

The complaint

Mr and Mrs J's complaint is about a mortgage endowment policy they held with Aviva Life & Pensions UK Limited. They are unhappy about the difficulties they've encountered in providing Aviva with the necessary identification for Mr J, which has delayed the release of the maturity value.

What happened

In early June 2021 Aviva wrote to Mr and Mrs J to remind them their policy had matured in 2011, but they hadn't claimed the value. It then set out that they needed to provide the original policy document, a completed payment release form and provide some identification relating to the bank account they wanted the money paid into. This could be a bank statement dated within the last six months.

On 6 October 2021 Mrs J called Aviva to check that the previous lender had released its interest in the endowment policy. Aviva confirmed that this had happened. During the conversation Mrs J mentioned that Mr J was working overseas at the time. As the money would be being paid into Mrs J's sole name bank account, Aviva noted that it would need permission from Mr J for this to happen. Mrs J provided a telephone number for Mr J, but unfortunately gave the wrong number.

The payment release form was signed by both Mr and Mrs J on 6 October 2021. Unfortunately, when completing the details of the account the money was to be paid into, Mrs J was detailed herself as the only account holder, despite the bank statement accompanying the document showing it was a joint account. A copy of Mrs J's driving licence was also provided.

On 19 October 2021 Aviva wrote to Mr and Mrs J telling them that it couldn't pay the money as the policy was a joint one, and so the proceeds could only be paid into a bank account in Mrs J's sole name if Mr J consented. It also commented on the fact that Mr J was at that time overseas, but didn't explain why this affected the process. It explained that Mr J could telephone to give consent, at which time it would complete identification orally, or he could write to it. If the latter option was taken, it would require a certified copy of Mr J's passport or photo card driving licence. In addition, it needed proof of address for Mr J at his overseas address. Aviva explained who was able to certify the identification documents.

The following week Mrs J wrote to Aviva and explained that when the payment release form had been filled in, she'd mistakenly stated the bank account was in just her name. She confirmed that it was a joint account as could be seen from the copy bank statement that had been enclosed with the payment release form. It is unclear whether Aviva reviewed this letter and accepted that it didn't need Mr J's consent, as it didn't respond to Mrs J's letter.

Aviva next wrote to Mr J on 22 November 2021 saying that it had completed some checks and that the signatures on the original policy application form and the payment release form didn't match. As such, Aviva needed him to complete a declaration confirming signature, title and indemnity before the policy value could be paid. In addition, it also required a certified

copy of either his passport or driving licence, and evidence of his overseas address. It confirmed who could certify the copy documents.

In its final response letter of 24 November 2021 Aviva set out that Mr and Mrs J's policy had lapsed in 2010 and it detailed the attempts it had made in 2010 and 2013 to contact them to release the surrender value of the policy. It said it had reissued documents on 8 June 2021 and received them back on 7 October 2021. It said that it wrote back to Mr and Mrs J on 19 October 2021 saying it needed Mr J's agreement to release the funds. When that was provided, Aviva said it noticed his signature didn't match and wrote out on a few days later explaining what it needed to happen. Aviva said it had followed its standard process and didn't consider it had done anything wrong.

Mr J proceeded to arrange for a notary public in the country he was working in to complete an authentication process. The document he signed requesting the authentication process detailed his passport number and his overseas address. The document was signed and stamped by a firm of 'lawyers and legal consultants'. A further document, letterheaded as the judicial department of the firm of lawyers was also attached, which contained the same stamp and signature. The signatory was confirmed to be a notary public. A translation of this document was provided, which said that:

'The signatures of the stakeholders were approved by their acknowledgement and verification of their identity, eligibility, qualities and acceptance.'

These documents, along with a copy of Mr J's passport, were sent to Aviva on 16 December 2021. Aviva declined to accept the documents because the notary public hadn't signed the copy of Mr J's passport. It set out again who could certify the copy identification.

On 27 April 2022 Aviva confirmed to Mr and Mrs J why the policy proceeds hadn't been paid. This being that it had procedures to follow that ensure the security of their customers information and funds. It didn't consider it had done anything wrong.

Mr and Mrs J remained unhappy with Aviva's responses and referred their complaint to this service.

One of our investigators considered the complaint and recommended that it be upheld. She agreed that technically, the information Mr J had provided didn't meet the criteria Aviva had set out. However, she was satisfied that the documentation provided by the overseas notary public was sufficient to evidence the passport had been reviewed and was being certified. As such, she considered that Aviva should accept the evidence provided and proceed to pay out the policy value.

Mr and Mrs J accepted the investigator's conclusions. Aviva didn't respond. As such, the investigator decided to progress the complaint to an ombudsman.

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.

Aviva has said that it won't pay out the policy proceeds because it is not satisfied with the identification and address verification that Mr J has provided. Aviva is right that it needs to have policies and procedures in place to protect its customers. However, it also has to treat its customers fairly.

In this case Aviva has been provided with documentation from a notary public, which it lists

as a profession that it will accept certification from, confirming that it has verified Mr J's identity. It has also a linked documentation, stamped by the same notary public, that confirm both Mr J's overseas address and his passport number. Aviva has not raised any concerns about the suitability of the notary public, so the issue it has would appear to be about the format of the documentation.

The documentation provided is clearly not in the format that Aviva was anticipating. That isn't necessarily unexpected, as different countries have different legal systems and procedures. I consider that Aviva should have taken this into account when assessing whether to accept the documentation provided. The entire purpose of the exercise was for Aviva to be able to verify Mr J's identity. The documentation provided confirms that a notary public, working for a legal firm, in the country Mr J was residing in at the time had verified his identity. I am satisfied that Aviva should, reasonably, have accepted the documentation as evidence of Mr J's identity, especially in light of the fact that the money for the policy was being paid into a joint account in the UK, that it had verification of.

My final decision

My final decision is that I uphold this complaint. In full and final settlement of the complaint, I require Aviva Life & Pensions UK Limited to pay Mr and Mrs J the proceeds of their policy. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs J to accept or reject my decision before 1 December 2022.

Derry Baxter
Ombudsman