence of a system issue.
- He did not understand why there was an option to move funds from a cash fund to a cash fund. He thought this was an excuse by Aegon.

21. **Summary of Aegon's position:-**

- It did not accept that it had failed to follow Mr R's instructions or caused him a financial loss. Mr R switched all the money he held in a cash fund into another cash fund instead of the Quilter managed fund. It was his responsibility to check the switch had correctly completed. He had the opportunity to do this before and after the switch.
- At no point during the call of 16 November 2020 could Aegon see what Mr R had keyed on his keyboard. There was no indication that there was anything unusual about Mr R's request.
- There were no system issues relating to Mr R's switch. He has asked about a "pending trade" notice he saw on his account. The notice was due to it receiving two identical switch requests from him. It took no action on the second request as it was a duplicate. Aegon had just not cancelled the second request on its records as part of its housekeeping.
- Aegon explained that it was Mr R's responsibility to check the transaction history and make sure that it had received his instructions. It referred to the "Aegon Retirement Choices Terms and Conditions" (**the Teams and conditions**). Under Managing your Investments, section 7.5.2, it says that all instructions are accepted in good faith and once an instruction has been submitted, Aegon cannot

make any changes to it. Sections 7.5.2 and 7.5.3 have been replicated in the Appendix.

- Aegon accepted that it should have listened to the 16 November 2020 call earlier. It sent him vouchers for £50 for its mistake and the inconvenience caused. In addition, it sent him another £100 voucher for its delay between 12 May and 20 July 2020 in responding to his complaint.

Caseworker's Opinion

22. Mr R's complaint was considered by one of our Caseworkers who concluded that no further action was required by Aegon. The Caseworker's findings are summarised below:-

- Aegon had said it had no systems issues on 16 November 2020 when Mr R made his fund switches.
- Mr R called Aegon on 16 November 2020 for help with his online switch. Aegon does not comment on fund switches because they are a decision that a customer themselves have to make because only they know their personal circumstances.
- Aegon could not see the data that Mr R entered online on 16 November 2020 or the summary page. It was his responsibility to check the summary page and the details of the switch he was requesting.
- Aegon had provided TPO with a screen shot of Mr R's requested transaction, which confirmed it had given him no advice and that he had requested to switch 8924.34 units from the cash investment ID44 to the same fund. The Screen shot showed Mr R had switched 100% of his funds and there was no indication of a fund switch to the Quilter managed fund.
- The call recording of the 16 November 2020 telephone call between Aegon and Mr R lasting 13 minutes showed that Aegon only told Mr R that he needed to leave 0.25% of his funds in cash and what steps he had to complete to change his gating level.
- The Caseworker was of the view that there was no evidence to suggest that there was any maladministration relating to the transfer. However, the Caseworker did acknowledge Aegon's admission that its response to the complaint could have been handled more efficiently. The Caseworker considered the £150 that had been offered by Aegon as an adequate remedy.

23. Mr R did not accept the Caseworker's Opinion and the complaint was passed to me to consider. Mr R submitted further comments in response to the Opinion. In summary he said:-

- He felt he had completed the fund switch correctly.

- There was a “transaction pending” message on his online account for the whole time between him making the transfer and withdrawing funds.

24. I have considered the additional points made by Mr R, but I agree with the Caseworker’s Opinion.

Ombudsman’s decision

25. Mr R has complained that Aegon failed to transfer his funds between his Aegon cash fund and a Quilter managed fund. He wanted it to compensate him for the financial loss he suffered due to him not making the switch.
26. Aegon has said that it does not give advice when a customer wished to make a fund switch. It said that in the 16 November 2020 telephone call, its staff member only told Mr R how to change his gating level and informed him that he needed to keep 0.25% of his funds in cash. Aegon advised that its staff member was unable to see what data Mr R had inputted or the summary page produced.
27. I can understand Mr R’s frustration that his switch did not occur as he had intended. However, he entered the data during the fund switching process. Aegon’s system gave Mr R the opportunity to review the summary page before he submitted it. Aegon’s screen shot of the 16 November 2020 switch transaction, confirmed that it gave Mr R no advice and the switch he requested was a cash fund to cash fund switch. It was Mr R’s responsibility to ensure he was happy with the fund switch before he submitted it. In addition, Mr R could have checked the switch after completion and contacted Aegon once he saw he had not switched his money from a cash fund to the Quilter managed fund.
28. Mr R has said that Aegon had system issues on 16 November 2020 and there was a “transaction pending” message on his account from that date until he withdrew his funds. Aegon has confirmed that it did not have any issues with its systems on 16 November 2020. It said that a “pending trade” notice was on Mr R’s online account because he made two identical switch requests.
29. I find that there is no evidence that points to Aegon’s systems having had issues on the day in question. Mr R saw online messages when he tried to move all his funds without leaving 0.25% of his funds in cash and when he attempted to switch to a fund without having the correct gating level. When Mr R spoke to Aegon on 16 November 2020, it advised him that he needed to keep 0.25% of his funds in cash and it told him how he could alter his gating level. Mr R then proceeded on his own to make his online switch but, unfortunately, he did not make the switch he was intending to make, despite being able to review a summary screen before submitting it. Mr R could have questioned the “pending trade” message after 16 November 2020.
30. Aegon has acknowledged that it did not initially listen to the correct 16 November 2020 call recording, and it was slow to respond to his complaint. It has apologised for

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this and sent Mr R vouchers for £150. I agree with the Caseworker that this is an adequate remedy for the distress and inconvenience which Mr R has suffered.

31. I do not uphold Mr R's complaint and no further action is required by Aegon.

Anthony Arter CBE

Deputy Pensions Ombudsman

12 April 2024

Appendix

Aegon Retirement Choices Terms and Conditions

Managing your Investments, sections 7.5.2 and 7.5.3:

7.5.2 We accept all instructions in good faith. Once an instruction has been submitted and acknowledged online, we cannot make any changes to that instruction.

7.5.3 Details of all instructions are provided online with the transaction history. We will confirm to you all investment purchases and sales that are instructed by you, your adviser, or your discretionary fund manager. It is your responsibility to make sure any instructions have been received by us.

