

## Ombudsman's Determination

Applicant	Mr N
Scheme	Aviva Personal Pension Plan ( <b>the Plan</b> )
Respondent	Aviva Life and Pensions UK Limited ( <b>Aviva</b> )

## Outcome

1. I do not uphold Mr N's complaint and no further action is required by Aviva.

## Complaint summary

2. Mr N complained that Aviva did not pay the agreed amount for his pension transfer to South Yorkshire Pensions Authority (**SYPA**). This is because Aviva was slow in sending him documentation to sign, which resulted in a delay, and a subsequent fall in the value of his fund.
3. Mr N wants to be reimbursed for the difference between the initial amount he was quoted, and the final amount transferred to SYPA.

## Background information, including submissions from the parties

4. Mr N joined the Plan, a Defined Contribution (**DC**) arrangement in August 2014. He had paid in regular contributions, and in May 2018, transferred in a lump sum from another pension scheme.
5. Mr N stated that on 13 September 2019, he contacted Aviva to request to transfer the funds in the Plan to SYPA.
6. On 20 January 2020, Mr N telephoned Aviva, and confirmed that he wanted the transfer to go ahead. He requested Aviva to send him a current fund valuation, and the Aviva representative agreed to send this and a transfer pack, to Mr N.
7. On the same day, Aviva issued Mr N the transfer pack and fund valuation based on unit prices on 19 January 2020. On page seven of the transfer pack, it stated that discharge forms, also known as transfer forms, were enclosed in the transfer pack. These forms needed to be completed and signed by Mr N and SYPA.

8. The fund valuation confirmed that Mr N was invested in the Aviva Pensions Mixed Investment Fund, and its current value was £45,196.88. It stated that this amount was not guaranteed and may go up and down in the future.
9. The transfer form, which required signing by Mr N, also stated:

“The value we transfer may be different to the amount shown in any quote we may have given you.”
10. On 10 February 2020, Mr N signed SYPA’s transfer of benefits election form, and on 9 March 2020, he signed Aviva’s transfer form. On 9 March 2020, SYPA sent the signed forms and a covering letter to Aviva. The letter confirmed that Mr N had decided to transfer his benefits to SYPA and set out bank account details for receiving the proceeds.
11. On 13 March 2020, Aviva received the signed transfer forms and sold Mr N’s fund for £37,660.00. On 20 March 2020, Aviva sent the cash to SYPA’s bank account, and confirmed the transaction details in a letter to Mr N.
12. On 23 April 2020, Aviva received a letter from SYPA querying the difference between the fund value quoted on 19 January 2020 and the final sale proceeds on 13 March 2020. On 23 April 2020, Aviva wrote to SYPA and confirmed that the difference was due to a fall in the fund’s unit price between the two dates.
13. On 30 April 2020, Mr N telephoned Aviva and complained about receiving the lower amount. Mr N said that the transfer process had started in January 2020, and he expected to receive the value quoted to him on 19 January 2020. Mr N referred to this as a “closing statement”, but Aviva said that it was not a “closing statement”, it was the current fund valuation on 19 January 2020.
14. During the telephone call, Aviva told Mr N that it had received his signed transfer form in March 2020, and in the meantime the fund value was not guaranteed. Mr N said that the fund value had fallen due to Aviva’s poor investments. Aviva said that markets had performed poorly due to the Covid-19 pandemic. Mr N said that he had not received the transfer form to sign until March 2020, so Aviva had delayed the transfer process. Mr N said that when he received the transfer form in March 2020, he had signed it straight away and emailed it back to Aviva.
15. On 1 May 2020, Aviva emailed Mr N and said that its specialist team had confirmed that the transfer value was correct. On 4 May 2020, Aviva telephoned Mr N, and again confirmed that the transfer value was correct, as the signed transfer form had not been received by Aviva until March 2020. Aviva said that it had not received any further telephone calls from SYPA or Mr N after his call on 20 January 2020, up to the date of receipt of the signed transfer forms.

## **Adjudicator's Opinion**

16. Mr N's complaint was considered by one of our Adjudicators who concluded that no further action was required by Aviva. The Adjudicator's findings are summarised below:-
- Mr N claimed that he had not received the transfer form until March 2020, and on receipt he signed it straight away and emailed it to Aviva. However, Aviva said that it issued Mr N's transfer pack and current fund valuation on 20 January 2020, the day he telephoned Aviva.
  - There was no evidence to suggest that the transfer pack was not issued to Mr N on 20 January 2020, that the transfer forms were missing from the transfer pack or that Mr N or SYPA had contacted Aviva between the telephone call on 20 January 2020 and Aviva receiving the signed forms on 13 March 2020.
  - So, Mr N could have completed and signed his transfer form as soon as he received it from Aviva in January 2020.
  - The transfer pack stated that the fund value of £45,196.88 was not guaranteed and could go up or down in the future. The transfer form which Mr N needed to sign also stated that the value Aviva transferred could be different to the amount shown in previous quotes. Aviva could not be held responsible for the drop in the value of the Plan which was clearly caused by fluctuations in the financial markets.
17. Mr N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr N provided further comments, which are summarised below:-
- He stated that he had put his trust in Aviva to invest his money, but it had not [been successful].
  - He believed that the loss in value of his fund took place before the impact of Covid-19, whereas Aviva had used the virus as a reason for poor performance.
  - He had started to pay into his pension because he thought it was the right thing to do for his future. He said that when he set up the Plan, he was told he could retire at age 50 but this was subsequently changed to age 55, and he was told that his pension would not be sufficient to retire on anyway.
  - He believed that it should be made clear that private pension plans were a waste of money. He thought he would be no better off than people without private pensions when he retired, as those people would be helped by the benefits system.
18. I note the additional points made by Mr N, but I agree with the Adjudicator's Opinion.

## **Ombudsman's decision**

19. Mr N complained that Aviva did not pay the agreed amount for his pension transfer to SYPA. He said that this was because Aviva was slow in sending him documentation to sign. He claimed he did not receive the transfer forms until March 2020, which caused a delay, and a subsequent fall in the value of his fund.
20. On 20 January 2020, after Aviva received a telephone request from Mr N, Aviva sent Mr N his pension transfer pack, which included his current fund valuation, and the transfer forms that required signing. There is no evidence to suggest that the pack was not sent on 20 January 2020. The transfer pack stated that the forms were contained in the pack, and again there is no evidence to suggest that they were not. Aviva could only sell Mr N's fund and transfer the proceeds to SYPA when Aviva had received the signed transfer forms. Also, Aviva has said that it did not receive any further contact from Mr N or SYPA between when he telephoned on 20 January 2020 and when it received the signed forms on 13 March 2020.
21. I find that Aviva was prompt in sending Mr N the required documentation, and as Aviva received no further contact from Mr N or SYPA, it had no need to take any further action, until it had received the signed transfer forms.
22. The fund valuation in the transfer pack included a statement saying that the value was not guaranteed and could go up or down in the future, and the transfer form that Mr N needed to sign said that the value Aviva transferred could be different to the amount shown in previous quotes. So, Aviva made it clear at the start of the process that the value of Mr N's fund when it was sold could be different to the value quoted to him on 19 January 2020.
23. I note Mr N's comments and appreciate that this pension transfer process may have led him to lose confidence in the pensions industry. However, there is always a risk that the value of investments within any financial product, including pensions, may go up or down and this is not necessarily attributable to the provider of that financial product.
24. I acknowledge Mr N's comment in relation to his minimum pension age changing from age 50 to age 55. I cannot see that this was part of Mr N's original complaint, so it is not within my jurisdiction to investigate this point. However, the change in minimum pension age was a legislative change effective from 2010, which was before he started contributing to the Plan.

CAS-51069-J3T4

25. I do not uphold Mr N's complaint.

**Dominic Harris**

Pensions Ombudsman  
1 February 2023