

The complaint

Mr E is unhappy as he thinks Aviva Life & Pensions UK Limited ('Aviva') caused delays during the transfer of his stocks and shares Individual Savings Account ('ISA'), which impacted the transfer value achieved.

What happened

I've outlined what I think are the key events and points involved in Mr E's complaint below.

In June 2023, Mr E was given an incorrect ISA value of just over £187,700 due to an error with Aviva's platform, when this should have been just over £159,600.

On 7 August 2023, Aviva received an in-specie ISA transfer request via Origo from Mr E's financial adviser ('Firm B'). And the transfer was held as transactions such as natural income payments were pending on Aviva's system.

On 17 August 2023, Aviva let Firm B know it was unable to proceed with the transfer until these transactions had completed and that it would then provide a valuation.

On 21 August 2023, the transfer process began following completion of the above transactions. And, on 25 August 2023, Aviva sent an in-specie valuation to Firm B via Origo.

On 29 August 2023 though, Firm B submitted a new transfer request via Origo, in which it changed this to a cash, rather than an in-specie, transfer.

So, on 31 August 2023, Aviva emailed Firm B and said that as one of Mr E's funds was suspended it couldn't liquidate and transfer the full cash value. And it gave three options on how it could proceed, being to liquidate what it could and transfer the suspended fund in-specie, send the full portfolio in-specie or liquidate and liquidate what it could but leave the suspended fund with Aviva.

On 6 September 2023, Aviva received an email from Firm B instructing Aviva to continue with the third option. So, on 8 September 2023, Mr E's ISA funds were disinvested by Aviva and due to settle by 14 September 2023, but before the transfer could continue it had to again wait for a natural income payment to complete.

On 18 September 2023, a complaint was raised about the transfer delay. Aviva explained this was being delayed by a natural income payment on the system and the transfer value would be sent by CHAPS rather than BACS to speed matters up.

On 21 September 2023, the transfer could now be concluded as the natural income payment had completed. This was authorised and then completed on 25 September 2023 for a value of around £150,000, with the suspended fund left with Aviva.

During Mr E's correspondence with Aviva in late 2023, he said he felt the process didn't need to be delayed by natural income payments given these continued to be paid after the transfer was complete, nor by the suspended fund as the rest could still have been

transferred. And Mr E was unhappy the transfer value was much lower than quoted in June 2023.

In early 2024, Aviva sent its final response letter. It said, in summary, that it had no control over the delays caused due to the natural income payments coming out. It apologised for the incorrect valuation Mr E was given in June 2023 and for him subsequently being told this was due to market fluctuations, it recognised this valuation raised his expectations and it offered him £150 in compensation to make up for this.

Unhappy with this, Mr E referred his complaint to our Service and when doing so he added that Aviva caused further delays as it missed an email dated 6 September 2023 and that Firm B had to make several long calls to Aviva about this matter.

One of our Investigators reviewed Mr E's complaint and said they weren't asking it to do anything more. They said, in summary, that:

- HMRC guidance says the transfer of a stocks and shares ISA should take no more than 30 calendar days. So, if there had been no issues Mr E's initial transfer request should reasonably have concluded on 6 September 2023, rather than 25 September 2023. However, the change from an in-specie to cash transfer added to the time taken, which Aviva isn't responsible for. And delays were caused by the pending natural income payments and because the impact of a fund suspension on the requested cash transfer had to be taken into account, all of which was outside of Aviva's control and not due to a fault of its. In addition, Aviva acted reasonably when it provided alternative options to complete the transfer in light of the suspended fund and in the way it continued with the process once instructions were received.
- The transfer process for Mr E's ISA was completed separately to his wife's and evidence shows Aviva picked up Firm B's email in respect of Mr E and carried on with his transfer process in line with instructions on 8 September 2023.
- It's recognised that a system error led to an inflated value in June 2023 compared to that given during the transfer process. But this didn't cause any delays and was an isolated error, which Aviva has acknowledged and offered £150 in compensation for, which is a fair and reasonable amount.

Mr E didn't agree. He said, in summary, that:

- We've reached a different conclusion to his wife's identical complaint. Here there's no mention of Firm B's email dated 6 September 2023 being missed by Aviva, when a loss assessment should be completed back to that date.
- Given natural income payments continued to be paid after the transfer, this shows that those due during the transfer process didn't need to delay it.
- Aviva knew the fund was suspended but didn't offer Firm B any options until 31 August 2023.

Our Investigator wasn't minded to change their opinion. They said they'd addressed the email dated 6 September 2023 and that Aviva didn't do anything wrong by holding the transfer while the natural income payments were due on its system. They added that the fund suspension didn't become an issue that Aviva needed to take instruction on until 29 August 2023, when the transfer request changed from in-specie to cash. Changing this to cash meant the funds needed to be liquidated, which wasn't possible for the suspended fund. So it was reasonable that Aviva first sought instruction in respect of that on 31 August 2023.

Because no agreement could be reached the case has been passed to me for a 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.

In deciding this complaint I've taken into account the law and regulations; regulatory rules, guidance and standards; codes of practice; and (where appropriate) what I consider to have been good industry practice at the relevant time.

While I've carefully considered the entirety of the submissions the parties have provided, my decision focuses on what I consider to be the central issues. The purpose of my decision isn't to comment on every point or question made, rather it's to set out my decision and reasons for reaching it.

And, having looked at the available evidence, and the surrounding circumstances, I'm not asking Aviva to do anything further for the reasons I've summarised below, which are largely the same as those given by our Investigator.

In respect of the suspended fund, I think it was only when the transfer request was changed to cash on 29 August 2023 that this suspension became something Aviva needed to take instruction on. Prior to that Aviva could have transferred the suspended fund as part of Mr E's portfolio in line with the original in-specie transfer request. As the new cash transfer request meant it now wasn't possible for all Mr E's funds to be liquidated and transferred as cash due to the suspended fund, it's reasonable that Aviva sought instruction on this when it did, and I think it did so in a timely way, on 31 August 2023.

While I appreciate Mr E is frustrated the transfer was held by Aviva while transactions such as natural income payments were pending on its system, I don't think it did anything wrong here. Aviva has said it had to wait for these to clear before it could process and complete the transfer. In line with this, I can see that when such transactions were pending Aviva wasn't able to authorise the transfer on its systems, after which it progressed this in the way I'd have reasonably expected. And, in my experience, it isn't unusual that pending transactions such as these would need to be settled and finalised first.

In addition, while I note Mr E's comments about his wife's complaint, I'm considering the individual circumstances of his. And, in Mr E's case, I can see Aviva did pick up Firm B's email dated 6 September 2023 and that it actioned this in a reasonable timescale given it then sought to disinvest his funds within a few days, from 8 September 2023.

In summary, while I appreciate Mr E's frustration, I'm not persuaded that Aviva caused delays in his ISA transfer. I think the events which led to this taking the time it did were outside Aviva's control and that it otherwise progressed this in a timely manner and in the way I'd have reasonably expected it to.

Turning to compensation for distress and inconvenience caused, I think the £150 Aviva has offered Mr E is a fair and reasonable amount in the circumstances to make up for the incorrectly inflated June 2023 valuation, as well as the incorrect explanation he was later given about that. I think this makes up for the disappointment caused to Mr E after his expectations were raised and I've seen nothing to suggest he would have done anything differently if he had been given a correct valuation at that time.

My final decision

For the reasons given, my final decision is that Aviva Life & Pensions UK Limited doesn't need to do anything more than pay Mr E the £150 in compensation offered by it, if it hasn't

already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 9 April 2026.

Holly Jackson
Ombudsman