

The complaint

Mr H has complained about the annual statement he received from ('Aviva'). He says this has wasted his time and resources, caused stress, annoyance, and disruption to his personal and financial affairs. He wants his complaint to be properly addressed plus fair and reasonable monetary compensation.

What happened

Mr H held a flexible bond with Aviva. On 16 June 2023 he called Aviva in respect of issues and concerns regarding the performance of his bond, the recent statement not detailing the charges and not providing the previous year's value.

During the call Mr H didn't receive the information he wanted so requested that a complaint be logged. He told us Aviva's representative – the call handler – was unable to provide the required professional and comprehensive responses in a timely manner.

Aviva responded to Mr H on 11 August 2023. It didn't uphold Mr H's complaint. It said;

- The annual statement had been issued on 17 February 2023 and was entitled 'Its time to check on your Flexible Bond.' It quoted a value as at 14 February 2022 of £124,315.77 and the then current value at 20 February 2023, £119,595.99. The charges via the fund expenses were explained and it said if more information was needed its customer service team's phone number were given.
- As the statement was automatically generated after the close of business on Friday 17 February Aviva was able to determine the value of the policy of £119,595.99 which would be valid up until the close of business on Monday 20 February.
- It had previously been explained in its letter of 7 April that the policy was a unit linked flexible bond linked to the stock market so would be affected by stock market movements. Mr H could switch his investment choice to another fund if he wanted.

Mr H wasn't happy with the outcome and brought his complaint to the Financial Ombudsman Service. Our investigator who considered the complaint said;

- The valuation provided accurately represented the value of Mr H's policy until the close of business on Monday 20 February 2023.
- The valuation had automatically been generated after the close of business on the previous Friday, 17 February.
- The bond was linked to the stock market so its value could fluctuate. Aviva wasn't responsible for any losses caused by market fluctuations.
- The statement included the charges taken during the period which were a percentage figure so could vary.
- Aviva hadn't done anything wrong.

Mr H requested that his unresolved complaint be referred to an ombudsman, so it has been 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.

After doing so I've reached the same conclusion as the investigator and broadly for the same reasons. I'll explain why.

The valuation

I've listened to the call of 16 June 2023 and note that Mr H referred to the 'two-pages I have received today' and I asked Aviva for a copy of what Mr H would have received.

Aviva told us it believed that Mr H was referring to the annual statement that was issued on 17 February 2023. And I note on the complaint form that Mr H provided to this service that he said '16.06.23 Again raised telephone complaint with Aviva regarding outstanding issues including costs/charges' which implies Mr H had previously been in touch with Aviva and tallies with what was discussed during the call and would have been further to him receiving the 17 February 2023 valuation.

And during the call Mr H did refer to the 'annual valuation' he had received so I don't think it is unreasonable for me to think that what Aviva has referred to in its response to Mr H's complaint or its submissions to us is correct. I also note that Mr H didn't comment on any discrepancy with reference to the statement date he was referring to in comparison with the statement date referred to in Aviva's response to his complaint and also by our investigator in consideration of the complaint.

I would have expected Mr H to question the 17 February 2023 valuation date used if it was the wrong and not the one he was referring to. Mr H hasn't done so, so I don't think it's unreasonable for me to refer to that annual statement. However, even if I am not correct in my assumption, I have reviewed what information Mr H would have received and what information he was given by Aviva about the charges he was paying.

Aviva has provided a copy of the document dated 17 February 2023 that was sent to Mr H. I note there are two sections to the overall document. One is headed 'It's time to check on your FLEXIBLE BOND' which included Mr H's address at the top and was two pages long – so bearing in mind what I have said above about the dates, I don't think it's unlikely this tied in with the two pages and the annual valuation he referred to during the call. That document included the previous year's valuation of the bond as at 14 February 2022 and also the updated valuation of 20 February 2023.

There was also a second document of the same date without Mr H's address at the top which Aviva has confirmed would have been sent in the same envelope as the two-page document. This is a five-page document and is entitled 'Your investment bond statement' and is a statement for the period 15 February 2022 to 20 February 2023.

It included the up-to-date valuation of 20 February 2023 and on page two has a section entitled 'How much we charge for your bond'. It's explained that the management charges are taken from the bond during the period of the statement and were 1.00% being the fund management charge and the fund expenses were 0.03%, a total of 1.03%. It went onto say;

'We've shown this charge as a % because we can't show the exact amount that has been taken. This is because the amount taken will vary with the fund value which will have gone up and down over the year. However, if your fund value over had been a constant £10,000 then a 1% charge would be £100.'

Aviva has told us that it uses FCA guidance and customer feedback to determine what information in the statements. So, I'm satisfied that Mr H was provided with all of the necessary information about his investment in that statement, the valuations and management costs etc.

The call

It's clear that during the call of 16 June Mr H was concerned about the fall in value of his investment and I note from his complaint form that he had previously raised this issue in December 2022. The call handler explained this would be due to stock market fluctuations, the units had decreased in value – rather than being caused by withdrawals as an example.

Mr H further asked about charges and was advised they were 1.03% of the value of the assets but Mr H queried why that information wasn't on the documentation sent to him which as I've already referred to, he says he received that day. But I note he only referred to the two pages rather than the total document that would have been sent at the same time which contained all the management charges information. He asked whether there was a regulatory obligation to provide that information. The call handler said he could find out this information for him.

Mr H also asked about what regulatory obligation there was for the statements to include the previous year's valuation. Again, as far as I can see that information Mr H was asking about was included in the statement, but the call handler wasn't sure, so he offered to refer to get that information for Mr H. He said a response would be provided to him in writing. Mr H asked for the call to be recorded as a complaint.

It's clear that Mr H wasn't happy with the response. He was advised by the statement he had that if he had any queries, he should call the phone number provided which he did but wasn't happy with the responses he received. As a result, Mr H asked about the training that the call handler was given as he was disappointed with the answers he was given.

While it's clear that Mr H was frustrated during the call, I think the call handler offered to help as much as he could. And Mr H was in receipt of the valuation and cost information in any event.

So, while Mr H may not have received the answers he wanted during the phone call of 16 June 2023, I'm satisfied the call was appropriately handled. And he received the answers he needed in Aviva's letter previously sent to him on 7 April 2023 – about the valuation itself – and in its response to his complaint.

Taking all of the above, I don't think that Aviva has done anything wrong. While the call handler might not have had an immediate answer to Mr H's questions, he explained he was happy to refer the outstanding issues. And I have no reason to think that the two- and five-page documents, which were sent to him on 17 February 2023, weren't provided in line with regulatory guidance. The statements contained all that they were required to do so.

In conclusion, it follows that I don't uphold Mr H's complaint and I won't be asking for Aviva Life & Pensions UK Limited to do anything more.

My final decision

For the reasons give, I am not upholding Mr H's complaint about Aviva Life & Pensions UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 March 2024.

Catherine Langley
Ombudsman