

## Ombudsman's Determination

Applicant	Mr D
Scheme	Aviva Staff Pension Scheme
Respondent	Aviva

## Outcome

1. I do not uphold Mr D's complaint and no further action is required by Aviva.
2. My reasons for reaching this decision are explained in more detail below.

## Complaint summary

3. Mr D says that he was given incorrect information on two occasions, on 17 March 2016 and 3 August 2016, about the increases to the pre-1988 Guaranteed Minimum Pension (**GMP**) part of his pension.

## Background information, including submissions from the parties

4. On 17 March 2016, Aviva wrote to Mr D and said that the GMP would form part of his pension once he reached age 65. The letter stated:-

"Up until now, the Scheme has been responsible for paying the full increase to your pension. As the GMP will now form part of your pension, future increases will be calculated differently and some of these increases may be paid with your State pension. More information on the increases which will apply in future and additional details on the change to your pension can be found on the enclosed Member Benefit Summary."

5. The enclosed Member Benefit Summary included a section for the GMP built up before 6 April 1988, which said:-

"This will not be increased by the Scheme. You may receive an increase on this part of your pension paid with your State Pension."

6. Mr D received another letter from Aviva dated 3 August 2016. This letter had the same wording as the previous letter of 17 March 2016. However, the Member Benefit Summary, which was attached to the August correspondence, was worded differently in relation to the section about the GMP built up before 6 April 1988. It said:-  
  
“This element of your pension will not increase in payment.”
7. Mr D says that he relied on the information provided in both the March and August 2016 letters. At the time, he was planning his retirement to take care of his wife and reviewed his future income and expenditure. He says that the information provided by Aviva raised his expectations about the increases to his pension and that Aviva were also aware of his wife’s ill-health. He was subsequently notified by the Department for Work and Pensions that the GMP built up before 1988 would not increase in payment.
8. Mr D then raised a formal complaint via social media (as a last resort) and by writing to Aviva’s Chairman. In response to his complaint, Aviva made a payment of £500. Mr D did not consider this to be sufficient compensation and proposed a settlement of £1,000.

### **Adjudicator’s Opinion**

9. Mr D’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 briefly below:-
  - The wording used in Aviva’s letters of 17 March 2016 and 3 August 2016 is not definitive that Mr D would get an increase. It says he “may” receive an increase on the GMP part of his pension.
  - The Member Benefit Summary, which came with the August correspondence, is more conclusive. In the section about the GMP built up before 6 April 1988, it clearly said “this element of your pension will not increase in payment.”
10. Aviva agreed with the Adjudicator’s Opinion and made no further comments.
11. Mr D did not accept the Adjudicator’s Opinion and the complaint was passed to me to consider. Mr D provided his further comments 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 Mr D for completeness.

### **Ombudsman’s decision**

12. Mr D says that, in August 2016, he received exactly the same covering letter as the March 2016 correspondence and this is why he missed the change in the Member Benefit Summary. However, I consider that Mr D should reasonably have referred to the Member Benefit Summary issued in August 2016, particularly as the covering

letter clearly signposts him to the enclosure for more information about the increases to his pension. If he had done so, then he would have understood that the GMP, built up before 1988, would not increase in payment and he could have reviewed his retirement plans accordingly.

13. Therefore, I do not uphold Mr D's complaint.

**Anthony Arter**

Pensions Ombudsman  
27 June 2017