

The complaint

Mr H has expressed dissatisfaction with how Aviva Investor UK Fund Services Limited (“Aviva”) has administered with-profits policies he holds.

Background and further details of the complaint

Mr H asked how Aviva can know its Historic Asset Share assumptions are accurate in light of its statement in section 2.5 of the Principles and Practices of Financial Management (PPFM) that it doesn’t generally review or update these. He raised questions about the legitimacy of this approach, including whether they comply with Financial Conduct Authority (FCA) requirements, and how Aviva would respond if it found a material error.

Mr H pointed out the PPFM shows Aviva made payments from a with-profits sub-fund to a pension scheme of a company that ran policies like his that Aviva now runs. He questioned the cost of these payments and the justification of these falling on policyholders.

Mr H raised concerns that Aviva outsources services outside its group and asked for details of what was outsourced, where and to whom and what safeguards Aviva used including in relation to his data.

Mr H pointed to questions he has raised that Aviva has not answered and time that passed without Aviva replying to questions raised by him.

Our investigator considered Mr H’s complaint and didn’t think it should be upheld. In short, he thought the response letter Aviva had sent Mr H had adequately answered his questions and concerns and Aviva had been entitled to take the actions that it had taken.

That letter from Aviva referred to Mr H’s complaint as being in general about the PPFM and then in particular it commented on, amongst other things, the Historic Asset Share (HAS) assumptions, the pension scheme contribution Mr H had referred to and its outsourcing arrangements. It said it was satisfied its processes were compliant as required by the FCA.

In response to Aviva’s letter Mr H has written that Aviva didn’t fully or properly address all his outstanding concerns, without detailing these, and asked our service to resolve these. In response to our investigator’s assessment Mr H said the view that Aviva isn’t required to do anything was seemingly bizarre and he said his complaints remained wholly unresolved.

As the matter couldn’t be resolved informally it has been passed to me to decide.

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.

Under our rules the complaints I may look at are expressions of dissatisfaction which allege that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience. Where I determine such a complaint for the complainant, my determination may include a money award for financial loss (including consequential or prospective loss) or

distress or inconvenience, of such amounts as I consider to be fair compensation.

I bear in mind Aviva is regulated by the Financial Conduct Authority - to whose rules Mr H has referred – and as such Aviva's conduct is subject to regulatory oversight. With this and the above points in mind, I turn to the points Mr H has raised.

What Mr H has sent us doesn't persuade me that Aviva wasn't entitled to make the payment it made to the pension scheme or that there was otherwise any fault with this payment or that such a fault caused financial loss or material distress or inconvenience to Mr H. I'm not otherwise persuaded of this either and I share our investigator's view that Aviva's reply to Mr H, which did comment on this matter, was sufficient.

Our investigator didn't find loss had been caused to Mr H by Aviva's Historic Asset Share assumptions or its Principles and Practices of Financial Management. What Mr H has provided doesn't persuade me that there are grounds to suppose that Aviva's Historic Asset Share assumptions are inaccurate or that Aviva is otherwise at fault in connection with these assumptions such that the fault caused financial loss or material distress or inconvenience to Mr H. And I'm not otherwise persuaded that this is so.

Like our investigator, I've found no grounds to suppose there was a fault or failing in those assumptions or principles and their application by Aviva. So I have identified no loss arising from such fault or failing. It follows that I find no grounds for making an award to Mr H on that basis. Also what Mr H has provided doesn't persuade me he suffered loss or material inconvenience or distress as a result of Aviva outsourcing services outside its group either.

Also I'm not persuaded Aviva is at fault for not telling Mr H more about these matters or for not giving him sooner the information it did give him. Also what Mr H has provided doesn't make me think how Aviva responded to his enquiries about these matters was the cause of financial loss or material inconvenience – and I'm not otherwise persuaded of this - which reinforces my view that there aren't grounds here to make an award in Mr H's favour for this.

Using financial services takes time and may involve inconvenience, including that associated with making a complaint. It doesn't follow that redress will be due for this, but I can award it if I find that it is fair and reasonable in all the circumstances. I'm not persuaded that the degree of inconvenience suffered by Mr H, including from making his enquiries and his complaint, insofar as this was due to the time taken by Aviva to reply or the extent to which it didn't answer Mr H's points to his satisfaction, is such that it warrants such an award of redress.

Our investigator wasn't persuaded Aviva's delay caused Mr H loss or warranted a payment for inconvenience or distress. He said any loss as a result of the PPFM (and assumptions referred to there) would likely be covered in another complaint about his investments where redress had already been offered. We have since decided a complaint where redress had already been offered by Aviva for a service issue and the complaint covered responses to Mr H from Aviva which included the provision of the PPFM to him in August 2023 and a request from him that Aviva cover any final bonus decrease occurring during the time Aviva took to provide its responses or otherwise resolve the issues raised in that complaint.

That said, and for the avoidance of doubt, I'm not persuaded Aviva's response to the issues I'm considering here was such that it caused inconvenience for which I should make an award – and I've seen no evidence of fault causing financial loss either.

For the reasons I've given and in light of what I've said above, I do not uphold this complaint.

My final decision

For the reasons I've given, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 April 2024.

Richard Sheridan
Ombudsman