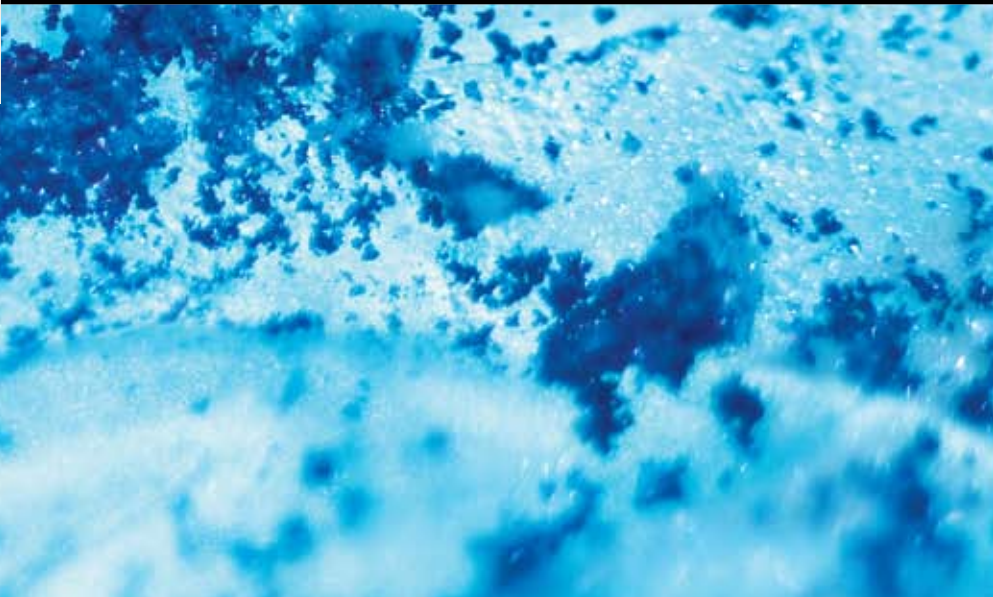


For customers | International investments

Customer Impact report 2009



**customer
impact**

Meeting the customers'
needs by putting them at
the heart of our industry

Customer Impact Scheme

We're committed to the Association of British Insurers' (ABI) Customer Impact Scheme, a voluntary scheme set up to improve customers' experience of the life, pensions and investment industry.

Customer Impact commitments

As a member of Customer Impact, we make a commitment to:

- develop and promote products and services that meet your needs
- provide clear information and good service when you buy one of our products
- maintain an appropriate and effective relationship with you

We see these commitments as the absolute minimum we should be doing for you – we aim to do much more than this.

Yearly report

To make sure you're always in the picture, we produce this yearly report to tell you how we're performing, what we've done over the past year and what we have planned for the future.



Meeting the customers' needs by putting them at the heart of our industry

Find out more about the scheme on the Customer Impact website at www.customerimpact.org

Contents

- 03 Our commitment to our customers
- 04 Our customer priorities
 - Fair treatment in all our dealings with you
 - The right products and services for you
 - High-quality service
 - Ease of doing business with us
 - Clear and meaningful communication
- 08 2009 customer highlights
- 08 Our thoughts on the year ahead
- 09 About us

Our commitment to our customers

The aim of this yearly report is to show you the improvements we've made and our commitment to continue to improve in response to your needs. Our report is an open and honest account of our progress, which covers:

- our performance against our customer priorities
- our 2009 highlights
- our thoughts about the coming year

As well as highlighting improvements and success stories, we're equally honest about the areas where we need to do better. We're working hard to improve these areas and hope you'll see that we really are committed to understanding your needs.

We'd like to take this opportunity to thank you for all your feedback in 2009 and ask that you continue with this into the coming year. Your input is the key element in improving our services and attitude as a company so that we will continue to develop products and services to benefit all our customers.

We welcome any comments you have about this report or AEGON in general – please email client.relations@aegon.ie



David Healy

Managing Director, AEGON Ireland
June 2010

Our customer priorities

When we first signed up to Customer Impact, we put some priorities in place to help us meet our commitments. We set these priorities because they're the most important areas for our type of business and our customers.

We still focus on these same priorities and report on them each year, as they make it easier to compare our ongoing performance. The priorities are:

- fair treatment in all our dealings with you
- the right products and services for you
- high quality service
- ease of doing business with us
- clear and meaningful communication

In the following sections, we'll cover each priority and explain:

- what we're aiming to achieve
- the progress we've made since last year
- what you can expect to see in the coming year

Fair treatment in all our dealings with you

You deserve to be treated fairly, whenever and however you deal with us. And you can be confident you will be, because we always act in line with the Financial Services Authority's (FSA) Treating Customers Fairly (TCF) principles. These cover the design of our products, our communications with you, the service you receive, the payment of claims and how we resolve any complaints.

Complaints

Every complaint we receive is an opportunity to learn from and to improve our performance. We hold Root Cause Panels each month to monitor complaints, look at what's going wrong and make changes to address problem areas.

We aim to respond clearly and fairly to all complaints and to fully explain our actions and decisions. Our complaint handlers are trained in communicating clearly and concisely, while making sure the response covers all the points raised in the original complaint. A senior employee checks all written replies to complaints before they're sent out, to make sure we're following this approach. We also make sure that any customers who do complain know they can challenge our decision, if they want to, by writing to the Financial Services Ombudsman (FSO).

In 2009, we received 149 complaints, an increase of 20 from 2008. Of these complaints, three were passed to the FSO for review. The FSO agreed in all three of these cases that we had dealt fairly with every aspect of the complaints. This was less than in 2008 when eight complaints were passed to the FSO.

While we're disappointed that more of our customers have complained, we think it's understandable, as more people are taking an active interest in their finances. We'll continue to learn from this experience and further improve our response to similar situations in the future.

Progress since last year

- A key focus has been to respond quickly and fairly to customers who complain. We hold weekly complaint meetings to make sure that we respond to complaints as quickly as possible and monitor the progress of complex complaints. 2009 saw a great improvement in response times, with 65% of our complaints resolved within 10 working days because of this focus. The complaints not resolved within this timeframe were due to the complexity of the cases and were monitored through our weekly meetings.
- It's compulsory for all of our Customer Service employees to complete a yearly computer-based training (CBT) course on 'Our customers'. This course is designed to raise awareness of customer issues and regulatory obligations to them. With a 100% completion rate in Client Services department in 2009, we emphasise that our customers are at the centre of our daily business.
- We continue to run our recognition programme, where our employees are acknowledged and rewarded for displaying behaviours such as Think Customer, Encourage Excellence and Act with Integrity.
- Each person in AEGON has a customer-specific performance related objective which forms part of their annual performance review.
- We improved our TCF management information that we use right across our business.
- We developed a *Customer service essentials* training course, which covers all aspects of dealing with customers, from talking with our customers to handling challenging situations. Everyone – including our management team – completed this course.

What to expect next year

- Our customer satisfaction surveys will be a key focus next year to make sure we're getting a wide range of feedback, which is essential to improving our service. We'll contact a random sample of our customers who call us or receive correspondence from us to participate in the survey. The questions will give us an indication of how our customers rate the reliability, responsiveness, assurance and empathy of the correspondence we send or the service we provide to them. We'll also seek feedback from customers on how we can improve.
- We'll establish a group to implement TCF initiatives and maintain our focus on delivering an improved service for our customers.

The right products and services for you

In this changing world, we know it's important to provide financial solutions that our customers can rely on. We use research, insight and ongoing feedback to make sure all our products and services are built around what our customers want and need. We also do our best to make sure they're competitive, clearly explained and deliver what they promise.

As financial services can be complex, we always recommend taking advice from a qualified professional as all our customers come to us through recommendations from advisers.

It's important to help our customers understand the return they might realistically expect on their investment. While we can't control how markets perform, we do offer a wide range of investment funds to suit different attitudes towards risk and we always point out the risks involved.

Progress since last year

- We've introduced Plan View, a free and easy-to-use tool that allows customers to view their valuations, quarterly statements and amend their address details online.
- In 2009 we launched the Wealth Planning Account (WPA) which is a more sophisticated version of the Wealth Management Portfolio, offering greater tax planning and enhanced flexibility for customers.
- We also launched a new variable annuity product, AEGON Secure Lifetime Income (ASLI) which offers four guarantees, a flexible charging structure and wide investment choice.
- We've launched a new investment proposition containing a wide range of investment funds designed to suit specific types of customers. The emphasis is on quality – and quality control through governance and independent validation – rather than quantity.
- We've changed our customer welcome pack so it's clearer and easier to understand. This is to make sure our customers fully understand the products they're buying, including their suitability.
- As we update our customer literature, we're making it clear, where appropriate, who the product is and isn't suitable for.

What to expect next year

- We'll continue to monitor market conditions throughout the year and make any changes we feel are necessary to protect our customers' interests. This includes considering what product features we can responsibly offer and continuously reviewing our products with this in mind.

High-quality service

We're not here just to sell products. We want to provide lifelong support to our customers, so they can prepare for – and enjoy – their financial futures. One of the ways we do this is by making sure we provide the best possible service at all stages, including:

- responding quickly and accurately to queries and requests
- settling claims quickly, and
- saying how and when we'll do things so our customers always know what to expect

To help us do this, we set service standards for each product and transaction and regularly track our performance against these. At the same time, we aim to get things right first time.

Progress since last year

- Our focus during 2009 was on providing an accurate and prompt service. We monitored our performance against our published service levels and made sure we achieved them. During the year we actively reallocated employees into areas where they were needed to make sure that we continued to meet service levels for our customers.
- In 2009, we met our turnaround standards for services in 98% of cases, up 2% on the year before.
- We set up a document development forum to prioritise our system-produced letters. Our ability to automatically produce and send accurate and timely letters to our customers is a cornerstone of our service, and we've made great improvements to our turnaround times as a result.
- We've worked hard to maintain our quality standards and we again achieved an accuracy rate of 97% in 2009.

What to expect next year

- Our focus will remain on providing an accurate and prompt service to all our customers through meeting our published service levels.
- We'll continue to implement our programme of continuous improvement across our business. This will allow us to identify any areas where our customers believe we can improve our service and where we're not providing clear and relevant information in a consistent manner.

Ease of doing business with us

Whether it's by email, phone, through our website or by letter, we want our customers to find it easy to do business with us.

Progress since last year

We're concentrating on same key areas as last year:

- We regularly review our web pages for existing customers and advisers based on customer feedback and research with users of our site. We've improved the navigation on our sites to make them easier to use, and updated and expanded the content available.
- With our 'Tell me only once' initiative, we resolved 94% of customers' phone queries to their satisfaction in a single call, down slightly from 96% last year. By enhancing our skills in this important area, we hope to make it easier for our customers to do business with us.
- We continue to regularly review not just our complaints but also all instances where our service breaks down. This helps us to get to the root cause of problems so we can make changes to our processes, training or communications to prevent them happening again.

What to expect next year

- During the year, we'll be collating direct feedback from customers on how we can improve further. This is in addition to formal customer satisfaction surveys. The aim is to provide the service our customers require and make it easy for them to do business with us.
- We'll continue to review our service offering to make sure it meets our customers' needs. We'll review feedback from our customer satisfaction surveys to establish how we can further develop our service offering for the benefit of our customers.

Clear and meaningful communication

Financial services can be complicated so we do everything we can to make sure that all our communications are clear, straightforward and relevant. This includes everything from product literature to letters and statements and our websites.

Progress since last year

- We've continued our focus on clear communications training to all our Client Service and HR employees, through our *Writing for our customers* initiative. Using everyday language is an important part of writing to our customers and makes sure our letters are clear, well signposted and easy to read.
- We've developed our clear communication programme to improve our automated and manual template letters, making them as clear and straightforward as possible, and will continue with this.

What to expect next year

- *Our Customer service essentials* modules focus on putting our customers at the centre of our business. They cover a broad range of customer service skills and include modules on customer care and our markets, written communications, continuous improvement and problem solving. We'll roll these out to a wider group of employees during 2010.
- We'll continue to work closely with our Legal department on our 'small print' documents, to make them as clear and jargon-free as possible.

2009 customer highlights

- Our new online Plan View tool, which launched this year, was an important and successful step forward in providing improved service to our customers. It allows customers to view their valuations and quarterly statements, and amend their address details or reset their passwords online.
- We launched a new variable annuity product, AEGON Secure Lifetime Income. The benefits of this product include four guarantees, a flexible charging structure and an extensive fund range.
- We also launched the Wealth Planning Account, a version of our Wealth Management Portfolio that offers greater tax advantages.
- During 2009, we improved on some service levels to our customers, and we'll continue to make sure all our employees continue to be focused on putting the customer at the heart of what we do.

Our thoughts on the year ahead

So we can continue to provide our customers with the products and services they need for their financial futures, we'll focus on preserving our financial strength and the sustainability of the business we write, as well as investing in the longer-term future of our business.

- **Investing in our customers** – we'll continue to invest in our customers' financial future by improving our propositions and services.
- **Investing in our employees** – our investment in training and reward and recognition for our employees will have a substantial effect on the experiences our customers have with us in the year ahead.
- **Investing in our brand** – we've always been part of the worldwide AEGON Group, and in 2006 we emphasised that connection when we became known as AEGON Scottish Equitable International. Last year, AEGON in the UK entered into a five-year sponsorship deal with British Tennis, which is helping to make the AEGON name better known in the UK and Ireland. As a result, we're confident that now is the right time to continue our move towards one global AEGON brand so we've shortened our brand name to AEGON.

About us

We're a Dublin-based life company specialising in international wealth management, guaranteed products, tax and investment solutions, mainly for UK customers. We manage over €3.3 billion of funds for around 12,000 investors.

We're part of the AEGON Group, one of the world's largest listed life insurance companies with €361 billion assets, including all revenue-generating investments.*

*AEGON nv quarterly results, 31 December 2009



As Lead Partner of British Tennis, AEGON is helping the sport to build a brighter future. AEGON's sponsorship is helping to grow grass-roots tennis, develop Britain's future champions and support tennis tournaments across the UK, including the AEGON Championships at The Queen's Club. Find out more at aegontennis.co.uk

