

The complaint

Mr P complains that Aviva Life & Pensions UK Limited ("Aviva") sold him a savings endowment policy which he says returned less than the minimum maturity value. He also says that he wasn't made aware that he ought to receive financial advice before taking out the investment.

What happened

Mr P says he saw a newspaper supplement in 1989 regarding the savings endowment policy. He says he was planning for his future retirement and was attracted to the investment. He says the savings endowment policy had a minimum maturity value of £52,000 and a maximum of £117,000 but he only received around £38,000.

Mr P complained to Aviva around March 2024. He said he was unhappy that the savings endowment policy returned less than the minimum maturity value and that at no time was he told about getting financial advice before investing.

Aviva looked into Mr P's complaint but didn't uphold it. In summary, it said its records show that his investment was taken out on a direct marketing basis meaning that no financial advice was provided by Aviva. As such, Aviva felt it wasn't responsible for any mis-sale complaint Mr P had.

Aviva also said that the illustration provided to Mr P was designed to give an indication of what the investment might be worth in the future based on certain assumed returns but didn't provide a guaranteed return.

Mr P didn't accept Aviva's response and so he referred his complaint to this service for an independent review.

One of our investigators considered Mr P's complaint but didn't think Aviva had done anything wrong. They said that they were satisfied Mr P was sold the investment on an execution only-basis where no advice was given. Having read the newspaper supplement and policy documents, they were satisfied that the information provided was clear, fair and not misleading.

Mr P didn't accept the investigator's findings as he felt that none of the documentation he had provided indicated that the sale was on an execution only-basis.

So the complaint has been referred to me to decide.

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 reviewed all of the documentation Mr P has provided, I'm satisfied that the sale of his investment appears to have been on an execution only-basis. I acknowledge Mr P's point that this wasn't explicitly explained in anywhere in the documentation. However, Mr P has

said in his submissions to this service that he discovered the investment opportunity through a newspaper supplement, in which he sent off information in the post to take out the investment. I've not seen any evidence that Aviva provided any advice to Mr P during this process or having received the information from him. Mr P has kept a record of the documentation he received during this process and if advice was given, I would have expected there to have been some documentation to show advice was provided. such as a fact find or suitability letter. As such, I'm satisfied the sale was on an execution-only basis and so Aviva isn't responsible for the suitability of his investment.

Mr P says that Aviva has explained that a condition of acceptance of the investment was that he took financial advice. However, I've not seen any evidence to support this or that a condition existed in any of the point-of-sale documentation Mr P has provided.

Even though I think Mr P took out the investment on an execution only-basis, I must still be satisfied that the information provided to him was clear, fair and not misleading to allow him to make an informed choice.

I understand that Mr P says that the minimum maturity value given to him was £52,800 and maximum maturity value was £117,000, but that his investment returned him less than this. Having read the newspaper supplement from 1989 it states that at age 29, with a monthly premium of £20 and an annual increase of £4 in the monthly premium for the first five years, the policy could return £52,800 based on 7% growth and £117,000 at 10.5% growth. However, the supplement also explained that:

"These two amounts do not represent the upper and lower limits of the possible amount of the benefit. What is actually paid will depend on the bonuses added to the guaranteed benefits under the policy."

Therefore, I'm satisfied clear, fair and not misleading information was given to Mr P regarding the possible return he could achieve on his investment, and I'm not persuaded Aviva guaranteed that he could achieve a minimum return of £52,800.

My final decision

My final decision is that I do not uphold Mr P's complaint about Aviva Life & Pensions UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 20 March 2025.

Ben Waites
Ombudsman