

The complaint

Mr A's complaint is about the maturity value of a mortgage endowment policy with Aviva Life & Pensions Limited. He is unhappy that the maturity value hasn't been paid to him as Aviva wants proof of address that he can't provide.

What happened

At the end of March 2021 a relative of Mr A contacted Aviva to find out about him encashing his endowment policy. As he had moved abroad since the last contact he'd had with Aviva, it asked him to complete a change of address form. The form explained that if Mr A had moved abroad, he would need to fill in another form too, and that he needed to call Aviva to obtain a copy of that form (despite it being aware when the letter was sent that Mr A had moved abroad). Later that month Mr A was written to again and Aviva's identification (ID) requirements were set out. It required two forms of ID – a primary ID to prove who he was, e.g. a passport, and a secondary ID to prove his address, such as a utility bill in his name dated within the previous three months.

Mr A responded to Aviva's requirements in emails explaining that as he lived in a foreign country, he was required to keep his passport and driving licence on him at all times, which meant he couldn't post them to the UK. He also confirmed that he didn't have a utility bill with his address on it, but suggested providing his 'Alien Card', which contained a photograph and address.

Mr A called Aviva at the end of April 2021 and in early May 2021 to discuss what alternative proofs it would accept. Mr A confirmed that he would send Aviva his passport, UK driving licence and alien registration form, if Aviva would confirm this was acceptable. Mr A was told that Aviva would seek guidance from the relevant department and get back to him. Mr A was sent an identical letter as that detailed above from April. No comment was made in relation to the content of his April 2021 email or the telephone calls of April and May 2021. Mr A chased Aviva for a response to his specific questions on 21 and 27 May 2021.

In early May 2021 Aviva acknowledged receipt of emailed copies of Mr A's driving licence and passport, but explained that it needed to receive the original documents or certified copies. It set out again that it needed a primary ID, such as a driving licence or passport, and a secondary ID evidencing his address, dated within the last three months, such as a utility bill.

In early June 2021 Mr A explained to Aviva the difficulty of providing proof of address, because of the requirements regarding property and finances in the country he resides in. He asked Aviva if he could provide a copy of his marriage certificate and a utility bill in his wife's name to evidence their address – the secondary ID. Aviva decided to agree with that, but when it tried to call Mr A to confirm its agreement, it was unable to get through to him. It doesn't appear to have tried again or written or emailed him with the confirmation. The letter that was sent to Mr A around a week later again set out Aviva's standard ID requirements and not the alternative option it had decided it would accept.

In September 2021 Aviva received original documents from Mr A. They were returned on 24 September 2021.

On 27 and 30 September 2021 Mr A emailed Aviva asking it to pay out the maturity proceeds of his policy, in light of him having provided the ID it required. Aviva responded by sending a letter setting out its standard proof of ID requirements.

Mr A sent an identical email to those he had sent in September, on 12 October 2021. Mr A chased a response again on 21 October 2021 and asked Aviva to call him. Aviva responded the following day and acknowledged receipt of a bank statement and the counterpart of Mr A's driving licence. It confirmed that it couldn't accept the counterpart of the driving licence and set out again its primary and secondary identification requirements.

Mr A emailed Aviva on 25 October 2021 asking that he be called by someone with some senior authority. He explained that he wanted to make a complaint regarding the poor service Aviva had provided in relation to the change of address and the settlement of his claim. Mr A emailed Aviva again on 28 October 2021 again asking that he be called and confirming he wanted to make a complaint.

A further letter confirming Aviva's standard ID requirements was sent to Mr A in the middle of November. Shortly thereafter Mr A emailed and expressed his disappointment that Aviva wasn't paying out the value of his policy because he was unable to provide a utility bill in his name.

Aviva responded to the complaint on 8 November 2021. Aviva confirmed that it needed specific identification documentation to be able to verify and then update his overseas address. That previously provided by Mr A didn't meet its requirements, however, it was reviewing the current documentation provided and would provide him with a response in due course. Aviva was satisfied that it had followed the correct process.

Mr A subsequently provided Aviva with his original driving licence, but it wrote to him again on 24 December 2021 telling him that he needed to provide proof of his address.

Mr A remained unhappy and Aviva sent him a further response letter on 10 January 2022. Aviva said that in 2014 it had explained what identification requirements it needed, given that Mr A was working outside of the UK at the time, but it had made a mistake in who it told Mr A could certify copies of documents. It will be sending a cheque for £100 to his home address to compensate for this mistake. Aviva went on to explain that it had procedures in place to protect its customers and this meant that it needed to receive either original documents or appropriately certified copies to ensure they were authentic documents. While it understood that this may not be convenient for customers living or working abroad, it needed him to send it documents from the primary and secondary identification lists.

On 11 February 2022 Aviva wrote to Mr A again and asked him to complete and return the enclosed change of address form. It also explained that while it had received his driving licence, the utility bill he had provided (in his wife's name) was more than three months old, and so wasn't acceptable. It asked that he provided a secondary ID that contained his name and address, and which was dated within the previous three months.

Mr A remained unhappy with Aviva's responses and referred his complaint to the Financial Ombudsman Service. One of our investigators considered the complaint and recommended that it be upheld. She accepted that Aviva had processes in place that needed to be followed before money could be paid out. However, she wasn't satisfied that it had made sufficient effort to take into account Mr A's situation and consider alternative ways for him to evidence his address, given he couldn't provide a bank statement or utility bill. She

recommended that Aviva allowed Mr A to provide alternative proof of address evidence and pay him an additional £200 compensation for the recent inconvenience and upset it had caused him.

Aviva didn't accept the investigator's view as it said that it had tried to work with Mr A and had deviated from its set procedures to try to accommodate documents Mr A was able to supply. Aviva confirmed that it had told Mr A that his marriage certificate along with ID for Mrs A showing their address, would be acceptable to it. However, the ID that had been provided for Mrs A was out of date. It confirmed that if Mr A provided an up to date ID for Mrs A, it would release the policy proceeds.

I issued a provisional decision on 12 January 2023, setting out my conclusions about the complaint and my reasons for reaching those conclusions. Below is an excerpt. I asked the parties to provide any further evidence or comments by 26 January 2023.

'Financial services businesses are required to do what they can to protect their customers from fraudulent activities. So it is entirely reasonable for them to have in place procedures and checks that need to be completed before changes can be made to a policy record. As such, it wasn't unreasonable for Aviva to want to be satisfied that Mr A was its policyholder and that if it sent him the proceeds from the policy, it would be him receiving the money.

However, it's clear that Mr A's circumstances caused problems because they mean that Mr A can't comply with the standard process. It appears from the evidence that Aviva has now provided that it took this into account, and in early June 2021, it decided that it would accept alternative evidence for the secondary ID requirement. However, it doesn't appear that it told Mr A that at the time – the only attempt appears to have been made by telephone and when Aviva was unable to speak to Mr A, it doesn't appear that it attempted to do so again and it continued to send out the standard ID requirements to him.

This is clearly a service failing and I can only conclude that it delayed the resolution of this matter. That said, I don't think the matter would have immediately been resolved as it is clear that Mr A was concerned about posting Aviva his original passport or driving licence to Aviva in the UK, in the event he needed them. That concern is understandable, especially given the difficulties with global transportation. However, I do think it means that it is unlikely that, had Aviva told Mr A about its concession on the secondary ID, he would have immediately provided all that was necessary. It was not until late in 2021 that Mr A provided his original driving licence, and I don't think him knowing about the concession sooner would have altered that, given his concerns.

However, I do think that had Mr A known about the alternative secondary ID requirements, it is likely that he would have provided the necessary documentation along with his driving licence. As such, I am satisfied that Mr A's address should have been updated at that point, thereby allowing the policy proceeds to be paid out in line with Aviva's service standards at the time. In response to this provisional decision Aviva should confirm what those service standards were at the time and, therefore, what date it would have paid out the value of Mr A's policy, assuming it had met its standards. Interest should be paid on the maturity value from the date it should have been paid out to the date that it is.

Interest should be calculated at a rate of 8% simple per year. If Aviva considers that it's required by HM Revenue & Customs to deduct income tax from any interest due to Mr A, it should tell document how much it's taken off. It should also give Mr A documentation showing this, so he can reclaim the tax if appropriate.

That said, before Aviva can pay out the policy value, Mr A will need to provide it with an original copy of a utility bill in his wife's name, showing their address, that is dated within three months of him sending it. Once this is received, Aviva should immediately start the process to pay the policy value out. If it requires any forms completed for that to happen, it

should send them to Mr A when it receives this provisional decision, so that he can return those forms and all the documentation required at the same time, so as to avoid further delays.

This matter has clearly been very frustrating for Mr A. Some of that was caused simply because of his circumstances and that's not Aviva's fault. However, the poor communication has very clearly added to the frustration he has felt and caused unnecessary delays. As such, I am minded to award £250 compensation.'

Both parties confirmed receipt of the provisional decision, but neither provided any further comment or evidence before the deadline or asked that the deadline be extended for them to do so.

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.

In the absence of any further comment or new evidence in this case, I see no reason to alter my conclusions.

Putting things right

In full and final settlement of this complaint, Aviva should calculate when, based on its normal service standards, the maturity value would have been paid out if the alternative secondary ID it had agreed to accept had been received at the same time as the driving licence in late 2021.

Once Mr A provides the secondary ID documentation needed for the maturity value to be paid out, Aviva should do so. Interest* should be paid on the maturity value from the date it should have been paid out in 2021 to the date that it is.

In addition, Aviva should pay Mr A £250 compensation.

*Interest should be calculated at a rate of 8% simple per year. If Aviva considers that it's required by HM Revenue & Customs to deduct income tax from any interest due to Mr A, it should provide documentation showing the deduction, so he can reclaim the tax if appropriate.

My final decision

My decision is that I uphold this complaint and order Aviva Life & Pensions UK Limited to complete the actions detailed and sums awarded in 'Putting things right' above.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr A to accept or reject my decision before 28 February 2023.

Derry Baxter
Ombudsman