

## The complaint

Mr A has complained about the problems he experienced when trying to withdraw funds from his ISA he held with AEGON Investment Solutions Ltd ('Aegon') to be sent to a designated bank account. Amongst other points Mr A has also complained about Aegon's single factor authentication, correction of his bank account details on its portal and how his complaint was dealt with.

## What happened

Mr A held a workplace self-invested personal pension ('SIPP') and a stocks and shares ISA on Aegon's Retirement Choices Platform. The SIPP account started in 2018 and the ISA in 2019. On 2 July 2023 Mr A sold the assets held within his ISA.

On 12 July Mr A amended his bank details recorded with Aegon. Historically he had two bank accounts, but he had closed one of them and only wanted the remaining one – his personal account – to be recorded with Aegon. After discussion with its call centre, he found that its back-office system saw different bank details than the one he could see on its 'Retiready' customer portal. He emailed Aegon requesting only a sole bank account was recorded with Aegon. This was to ensure Aegon had the correct records and also to comply with the general data protection request ('GDPR') request he was making.

This didn't happen and Mr A found that any bank amendments would take five working days to process so he raised a complaint.

Also, on 12 July Mr A requested a cash withdrawal from his ISA. But because of the change in bank details Aegon had to run a credit check, which failed, so it needed additional documents from him. Payment wasn't made until 28 July 2023.

In the meantime, on 17 July Mr A had raised a complaint – an 'expression of dissatisfaction' about the length of time being taken for the ISA withdrawal and bank verification details. Aegon recorded this complaint, and as it considered that Mr A was satisfied with the resolution reached further to a phone call it issued its summary resolution communication ('SRC') on the same day. The SRC gave Mr A referral rights to this service.

Thinking either his complaint had been closed or deadlock reached and being frustrated with the progress of his ISA cash withdrawal, Mr A brought his complaint to this service.

For the complaint raised on 12 July Aegon issued its full final response on 10 August 2023 not upholding the complaint. It said;

- After Mr A made his withdrawal request, Aegon had tried to verify the bank details via a credit reference agency but was unable to do so and had to request a bank statement from Mr A by post. However, after Mr A challenged Aegon's process the request was approved by senior management and its internal risk procedure was bypassed. Payment of £22,417.61 was made on 28 July which was within Aegon's service level agreement of 11 working days.

- Because the credit check had failed, Aegon couldn't run another one unless different bank details were provided. Mr A had sent his bank statement by email which didn't meet Aegon's requirements and Mr A was informed about this by email on 13 July. However, Mr A wasn't happy that his old bank account was showing and Aegon's processes so had raised a complaint about this on 12 July, but the withdrawal request itself was still ongoing, so Aegon's withdrawal team was still required to chase for bank verification details. Mr A emailed again with the bank statement which was then referred to senior management as outlined above and payment made.
- On 17 July Mr A was emailed the SRC to confirm his complaint had been resolved or deadlocked. It had been explained to Mr A during the earlier call that this complaint should have been logged as an expression of dissatisfaction as Mr A already had a complaint on file. However, his already opened complaint wasn't impacted but Aegon apologised for the conflicting email and confusion caused.
- Aegon had been trying to remove Mr A's old bank details without success as a current direct debit was set up which prevented it from doing so. It had 30 days after the request was made by Mr A on 12 July to do so otherwise it was in breach of GDPR rules. It would keep Mr A updated.
- Mr A had complained that Aegon wasn't complying with new security regulation, which had been in place since March 2022, as it used single authentication for its portal log in. Aegon confirmed it followed its own procedures for security and its platforms – Retiready and ARC – complied with those. It wasn't at fault in its security measures.
- It accepted that it should have sent Mr A an update email further to the conversation of 28 July – it wasn't sent until 4 August.

Further to the above Mr A brought his complaint to the Financial Ombudsman Service and provided us with his response to each point, disagreeing with what Aegon had said. Our investigator considered all the information on file but didn't think the complaint should be upheld. He said;

- While he accepted that Mr A wasn't happy with the bank verification process, it wasn't something he could ask Aegon to change.
- He accepted that Mr A was frustrated with confusion over the SRC and the deadlock of his complaint, but Aegon had continued to investigate and had provided a more detailed response to all the complaint points.
- Mr A had experienced frustration and delays with the removal of his out-of-date bank details but that had now been corrected.
- There wasn't any evidence that Aegon wasn't complying with strong customer authentication regulations and Mr A hadn't been impacted by Aegon's process so couldn't agree it had acted unfairly or unreasonably.
- Mr A hadn't raised his complaint point about Aegon's non-compliance with Customer Duty rules so he needed to raise it with Aegon before the investigator could consider it.

In response Mr A evidenced that the bank account details on the Aegon ARC portal hadn't been corrected – it was still showing both bank accounts on the 'Bank account details' drop-down section. The Retiready portal was showing the correct details.

Aegon confirmed that the ARC sign on had been designed to hold a list of different bank accounts, so that a customer could choose which account they wished money to be paid. Mr A wasn't satisfied with this.

As the complaint remains unresolved, it has 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.

I'm aware I've set out the background to this complaint in less detail than the parties and I've done so using my own words. I'm not going to respond to every point made by the parties involved. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right, and fair and reasonable outcome.

I should also say that in some instances, it might be appropriate for the Information Commissioner's Office to also look into Mr A's concerns. So, if Mr A considers this to be the case it is for him to decide whether he wants to refer any of his complaint points to the Information Commissioner's Office if he wishes to.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time. It is not for this service to prescribe how a firm should run its business or operate its services. We are not the regulator so will not fine or punish firm. Our remit mainly relates to the individual circumstances of a complaint and addressing alleged wrongdoings by firms and any detriments or loss allegedly associated to a complaint.

After reviewing the information and evidence I have been provided, I have decided not to uphold Mr A's complaint, and broadly for the same reasons as the investigator. I'll explain why.

#### ISA withdrawal

When Mr A requested a full withdrawal of the funds held in his ISA on 12 July the recipient bank details had recently been changed. Mr A attached a certified bank statement to the withdrawal request, but this wasn't accepted. Aegon ran an electronic credit reference agency check which it said had failed and I understand it wasn't able to run another one with the same bank account details. Aegon emailed Mr A on 13 July to explain the two options for verifying his bank details.

It said Mr A could either send a certified copy of his bank statement which must be dated within three months and show the account number, sort code and his name and address. It couldn't accept online statements unless they had been printed and verified by the bank branch. The other option was to send an original or certified bank void cheque. I note at the end of that email it said, 'Please note it can take up to 12 working days to pay the money into your chosen bank account once we have received all the information we need.' This was opposed to the usual 11 working days for a withdrawal request – I assume an additional working day for the verification to be completed.

Mr A responded the next day to confirm that the statement he had provided met all of Aegon's verification requirements. He explained his bank was an online bank only so he couldn't get a branch printed certified copy of his statement. But he pointed out the

statement he had provided had a dated digital cryptographic watermark and a unique reference number that Aegon could verify over the phone with his bank. The bank was also showing on the credit reference agency check he had run.

Mr A sent a further updated certified copy of his online bank statement to Aegon on 27 July. He confirmed that the certification had met the requirements of a certified bank statement for his UK mortgage bank account. It was at this point the issue was referred to senior management who agreed a concession could be made and the withdrawal completed.

I appreciate that it must have been extremely frustrating for Mr A when Aegon didn't accept the certification of his bank statements in order to pay away his ISA funds. Particularly as he told us another UK financial business he dealt with had accepted it. But it is not for this service to tell a firm how it should run its business. It is for a business to assess its own acceptable levels of risk – for example when paying away funds from a client's account to a bank account. So, while I recognise Mr A's understandable annoyance, I don't find that Aegon did anything wrong in this respect – it was following its own procedures but latterly, after it was referred to senior management, it changed its protocol in order for Mr A's withdrawal request to be carried out.

Mr A has said that Aegon quoted a time period of 11 working days to process a withdrawal from an ISA account. This is its internal service level agreement which I accept can't always be guaranteed. Mr A has taken 'day one' to be the date of sale of assets within his ISA prior to the cash withdrawal. He sold his ISA assets on 2 July so says he should have had cleared funds on Monday 17 July. However, I don't accept the day that Mr A sold his assets as being the first day of the 11 working days. There's nothing to indicate that Aegon had been 'put on notice' that Mr A was to withdraw those funds, and, equally, Mr A could have reinvested those funds during that time if he had wanted to. Aegon wouldn't have known what Mr A was going to do with the sale proceeds.

Mr A made his cash withdrawal request on 12 July. 11 working days after that would be 27 July. But as referred to above, Aegon's email to Mr A of 13 July referred to 12 working days after receipt of all the new bank account verification information which would make the latest payment date 28 July which is when payment was made to Mr A in any event. So, while I appreciate Mr A's considerable frustration throughout the cash withdrawal process, I can't agree that payment was unnecessarily delayed – outside of Aegon's own bank account verification requirements – or that it was made later than Aegon's own time limits.

Mr A isn't convinced that Aegon did carry out an electronic credit check. He has referred to the credit check report he has provided which does include the bank account he wanted the funds paid to and had which existed since 2017. Mr A wanted this service to verify a check had been carried out and for the details to be shared.

I don't consider it would be appropriate to ask Aegon for this information. It is for Aegon to establish its own procedures for credit checks, and it wouldn't be for this service to assess whether they were correct or otherwise or whether Aegon should be doing something different. That is a matter of Aegon's own commercial judgment.

However, I would expect a financial firm to manage its own business so that it provided a good customer experience. It wouldn't be beneficial to either party for Aegon to unnecessarily hold up cash withdrawals or other customer requests. So, it follows I wouldn't have expected Aegon to have withheld the payment to Mr A without reason or outside of its own acceptable level of risk when making payments to unverified – in accordance with its own guidelines – bank accounts.

Amendment to bank account details

My understanding is that Aegon keeps two sets of records about bank account details. The first is the details that the customer sees and the other is one its back office sees. And Mr A had access to two portals, the Aegon portal – which Mr A considers to be the legacy portal with read only data – which showed both of his bank account details and the Retiready portal which showed only the one old bank account which Mr A wanted amended and deleted. Mr A wanted for his updated bank account details to be showing on the Retiready portal, not his old one, and for Aegon to give him ‘the right to rectification’.

In Aegon’s final response to the complaint it explained that it was trying to remove the old bank details but that there was a direct debit set up that was stopping it from doing so. Mr A told us that he had had a regular direct debit set up, but this was cancelled in January 2021.

In Aegon’s final response letter its clear it was aware of the potential breach under GDPR and that would log that breach if necessary. In the meantime, it said it was still trying to remove the old information.

On 30 August I note that Aegon wrote to Mr A to explain the issue was due to a system defect which was being treated as a high priority in order to resolve.

I asked Aegon about this as I considered Mr A’s request to remove his out-of-date bank details from the ARC Aegon portal bank account details drop down box was still outstanding. Aegon had previously told us that the ARC sign on also used by Mr A was designed to hold a list of different bank accounts which were viewable by the customer so they could choose which bank account they wished to pay money to.

But I think this misses the point of Mr A’s complaint. He didn’t want a choice of a different bank account, he only wanted his personal account to be recorded, not his other old defunct account as he was concerned payment could be sent to that closed account and he wouldn’t be able to access it. And Mr A wanted those details removed in line with his ‘right to rectification’.

In its submission Aegon had told us its IT team were trying to find a remedy to all the details to be removed but it referred to Money Laundering Regulations and its obligation to retain data.

I asked Aegon for more information about this as I didn’t consider this complaint point had been resolved. In its response, Aegon told us that its Data Protection team were satisfied that Mr A had the ‘right to rectification’ so it needed to find a solution as to how to remove the old/defunct bank from Mr A’s online portal. It told us its IT team had found a solution that would remove the old bank details, so they no longer showed when Mr A logged on.

However, after a further update from Aegon, at the time of writing this decision, it confirmed it is waiting for input from its ‘software vendor’ to complete this task. It told us the software vendor was continuing to work on the issue but unfortunately hasn’t been able to provide Aegon with an actual date for when the bank details would no longer show on the customer portal.

I’ve considered Mr A’s concern about this point and the impact it has had on him. I accept he wants his old bank details removed from Aegon’s records. Aside from the right to rectification, he has said that money could be paid away to a defunct bank account, and he might not be able to retrieve those funds. However, this situation hasn’t arisen, and I think it’s more likely that it won’t arise – first because I would assume that upon withdrawal of funds Mr A would direct them to his current account, and second any funds sent to a defunct account would more likely be returned to the sending bank rather than being retained.

So, while I accept that Mr A's request is still outstanding, I am satisfied that Aegon agrees that his request is valid, and it is working on resolving it. Currently, it is dependent upon its 'software vendor' – who I take to be a third party – to action changes in order for the deletion to be carried out. It has told us that it will continue to monitor progress so I would expect for Mr A's request to be completed, subsequent to resolution from the software vendor, albeit I appreciate this will take place later than Mr A would have liked.

### Customer Authentication

Mr A has complained that the single factor authentication he used for Aegon allowed full access to his accounts. He didn't think this was a strong enough authentication method and didn't comply with the regulator's Strong Customer Authentication rules that had been in place since March 2022.

Aegon told us that it wasn't able to release to us information about its internal security policy and procedures, but its Information Security Team confirmed that the current account access met regulatory requirements. It was something that continually monitored and reviewed.

I am prepared to accept at face value what Aegon has said. I don't think it would be useful or appropriate for a financial business such as Aegon to make public how it goes about keeping customers' accounts safe. However, I can't see that Mr A has suffered any detriment because of what he considers to be insufficient authentication requirements so there is nothing for me to consider.

As explained above, the Financial Ombudsman Service isn't the regulator and will only assess each individual complaint on its own particular merits. So, while I accept Mr A might not agree, I haven't seen anything to suggest that Aegon is not acting as it should be, and I am satisfied I've been given nothing to show that Aegon isn't acting within the rules and guidelines.

### Secure USA email

Mr A was working overseas and Aegon issued its final response to Mr A's complaint via its USA secure email system. Mr A is concerned this meant that his details had been shared with the USA business when Aegon had a UK/EU alternative which it had previously used for other correspondence. He wanted Aegon to check whether his details were now on the USA system and had appropriate GDPR protection. He wanted this to be reported to him.

Mr A has also referenced Aegon's privacy statement which refers to other group members making sure they had adequate safeguards in place. But by using the USA system when Aegon had a UK/EURO based one was too broad and he sought clarity that there were legal requirements in place to protect his personal data. However, this is not a complaint point this service can consider. If Mr A wants to take this further, he should refer to the Information Commissioner's Office.

### Continuous improvement

Aegon accepted that it had caused confusion regarding the email to resolve the complaint and the final response letter. Mr A has said that based on a business' best practice of continuous improvement, this complaint point shouldn't be recorded as 'upheld'. Again, I won't be asking Aegon anything further about this point. Along with other financial businesses it's not unreasonable to assume that continuous improvement is considered. But that is for Aegon to assess and not for this service to consider.

## Customer Duty

Mr A has complained that Aegon hasn't complied with the recently introduced Consumer Duty rules. Those rules apply to open products and services from 31 July 2023, and to closed products and services from 31 July 2024. It doesn't apply to complaints about events that happened before that. But Mr A didn't raise this point with Aegon, which, under the rules that apply, must be allowed to address this complaint point before this service can consider it. So, it isn't something I can assess in this decision.

Taking all of the above into account, I've not seen sufficient evidence or information to persuade me that Aegon has done anything wrong. So, it follows that I don't think it would be fair and reasonable for me to uphold Mr A's complaint.

I know Mr A feels strongly about his complaint and I thank him for the submissions he has made. No doubt he will be disappointed with the outcome, but I hope I have been able to explain how and why I have reached that decision.

### **My final decision**

For the reasons given, I don't uphold Mr A's complaint about AEGON Investment Solutions Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 April 2024.

Catherine Langley  
**Ombudsman**