

The complaint

Mr B complained about pension projections provided by Aviva Life & Pensions UK Limited (Aviva)

What happened

Mr B said that Aviva sent him some pension projections in April 2023. These included projections to age 65 and 75. He checked the projections and felt they were not correct based on the assumptions in the letter. He said the projections had his pension growing at a compound rate of just over 1% during one of the periods of time. He was waiting for clarification before deciding whether to move his pension. If the projections were accurate but the assumptions wrong then he should have moved. If the projection is wrong but the assumptions accurate it may be viable to remain. For example the letter said the value at age 75 could be around £70,000 but using their assumptions he thought it would be around £80,000. Mr B remained unhappy with the explanation from Aviva.

Aviva said it was sorry it had taken some time to reply. It sent £150 for the inconvenience caused by the delay. Its actuarial team had supplied some information but it could not provide a step-by-step breakdown due to market sensitive factors. Its calculations were prepared using guidelines set by the government. It advised him to seek financial advice if he needed further clarity.

The investigator said it was not uncommon for businesses to withhold sensitive information about calculations so it didn't think it was wrong to do so. He said Aviva still had to follow a formula to calculate the projections based on guidelines by the regulator. Further these were only projections so were not guaranteed. Aviva had checked the calculations and confirmed they were correct so there was nothing more that Aviva could do. He thought the £150 paid was fair and reasonable.

Mr B didn't agree. He said the investigator had failed to understand the nature of his complaint. The assumptions provided simply did not support the projections provided and could not be explained by market forces and non-disclosure of data. To achieve the projections they would need a negative adjustment. He also questioned the reference to the £150 offer.

The investigator referred to the letter of 9 July from Aviva which referred to sending £150. Further they said that this service was not able to complete calculations to check what the business had produced.

Mr B said he had consulted a former IFA who agreed with him. It was concerning that Aviva could publish inaccurate and misleading data.

The investigator asked Aviva to provide evidence that the calculations had been checked by its actuaries, what information was used and any other evidence to confirm compliance with the regulator guidance for the projections.

Aviva confirmed that three separate calculations were sent to a senior analyst and was

confident they were as accurate as possible. Mr B was challenging a projection for a value almost 20 years in the future so it was extremely difficult to say with any degree of certainty how policies would look in 20 years' time. There were many internal and external factors which made it difficult for external people to replicate the projections by using current values.

The investigator didn't change her mind.

Mr B still didn't feel any Aviva expert was accepting accountability for the projections. These were mathematical garbage. Commercial sensitivity was an excuse for incompetence.

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.

Mr B's dispute is centred around the information supplied to him regarding his pension projections. Aviva is required to comply with principles and rules imposed by the Financial Regulator in carrying out its business with Mr B.

In providing information Aviva is required to conduct its business with *due skill, care and diligence* (principle 2), and must *pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading* (principle 7).

Based on the evidence presented I cannot reasonably conclude that Aviva has not complied with these. I say that because the annual statement does set out assumptions used in the projections. So it seems the information was clear enough for Mr B to check the calculations himself and to understand the implications of the information for his longer-term decisions. He was able to challenge the projections using the information provided. While this made him question if they were correct, it does not seem that they were misleading.

I note that he would have liked a full break down but Aviva has said this is not possible as it would have to disclose sensitive business information. This service cannot direct Aviva to disclose that information and it has a legitimate business reason for non-disclosure.

I can also see that Aviva has confirmed that the calculations have been checked internally and confirmed to be correct and prepared with regard to relevant regulator guidance. So it does seem that it has used due skill and care.

While I understand Mr B's frustration on balance I don't have evidence to show that Aviva hasn't acted in accordance with these principles. I think it is reasonable to be guided by their assurance the calculations have been checked.

As has been explained this service cannot check the mathematical calculations used to provide the projections.

I note that Aviva took some time to reply to Mr B's questions but sent £150 by way of apology for the delay in replying. We all experience delay and inconvenience in day-to-day life. But the delay in this case was more than would have expected. In the light of this I think a payment is merited but feel the amount paid seems fair and reasonable in the circumstances and in line with the amount I might have awarded had I needed to make an award.

My final decision

I think that Aviva Life & Pensions UK Limited has acted in a fair and reasonable manner. I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 February 2024.

Colette Bewley
Ombudsman