

## The complaint

Mr M is unhappy with the service he received from Aviva Life & Pensions UK Limited (Aviva) when encashing funds from his investment account held within his self-invested personal pension (SIPP).

## What happened

On 4 September 2023 Mr M says he instructed his independent financial adviser (Firm O) to encash the funds he held within an Aviva investment account within his SIPP. He did this with the intention of reinvesting those funds into a bond within his SIPP. The bond was fixed for a year, with a 6.2% per year interest rate at the time.

On 5 September 2023 Firm O called Aviva to ask if Mr M's investment could be sold down. Aviva explained that as there was a live direct debit, the contribution would need to clear, and the investment settle before a request could be made. Firm O requested the funds be sold down and contacted Aviva on 19 September 2023 to ask how long the sell down process would take, they were advised 10 working days. They also asked Aviva what the process was for moving the funds. They were provided with information about the process. On 21 September 2023 Firm O say the sell down had completed.

On 26 September 2023 Aviva received a fund request from Mr M's SIPP provider. Firm O called them the next day for an update. The call note from the time said:

*"[Firm O] - asking if we received the withdrawal request. received today and demand unassigned. should be assigned in 3WD as per TAT page"*

Then on 29 September 2023 Aviva requested a bank statement, which was received by them on 2 October 2023. Aviva initiated a CHAPS payment and the funds left their bank account on 5 October 2023.

On 6 October 2023 Firm O say that the bond provider announced that as of the previous day they were removing the bond. But that they would allow time for postal applications to be processed. So, receipt of applications would be accepted via the post by 13 October 2024.

Aviva received a query about the CHAPS payment from the receiving bank on 8 October 2023 which they responded to on 9 October 2023. On 12 October 2023 Firm O emailed Aviva to ask them to chase the payment. Firm O said they had also spoken with the other parties involved in the transaction. On the same day Mr M's SIPP provider emailed Firm O and said:

*"Further to your below email, I can confirm that I have received the [bond provider] form in todays post."*

The funds were received on 13 October 2023 and a cheque was posted along with the bond investment application form. Mr M has said the application form was received by the bond provider on 17 October 2023. On 18 October 2023, the bond provider issued a letter saying that they would not accept the application.

Mr M raised a complaint with Aviva, he said that they'd caused delays which meant he had missed the deadline to make the investment he had wanted to make into the bond. Aviva initially responded to Mr M's complaint by upholding it. They said they'd caused a three day delay from when they received the instructions on 26 September 2023. Because they should have requested Mr M provide his bank statement on the day they received the request from his SIPP provider for the funds. They offered £150 compensation by way of an apology for the service Mr M had received, and interest to cover three day's worth of loss of interest.

Mr M pointed out that had Aviva not caused the delay his funds would have been able to be invested into the bond. But because he had missed the deadline he had to invest in lower performing funds. Mr M also said that Firm O had been told by Aviva that the withdrawal would only take three working days when they called on 27 September 2023. Aviva relooked at Mr M's complaint, they changed their mind. They said that whilst they could have asked Mr M for his bank statements on the same day they received the fund request that wasn't in line with their service standards. As such they retracted the uphold, but said they would still honour the award they had offered Mr M previously.

Mr M's IFA asked Aviva to put a stop on the compensation payments as Mr M wanted the funds to be sent to his bank account.

The complaint was referred to this service. Mr M explained that in addition to the delays he was unhappy with the way his complaint had been handled by Aviva. The investigator didn't uphold Mr M's complaint. They said, in summary, that Aviva had not caused delays which caused Mr M to lose the opportunity to invest in the bond. And the compensation already offered was in excess of any award they may have suggested.

Unhappy with the response Mr M asked for his complaint to be reviewed by an ombudsman. He provided some additional comments:

- Aviva had accepted they caused a three day delay but retracted this admission when they realised that the loss Mr M suffered as a result was high value.
- Mr M finds it confusing that the investigator had said this service can't consider complaint handling. This means Aviva can say and do as they please.
- He has lost a lot of money due to delays Aviva caused which will mean he has to work between 6 months and a year longer than he would otherwise have had to.
- The stress of initially losing out on the bond opportunity and time he has needed to spend on this complaint has been extensive. The amount offered in compensation is insulting considering the impact.

### **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 done so I'm not asking Aviva to do anymore. I appreciate this will come as a huge disappointment to Mr M and so I will explain why below.

#### Complaint handling

Mr M has said he doesn't understand why the investigator mentioned that this service can't consider complaint handling.

This service is not able to consider all of the complaints that we receive. The regulator – the Financial Conduct Authority (FCA) sets out our jurisdiction within a section of their Handbook

entitled Dispute resolution (DISP). Among other considerations this sets out that a complaint needs to be made about a regulated activity. Complaint handling is not a regulated activity and so this service doesn't have jurisdiction to consider a stand alone complaint about the way a firm has dealt with a complaint. I hope that provides Mr M with an explanation as to the comments made by the investigator.

#### Aviva's initial final response letter

I note that Mr M has argued that Aviva had initially accepted responsibility for a three day delay and so have evidenced they are responsible for the losses he suffered due to missing the bond provider's deadline. As this is what they set out to him in their first final response letter.

It is my role to carry out a fresh, independent review of Mr M's complaint by considering all the evidence provided to me. And come to what I consider a fair and reasonable outcome. It wouldn't be reasonable for me to take what Aviva said within their first final response letter and hold them to it. In the same way that it wouldn't be reasonable for me to only consider what they set out within their subsequent final response. Instead, I have completed a full review of the complaint raised in light of all the evidence, rules and regulations.

#### Delays

Whilst I have considered every detail that has been provided to me, I won't comment on them all within my decision. I have concentrated on the areas that Mr M has highlighted and on anything I have noticed during my assessment.

Aviva received a request from Mr M's SIPP provider on 26 September 2023. Within their service standards they state that they should review incoming documents within two working days. I think this is a reasonable amount of time for Aviva to have received, allocated and then considered the fund request. It took Aviva three working days to assign the document for review and act on it by requesting the information they needed to action the request. So, they caused one day's avoidable delay here.

Firm O have said that they were advised by Aviva, on 27 September 2023 during a telephone call with them, that the withdrawal would only take three working days. I understand this call recording is not available. But, Aviva have provided me with a list of their call logs which includes the name of the agent at Aviva that took the call, date, time and a note from the agent. Firm O provided the name of the agent that they spoke to on 27 September 2023, which matches the call log information. So, I am satisfied the call log was written by the person Firm O spoke to, on the day and time they had the conversation. This is persuasive evidence about what was discussed in that call. The agent has noted that the withdrawal request will be allocated within three working days. Not that the withdrawal would be completed within that time.

Whilst I am satisfied with the evidence I have been provided about the contents of the call. I don't think the contents of this telephone conversation has any impact on the outcome of Mr M's complaint in any case. I say that because even if Aviva had incorrectly told Firm O that the withdrawal would be completed within three working days. That isn't something they could ever guarantee because there are other parties involved in the transfer of funds. So, whilst I would consider whether or not the misinformation caused Mr M distress. I wouldn't be able to uphold this complaint on the basis that the transaction '*should*' have gone ahead within three days due to incorrect information in a telephone call.

In addition, any misinformation that was provided to Firm O during the telephone call of 27 September 2023 didn't have any impact on the timeline. And so, there would have been no unavoidable delays due to it, had it occurred.

I've not identified any other area where Aviva caused an avoidable delay. Aviva raised the fund request on the same day they received the bank statement. And they responded to the receiving banks enquiry the next working day. All of which I find to be reasonable.

So, based on everything I have seen, Aviva have caused one working day delay. So, Mr M's SIPP provider would have received the funds one working day earlier than they did, on 12 October 2023.

Mr M has said that the bond provider had a deadline of 13 October 2023 for postal receipt of applications for the bond he wanted to invest in. And that the bond provider received the application and cheque on 17 October 2023. Had Aviva done what they should have done, the application and cheque would have been received by the bond provider on 16 October 2023 – so still after their deadline.

I appreciate Mr M has lost out financially due to missing the bond provider's deadline. But, based on everything I have seen, I can't hold Aviva responsible for that loss.

In addition to the above, Firm O emailed Mr M's SIPP provider to check they had received his investment bond application form on 12 October 2023. Mr M's SIPP provider confirmed receipt on the same day - 12 October 2023. The process of Mr M completing and returning the bond application was entirely separate to Aviva arranging the transfer of his funds. And so, I can see no reason why a delay caused by Aviva could have impacted when this application was completed and provided to Mr M's SIPP provider.

So, even if Aviva had caused any additional delays, the earliest Mr M's SIPP provider could have sent the application and cheque would have been 12 October 2023. When they received the completed form. It took two working days for the bond provider to receive the application, and so the earliest it would have been received was 16 October 2023 – which is after the deadline of 13 October 2023.

#### Distress and inconvenience

Aviva offered Mr M £150 compensation for the distress and inconvenience they caused him. And they offered £286.91 which reflected loss of interest for three days.

I appreciate Mr M has shared how distressed he has felt due to the loss of opportunity to invest into the bond. And the impact of that, which means he is likely going to have to work for an extended period of time. However, I can only award compensation to be paid by Aviva where I agree they have caused the distress suffered. As set out above, whilst I agree that Aviva caused a one day delay to the process, I don't think they are responsible for the loss of investment opportunity. And so, it follows that whilst I appreciate Mr M did suffer significant stress, Aviva are not responsible for it.

Based on a delay of a day, and considering Mr M initially thought Aviva would take responsibility for the losses he had suffered. I think what Aviva have already offered in total is fair, and so I'm not asking them to do anymore.

#### **My final decision**

I'm not upholding Mr M's complaint about Aviva Life & Pensions UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 January 2025.

Cassie Lauder  
**Ombudsman**