

Ombudsman's Determination

Applicant	Mr Y
Scheme	Aegon Pension Plan (the Plan)
Respondent	Aegon

Outcome

1. Mr Y's complaint is upheld. To put matters right Aegon should calculate the notional values of Mr Y's funds, in accordance with the directions at the end of this Determination, and pay the difference between these values and the actual values paid.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr Y has complained about the amount of time Aegon took to transfer his pension funds from policies numbered 4754696 and 4754396 to a new platform, Aegon One Retirement (**AOR**), under policy numbers 70737774, 70741886 and 70737770.

Background information, including submissions from the parties

4. Policy number 4754696 held insured funds only, whereas policy number 4754396 held combined insured funds as well as self-invested assets. The self-invested assets were managed by Brewin Dolphin, while Capita provided the administration service.
5. Mr Y submitted applications to transfer his policies from Aegon to AOR on 25 March 2014. These were submitted both online and by post. The details were input online by an AOR representative. It has since been agreed that the details were input incorrectly.
6. Mr Y's financial adviser submitted the forms under cover of a letter dated 25 March 2014. He said "I have pleasure enclosing the necessary forms for the transfer of [Mr Y's] existing Aegon Pension (4754696) and his Aegon SIPP (4754396 and Brewin Dolphin self-administered account) into a new Aegon One Retirement Account".
7. Aegon say that the request to transfer policy number 4754396 was received on 31 March 2014, but that the request to transfer policy number 4754696 was not received

until 4 April. However, they are unable to say why this would be when the two requests were submitted at the same time. The copy of the covering letter on file appears to have been date stamped on both 26 March and 28 March 2014.

8. Aegon also decided to carry out an 'additional check' on policy 4754696, which they have since agreed was unnecessary. This check delayed the process by three working days.
9. Mr Y also submitted a 'Sale of Assets' form to give instruction for the sale of the self invested assets. Aegon say this was received on 3 April 2014.
10. In the 'External transfer instruction', completed by Mr Y and signed by him on 25 March 2014, Mr Y instructed Aegon to retain his insured funds and continue to pay his income at the current level until the transfer of his self-administered assets was complete.
11. Mr Y says that although Aegon had registered the application to transfer his account on their system on 28 March 2014, and the request to transfer established on their system on 31 March 2014, it was not until 9 April 2014 that they sent a request to Capita to obtain the release of funds from Brewin Dolphin.
12. He says that the subsequent instructions from Capita to Brewin Dolphin were to make the payment by BACS, rather than the much faster option of CHAPS/TT. Given that the sum involved was over £430,000 the delay could have a significant financial effect.
13. He says that to avoid further delay in transferring the funds from Capita to Aegon, a request was made to make that transfer by CHAPS/TT. This was confirmed by Aegon in an email on 24 April 2014, but Capita say that they have no trace of having received this request. As a result, instead of the money being transferred to Aegon on 24 April, it was transferred on 28 April 2014.
14. Aegon say that there is no option to transfer by CHAPS.
15. Mr Y says that he accessed Aegon's online system on 17 April 2014 and 24 April 2014, and was surprised to find that the funds were still shown as vested, even though they had been sold on 10 April and transferred on 17 April 2014. He says that the value shown at that time was £453,612. He asks whether this value is accurate, assuming the money had remained invested, even though the funds had been fully sold beforehand, and whether this means he has made a loss due to the delays.
16. He points out that the delay in transferring the Brewin Dolphin fund created a knock-on effect in that it delayed the investment of the Aegon insured funds through the new portfolio of funds set up with AOR.
17. Aegon say that they agree policy 4754696 could have transferred sooner so that investment in the new platform product would have been on or around 9 April 2014.

18. With regard to policy 4754396, Aegon say that the request to transfer the self-administered assets was received on 3 April 2014, and they agree that they told Capita to disinvest the funds on 9 April 2014. They say that Capita instructed Brewin Dolphin to disinvest the funds the following day, and that the funds were released by Brewin Dolphin to Capita, by BACS, on 17 April 2014. Capita, in turn, released the funds to Aegon, again by BACS, on 25 April, and they were received on 28 April 2014.
19. Aegon argue that it would not have been possible to transfer the funds from policy 4754396 any sooner because income was due to be paid on 28 April 2014, and the payroll run was scheduled for 22 April 2014. Once the income process had started it could not be stopped. For this reason, they are not prepared to offer redress for any loss of investment income.

Adjudicator's Opinion

20. Mr Y's complaint was considered by one of our Adjudicators who concluded that no further/further action was required by Aegon. The Adjudicator's findings are summarised briefly below:
 - The Adjudicator was surprised that the request to transfer policy 4754696 was apparently not received until some four days after the similar request for policy 4754396, as the covering letter from Mr Y's financial adviser, dated 25 March 2014, referred to the necessary forms for both policies. Aegon's statement that the request for policy 4754396 was received on 31 March 2014 also seemed to be contradicted by the evidence that it was date stamped on both 26 March and 28 March 2014, and apparently logged on their system on 28 March.
 - He concluded, from the date stamp on the letter, that it was probably received by Aegon on 26 March 2014, together with both transfer request forms.
 - He said that for policy number 4754696, there appeared to be no reason why the transfer process should have been delayed. This policy held insured funds only and he felt the transfer should have been completed within five working days of receipt of the completed forms, giving a hypothetical dealing date of 2 April rather than 9 April 2014.
 - With regard to policy number 4754396, Aegon say that the Sale of Assets form was received on 3 April 2014. Again, the Adjudicator was surprised that this was not received at the same time as the transfer request forms, particularly as Mr Y had signed and dated it on 25 March 2014. His adviser's letter referred to "the necessary forms" being enclosed and the Adjudicator thought it more likely than not that this included the Sale of Assets form. He therefore concluded that it also was received on 26 March 2014.

- Aegon said that they received the form on 3 April, and yet it took until 9 April 2014 for the instruction to disinvest to be sent to Capita. The Adjudicator felt that such a market sensitive instruction should be issued within one working day and so, assuming that the form was actually received by Aegon on 26 March, it was not unreasonable to expect instructions to sell to have been issued to Capita on 27 March 2014.
 - Capita passed the instructions on to Brewin Dolphin the next day. This would mean that Brewin Dolphin could have started the disinvestment process on 28 March 2014. Given that it took three working days for Brewin Dolphin to complete the process and release the funds to Capita, the process should have completed on 2 April 2014.
 - Mr Y had also complained that the payments were made by BACS and not CHAPS/TT. Aegon said that CHAPS was not an option, although they did confirm that they asked Capita to send the funds to them by TT. Capita said that they did not receive this request. The Adjudicator said that he could not dispute that CHAPS/TT was not an option, although he was surprised by that. He also could not dispute that Aegon had sent instructions to Capita to use CHAPS. He believed that it would be unreasonable to expect Aegon to have done any more.
 - Brewin Dolphin had released the funds on 17 April and these were received by Capita on 23 April 2014. Capita, in turn, released them on 25 April and they were received by Aegon on 28 April 2014. This was a total elapsed time of five working days, as this included the Easter break.
 - If that elapsed time were to be applied to the hypothetical completion date of 2 April, the funds would have been returned to Aegon on 9 April 2014. As this was well before the payroll run started on 22 April 2014, the Adjudicator was not persuaded that this was a material factor.
 - The Adjudicator concluded that the complaint should be upheld because Aegon caused unnecessary delays in the transfer of policies 4754696 and 4754396, which amounted to maladministration.
21. Aegon did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Aegon provided their further comments many of which do not change the outcome. I agree with the Adjudicator's Opinion, summarised above, and I will therefore only respond to the key points made by Aegon for completeness.

Ombudsman's decision

22. With regard to policy 4754696, the Adjudicator felt that the transfer could have been completed by 2 April 2014. However, Aegon have now provided a copy of the Origo Options transfer request form. This shows that the transfer request was entered on

28 March 2014, and that the scheduled completion date was 9 April 2014. The Origo system is in wide use and well respected, I am, therefore, of the view that 9 April 2014, is a reasonable date to assume for the completion of this transfer, as Aegon had proposed. Mr Y is prepared to accept this date also.

23. With regard to policy 4754396, Aegon say that it is unlikely that the 25 March 2014 letter was received on 26 March 2014, and that it is more likely that the correct date was 28 March. I disagree. I am persuaded that the letter, given its contents, would have been posted first class and, therefore, probably received the following day. In view of this, I agree with the Adjudicator's view of the notional timeline of events.

24. Therefore, I uphold Mr Y's complaint.

Directions

25. It is not presently clear whether Mr Y has suffered the financial losses that he claims. However, Aegon should carry out a price comparison to identify whether or not this is the case and, if so, they should pay redress to Mr Y's pension fund to put him back into the correct position.

26. For policy 4754696, Aegon has previously identified that the transfer value available in March 2014, was higher than that in April 2014, and have agreed to honour this value. They should assume that this value was invested into AOR policies 70737774 and 70141886 on 9 April 2014. This notional figure should be rolled up to the present date and compared with the actual fund values. Any shortfall should be paid to Mr Y's pension fund.

27. For policy 4754396, Aegon should calculate the transfer value of the insured funds as at 27 March 2014, and also the value of the self-invested funds on or around 28 March 2014. They should assume that this value was invested into AOR policy 70737770 on 9 April 2014. This notional figure should be rolled up to the present date and compared with the actual fund value. Any shortfall should be paid to Mr Y's pension fund.

28. For the distress and inconvenience caused, Aegon have offered Mr Y £100, which I consider reasonable in the circumstances.

Anthony Arter

Pensions Ombudsman
4 July 2016

