

The complaint

Mr H is unhappy with how long it took him to receive the maturity proceeds of a savings plan he held with Aviva Life & Pensions UK Limited (Aviva).

What happened

The details of this complaint are well known to both parties, and were set out in my provisional decision, so I am not going to describe them again here.

My provisional decision

Mr H wrote to Aviva to change the address they held for him. Aviva say they sent Mr H a form that he needed to complete to do this, as his address was outside of the UK. Mr H says he completed and returned this form, but Aviva have no evidence of receiving this.

Mr H has provided a copy of an email he sent Aviva, chasing receipt of the form he sent and his address change. Aviva don't have evidence of this email either and didn't respond to it. I am satisfied that Mr H sent it.

Following this there does not seem to have been any further correspondence. Mr H's address change remained unverified and this meant that there was a hold placed on the account stopping any post being sent. This included a maturity pack prior to Mr H's investment maturing.

I think Aviva should have done more. They didn't acknowledge the email Mr H sent. They also didn't attempt any alternative methods of communicating with Mr H and I believe they had an email address and phone number for him. If they had done this, I believe the address change would have been completed and Mr H would have received the investment proceeds upon maturity, and not over a year later in January 2021.

Aviva appear to have acknowledged they could have done more. They have paid £125 compensation for not responding to all emails and for delays after Mr H was in contact with them in October and November 2020.

Mr H has said that if he had received the proceeds in December 2019, he would have invested it and earned more money. Aviva have accepted this and paid approximately £400 for this loss of interest. This has been calculated as the difference between what Mr H received in January 2021 and a return on this amount using the Bank of England base rate +1%. This is a benchmark used, when the consumer has lost an opportunity to invest money but we can't be sure what the investment or return would have been, and the consumer had a balanced attitude to risk.

In this case, Mr H has been quite clear and consistent that he would have invested these proceeds. He has named a selection of funds he would have invested in, from the time he raised this complaint. He has also shown that he was invested in these funds, within a portfolio at the time this investment matured in December 2019 and has also shown that he invested this money in Fund X when he did finally receive it in January 2021.

As a Service, we can't often be sure what a consumer would have done, had an error not occurred. In some situations, we are provided with evidence that shows what they would have done on a balance of probabilities. In this case, I can't say that I think it is more likely than not that Mr H would have invested the proceeds in the fund that he has named.

I say this because when asked what he would have done, he named several options. Including investing in Fund X, his portfolio or alternative funds. However, all options are plausible and would have involved taking some element of risk with this money.

Having also considered the further delays and lack of correspondence at points from Aviva, I think the £125 paid fairly compensates Mr H for this.

Fair compensation

In assessing what would be fair compensation, I consider that my aim should be to put Mr H as close to the position he would probably now be in if he had received the proceeds when he should have.

I take the view that Mr H would have invested differently. It is not possible to say precisely what he would have done differently. But I am satisfied that what I have set out below is fair and reasonable given Mr H's circumstances and objectives when he invested.

What must Aviva do?

To compensate Mr H fairly, Aviva must:

- Compare the refund paid to Mr H with the performance of the benchmark shown below.
- Aviva should also pay interest as set out below.

Income tax may be payable on any interest awarded.

Investment name	Status	Benchmark	From ("start date")	To ("end date")	Additional interest
Plan A	Still exists and liquid	FTSE UK Private Investors Income Total	December 2019	January 2021	8% simple per year from final decision to settlement (if

		Return Index			not settled within 28 days of the business receiving the complainant's acceptance)
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Why is this remedy suitable?

I have decided on this method of compensation because:

- Mr H wanted Capital growth and was willing to accept some investment risk.
- The FTSE UK Private Investors Income total return index (prior to 1 March 2017, the FTSE WMA Stock Market Income total return index) is a mix of diversified indices representing different asset classes, mainly UK equities and government bonds. It would be a fair measure for someone who was prepared to take some risk to get a higher return.
- Although it is called income index, the mix and diversification provided within the index is close enough to allow me to use it as a reasonable measure of comparison given Mr H's circumstances and risk attitude.

Aviva didn't respond to the provisional decision and had not further to add.

Mr H responded with a number of points. Amongst them, he didn't agree with the benchmark I had proposed. He said that whilst he had provided the investigator with a number of options with what he might have done, he felt he would have invested into Fund X. He explained that he'd made other investments into that fund at a similar time as he should have received these proceeds, and felt it was the more reasonable comparator.

Mr H also said that interest should be paid on the redress, from December 2019. He says this is in consideration of the impact inflation has had and that the amount is worth less now than it would have been at the time.

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've considered Mr H's response to my provisional decision, but I am satisfied that the redress I proposed is the fairest resolution. We use the benchmark when we don't know what a customer would have done with the proceeds and in this case, whilst Mr H may have invested in Fund X, I am not satisfied he would have.

I appreciate Mr H's secondary point regarding interest being added on to the whole amount,

for the whole period of time. However, I don't think that would be a fair award. We aim to put consumers back in the position they would have been in, or as close to it as we can, had an error not occurred. This is why I am awarding the difference in comparison to a benchmark, but inflation would have impacted that and it wouldn't be fair to award interest to protect the amount from that.

Putting things right

Aviva should compensate Mr H by paying him the difference between the refund already paid and the performance of the benchmark, as explained above in my provisional decision. They should also pay interest as set out above.

My final decision

My final decision is that I uphold this complaint and Aviva Life & Pensions UK Limited should put things right as set out above.

Aviva Life & Pensions UK Limited should provide details of its calculation to Mr H in a clear, simple format.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 July 2022.

Yoni Smith
Ombudsman