

The complaint

Mr P complains about Aviva Life & Pensions UK Limited (Aviva) management of his pension.

What happened

Mr P said that Aviva froze and locked his pension and didn't request premiums for November and December 2023. It eventually requested the missing contributions but requested too much. It sent letters suggesting he was in arrears in contributions and sent other letters suggesting incorrect amounts were due. It said it would take £1,500 and then took £2,900. Mr P had to transfer money into his business account to prevent incurring charges. It did later refund the excess amount over deducted. It also made mistakes in spelling his name and sent him a cheque payable to an incorrect name. It finally sent an updated plan valuation in early 2024. He felt he should be compensated for his time at the rate of £200 per day so around £14,000 was reasonable less the £150 it sent by cheque. He had lost confidence in Aviva and its ability to care for his life savings. It had taken around 3 months to sort out and he had been stressed because he could not access any funds during that time and would not have been able to transfer to another provider had he wished to do so. He felt Aviva should suffer some of the pain and anguish that he had suffered including loss of sleep.

Aviva said Mr P's plan was originally set up to receive employee contributions and these were set to automatically increase each year. In mid-2017 he stopped making personal contributions and started to make employer contributions. Aviva continued to send him letters about an increase in his premiums. In 2023 it realised it needed to change its records. This meant it also needed to check the policy to make sure all premiums were allocated correctly based on the dates they were received. This had to be done manually and there was a delay while it did this. It accepted it over deducted contributions and returned the excess. It apologised for the error on the cheque for £150 and sent a new one. It also sent a further £200 for the inconvenience caused by the events.

The investigator didn't think Aviva needed to take further action. There was no dispute about the errors and delays since October 2023 so the focus was on what it had done to put things right. She said that while Mr P's plan was locked it was still invested and he didn't miss out and no money was lost. There was no financial loss. It was not fair to put him in a better financial position that he would have been in and a payment of £200 per day was not fair or reasonable. It wasn't the purpose of this service to punish Aviva. She accepted that the experience caused stress and worry but it wasn't unreasonable for Aviva to check to make sure his plan value was correct. Unfortunately this required a manual check which took time. She noted Aviva had to be chased for updates and sent concerning letters suggesting excess contributions were missing. The over deducted amount was returned. In total it paid £350 for the errors and delays which she thought was fair and reasonable.

Mr P didn't think this level of compensation was satisfactory and didn't reflect the mess Aviva had made of managing his pension, the contributions and the delay in getting things sorted out.

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.

There is no dispute that Aviva locked Mr P's pension, took time to fix the situation, made other errors including in Mr P's name and needed to be chased. So I don't need to consider this further. The purpose of my decision is therefore to consider the level of compensation consequent on this.

Where there has been a mistake this service can make an award for any financial loss caused by the mistake and for distress and inconvenience.

Financial loss

The purpose of an award for financial loss is to put Mr P back, as closely as possible, into the position he would have been in but for the error.

I asked Mr P whether he suffered any bank charges as a consequence of the over deduction of contributions by Aviva. He has confirmed this was not the case.

I asked Aviva to confirm that the contributions collected late were invested so that Mr P was not worse off. It confirmed that it had checked this and made adjustments to Mr P's account on a unit basis to make sure he wasn't worse off.

While Mr P's account was frozen in remained invested.

So based on the evidence presented to me it does not seem that Mr P suffered a financial loss as a consequence of what happened.

Distress and inconvenience

The purpose of an award for distress and inconvenience is to reflect the impact of the events on Mr P. It is not to punish Aviva, nor is it to compensate Mr P, at the rate he suggests.

We all experience inconvenience in day-to-day life but I think that Mr P experienced more than this. While I think it was reasonable for Aviva to complete the checks that it did and for these to take time (due to the need for manual checks) this undoubtedly had an impact on Mr P. He has said that he found this stressful and lost sleep.

It is clear Mr P was put to trouble chasing Aviva and frustrated by their errors and these events lasted for around three months, but have now been resolved. But I can understand this meant he has lost confidence in Aviva.

Mr P says he couldn't access his pension while it was locked so he couldn't see it nor transfer it. But he has not suggested that he needed to do so, as he was not taking any pension at the time. Further he has not suggested he intended to transfer his pension. But even if he had wished to transfer any such transfer would have taken time and needed to wait until the manual checks were completed. I have concluded those checks were prudent and reasonable so I don't think I need to make an award to reflect something he *might* have done.

I have reflected on the impact of these events on Mr P, the timescale over which the events took place and that the position has been corrected. On balance in the light of this I think an award of £350 is fair and reasonable in all the circumstances. For that reason I do not need

to make any further direction as Aviva has already paid that amount to Mr P.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 4 August 2024.

Colette Bewley
Ombudsman