

## The complaint

Mrs R has complained that the lump sum payment she received from her Aviva Life & Pensions UK Limited pension plan was less than she'd previously been told it would be.

## What happened

Mrs R held a personal pension plan with Aviva Life & Pensions UK Limited (Aviva). On 19 June 2023 Mrs R was sent a retirement quote for her pension plan. This quote told Mrs R that if she took all her pension benefits as a lump sum then, net of tax, she would receive a lump sum of £14,071.31.

Mrs R decided that she would take the benefits of her Aviva pension plan as a lump sum and completed and returned the necessary forms to Aviva to do this on 13 September 2023. However, the lump sum that Mrs R subsequently received from Aviva, net of tax, was £13,479.53, so £591.78 less than she was expecting (£14,071.31 - £13,479.53).

Mrs R telephoned Aviva after she'd received her lump sum payment to complain that it was less than she'd been told it would be in the quote of 19 June 2023. Mrs R said that she'd been told by Aviva when she telephoned it before she sent in her retirement forms that the figures shown in the 19 June 2023 quote were guaranteed as long as she returned her completed paperwork within here months. Mrs R thought that Aviva should honour the net value of £14,071.31 that she'd expected to receive.

Aviva responded to Mrs R's complaint on 9 November 2023. In its response Aviva said that the 19 June 2023 retirement quote had said: "*The figures shown are not guaranteed and could change before you retire*". Aviva also said that the declaration in the option forms completed by Mrs R said: "*I agree the cash equivalent of my guaranteed pension could be different when I retire.*"

In its response Aviva also referred to a telephone call that Mrs R had with one of its representatives on 17 August 2023 when Mrs R was told that the retirement forms were valid for three months from the date of the quote, but that once the completed forms were received from Mrs R, Aviva would then re-calculate the value of her pension plan. Aviva didn't uphold Mrs R's complaint.

However, in its response to Mrs R's complaint Aviva said that it had discovered that one of its representatives had incorrectly logged a task for a forecast of what Mrs R's pension plan might look like at her 66<sup>th</sup> birthday. Aviva said that the task had been logged for your Mrs R's 65<sup>th</sup> birthday instead.

Aviva also said that it had also discovered that one of its representatives didn't clearly log a task in October 2023 to investigate why Mrs R's pension plan had fallen in value from when she'd been sent the June 2023 retirement quote.

Aviva went on to say that it realised that these two errors had caused some inconvenience to Mrs R, so paid her £250 to compensate for its errors.

Mrs R wasn't happy with Aviva's response to her complaint. She still thought that Aviva should pay her compensation of £591.78 as detailed above. Mrs R decided to bring her complaint to the Financial Ombudsman Service.

Whilst our Investigator was reviewing Mrs R's complaint Aviva offered Mrs R a further payment of £150 to proactively settle her complaint. Aviva said that it would pay this sum to Mrs R regardless of whether she agreed that her complaint was settled in this way. Mrs R didn't accept Aviva's offer to proactively settle her complaint.

Our Investigator issued their view to Mrs R. This said that they didn't think that Aviva had done anything wrong by re-calculating the value of Mrs R's pension plan when it received her completed forms. Our Investigator therefore didn't uphold Mrs R's complaint.

Mrs R didn't agree with our Investigator's view so asked for her complaint to be considered by an Ombudsman.

### **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.

Mrs R has said that on speaking with Aviva and having read the retirement quote sent to her in June 2023, she was satisfied that by putting in her claim form to take the benefits from her Aviva pension plan as a one-off payment, the figures given in the June retirement quote would be fully honoured. I've therefore firstly considered the information set out in the June 2023 retirement quote sent to Mrs R.

The June 2023 retirement quote sent to Mrs R was headed: *"Here's your retirement quote"* and went on to say: *"This pack shows how you can take money from your plan, and how much you'll get from the options available"*.

As I've said above, Mrs R decided to take all the benefits from her Aviva pension plan as a one-off lump sum. Information on the amount of lump sum that Mrs R could receive was set out on page 7 of the June 2023 retirement quote. This page is headed: *"Your one-off payment option"*. After details of Mrs R's name, pension plan number and her date of birth, this page goes on to say: *"Please remember: The figures shown are not guaranteed and could change before you retire"*. At the bottom of the page a breakdown is given of the value of Mrs R's pension plan, which concludes: *"Amount payable after tax £14,071.31"*.

I think that the retirement quote was telling Mrs R that the figures shown, which gave a value of £14,071.31 net of tax, were not guaranteed. However, Mrs R has claimed that the information said that the figures could change before she retired and that as she wasn't retiring then she thought that the above statement didn't apply to her. But I think it's reasonable to conclude that as Mrs R was taking all the retirement benefits out of her Aviva pension plan as a one-off lump sum, then the above statement would still apply to her regardless of whether she was retiring at the same time or not. I also note that the above statement said that the figures shown in the retirement quote were not guaranteed.

To take her Aviva pension as a single lump sum Mrs R needed to complete a form and then return this to Aviva together with other documents. The form that Mrs R needed to complete was set out on pages 15 and 16 of the retirement quote. This form is headed: "*I want a one-off payment*". A declaration is set out on this form, above where Mrs R would've signed and dated the form. The final declaration shown says: "*I agree the cash equivalent of my guaranteed pension could be different when I retire*". I think that this declaration was saying to Mrs R that the one-off cash sum that she would receive for her pension could be different from the figures shown in the retirement quote.

As I've said above Mrs R has also referred to telephone conversations that she had with Aviva before she sent in her completed option form. I've therefore listened carefully to recordings of two telephone calls between Aviva and Mrs R. Aviva has said that these recordings are for the only two telephone calls that it had with Mrs R during the period between when she was sent the June 2023 retirement quote and when she sent in her completed option form.

The first of these two telephone calls was on 17 August 2023. During this telephone call Mrs R asks the Aviva representative that she's speaking to if the figures set out in the June 2023 retirement quote would have changed. In response to Mrs R's question the Aviva representative says: "*The figures may have changed. The forms that were sent to you are still valid. When you return these forms choosing the option you'd like to go for we would re-calculate on these figures as of the day we receive all of the requirements*". Mrs R then replies to the Aviva representative to say that there was no point in Aviva sending her any re-calculations now, as it will be doing this when Aviva gets the completed form back.

Later in the call the Aviva representative explains to Mrs R that the form sent to her in the retirement pack is valid for three months and that Mrs R needs to decide which option she will go for, and Aviva will then re-calculate the figures.

The second telephone call that Mrs R had with Aviva was on 12 September 2023. During this call Mrs R says to the Aviva representative that she's speaking with: "*These forms were sent to me back in June so I've got to get them back to you as soon as possible*". The Aviva representative explained in response that as the forms were sent to Mrs R on 20 June 2023 then the forms are still valid until 20 September 2023.

I think that in the telephone calls that Mrs R had with Aviva it was explained to her that once Aviva received Mrs R's completed option form, together with all its other requirements, it would then re-calculate the value of Mrs R's pension plan. Having listened to Mrs R's response to this explanation, I think that Mrs R understood that the value of her pension plan would be re-calculated when she returned her completed option form. I also think that Aviva explained to Mrs R that the forms that she's been sent, and not the figures shown in the retirement quote, were valid for three months.

I haven't heard any evidence during these two telephone calls that Mrs R was told that the figures set out in the June 2023 retirement quote were guaranteed for three months, as Mrs R has claimed. Instead, I think that Aviva told Mrs R that the value of her pension plan would be re-calculated once she'd returned her completed option form. Having studied the June 2023 retirement quote I don't see any evidence that this quote told Mrs R that the figures shown were guaranteed for three months. Instead, I think that the quote explained that the figures shown were not guaranteed.

As I've not seen any evidence that Aviva informed Mrs R that the figures shown in the June 2023 retirement quote were guaranteed for three months, I am unable to uphold Mrs R's complaint.

**My final decision**

My final decision is that I don't uphold Mrs R's complaint against Aviva Life & Pensions UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 8 January 2025.

Ian Barton  
**Ombudsman**