

The complaint

Mrs H complains about how Aviva Life & Pensions UK Limited ('Aviva') dealt with a pension contribution. She says Aviva returned the contribution because it didn't receive the necessary paperwork to apply the payment. But, Mrs H says she didn't receive Aviva's letters chasing receipt of the outstanding requirement to accept the contribution, so she wants Aviva to either accept the backdated contribution or pay her a sum equivalent to the lost tax relief.

What happened

On 19 March 2021 Mrs H's financial adviser contacted Aviva enquiring about Mrs H making a single contribution to her pension.

On 22 March 2021 Aviva says it sent Mrs H a letter telling her that it couldn't accept any more money into her existing pension plan, but it could set up a new plan to run alongside the existing one. The letter said that, to complete the payment Mrs H needed to complete the enclosed application and sign the illustration.

On 26 March 2021 Mrs H made a payment to her pension which Aviva duly received. Mrs H didn't return the application or illustration.

Aviva says it sent Mrs H and her financial adviser letters on 6 April 2021 and 30 April 2021 chasing the outstanding paperwork required to accept the payment. Mrs H says she didn't receive it. And in June 2021 Aviva returned Mrs H's pension contribution because it hadn't received its requirements to apply the payment.

In June 2021 Mrs H complained to Aviva, via her financial adviser, because she was unhappy about the returned payment. Aviva didn't uphold the complaint. It sent four letters between July and December 2021 which broadly gave the same reason for its decision. In summary it said that it didn't receive a response to its two letters requesting the outstanding requirements to accept the payment, so it refunded the contribution in line with its process.

Dissatisfied with its response Mrs H referred her complaint to this service. One of our investigator's considered the matter and they partly upheld the complaint. In summary they concluded that Aviva had aimed to make both Mrs H and her financial adviser aware of what was required to accept her contribution, so they didn't think it was fair for Aviva to accept the backdated contribution. But they thought the communication from Aviva could've been better – they said there were inconsistencies in both what Aviva said it needed from Mrs H and in how it communicated, issuing some correspondence to Mrs H direct and some to her adviser.

To compensate Mrs H for the reduced level of service she ought to have expected here, they recommended Aviva pay Mrs H £200.

Aviva agreed with the investigator's recommendation. But Mrs H disagreed. In summary she said she doubts Aviva sent any of the letters they've referred to, particularly as they declined to send her copies despite her repeated requests.

Because the investigator wasn't persuaded to change their mind, the complaint was passed to me for a final decision.

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.

Having done so, while I know this will come as a disappointment to Mrs H, I've decided to partly uphold this complaint. I think the investigator has reached a fair and reasonable conclusion here and there's not much more I feel I can usefully add to what Mrs H has already been told. Nevertheless my reasons are set out below.

Firstly I don't think it is fair that Aviva should backdate Mrs H's pension contribution or pay her the foregone tax-relief on that contribution as she wants it to do. I say this because, I don't think Aviva has done anything substantially wrong in the way it dealt with the process for adding a single contribution to Mrs H's pension.

To accept and process Mrs H's single pension contribution, Aviva required from her a completed application form (Mrs H's existing pension couldn't accept further contributions so a separate plan needed to be set up) and a signed illustration. It appears from Aviva's telephone call log it has provided that on 19 March 2021 Mrs H's adviser was told that it only required one piece from them to facilitate Mrs H's single pension contribution. But Aviva has provided a copy of a letter dated 22 March 2021 it says was sent to Mrs H following her adviser's telephone call, which confirmed the position that she couldn't add to her existing pension policy, but that the money could be added to a new plan. To set up a new plan it said Mrs H needed to complete and sign the enclosed application and illustration. The copy of this letter shows both items attached.

On 6 April 2021 Aviva has provided a copy of a letter it says it sent to Mrs H's adviser enclosing a revised illustration. I can see here that it also said the original application provided in the original quote could be used to proceed with the single premium.

Because Mrs H didn't return the required paperwork for her payment, Aviva says is sent a chaser letter to Mrs H on 30 April 2021 and it has provided a copy of this letter. Looking at this I can see it reminded Mrs H what she needed to complete to enable it to process her payment and it said that, if it didn't hear from her by 21 May 2021, her payment would be refunded.

Mrs H says she didn't receive these letters. But they are addressed correctly and I've not seen anything that leads me to believe Aviva didn't likely send them. And in my view the vast majority of correctly addressed mail is delivered safely. So taking everything into account, I think Aviva did likely make Mrs H aware of what it needed to process her pension contribution and that it took reasonable steps to obtain it from her. Because Mrs H didn't complete what was required, Aviva returned her pension contribution. And in the circumstances I don't think this was unfair. So I don't uphold this part of Mrs H's complaint.

But, like the investigator, I think Aviva's level of service with regard to how it communicated things to Mrs H overall, felt short of what I think was reasonable in the circumstances.

For example I think Aviva could've been clearer during the first contact with it about what paperwork was required from Mrs H to process her payment. And I think it should've been consistent with which party it communicated with. In my view, sending one thing to Mrs H's

adviser and then following it up with a letter to Mrs H direct wasn't as helpful or as clear as it ought to have been. And while I don't think this was a barrier to Mrs H completing what Aviva required to process her pension contribution, I do think Aviva's level of service fell short of what Mrs H ought fairly and reasonably to have expected.

So taking everything into account, I think an award of £200 to compensate Mrs H for this is warranted and fair in all the circumstances.

Putting things right

Aviva should pay Mrs H £200.

My final decision

For the reasons above, I've decided to partly uphold Mrs H's complaint and I direct Aviva Life & Pensions UK Limited to put thing right as above. I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 10 April 2023.

Paul Featherstone

Ombudsman