

## **The complaint**

Mrs B complains Aviva Life & Pensions UK Limited (Aviva) failed to pay her the correct interest rate on her one-year fixed bond.

## **What happened**

Mrs B says on 1 July 2024 she applied for a one-year fixed rate bond via Aviva's save platform for a bond operated by another bank provider (B). Mrs B says she recalls the interest rate offered on the bond at the time was at 5.2% and transferred funds to the account with a final tranche on 5 July 2024. Miss B says she then received an email message on 8 July 2024 saying her interest rate had been increased from 5.2% to 5.2% but she thought nothing of it, but says she received an email later the same day from Aviva stating the rate was 5.02%.

Mrs B says when she queried this with Aviva it informed her as she had already funded her account fully by 5 July 2024, the new rate was only for investments made on or after the 8 July 2024. Mrs B says the product information sheet on the bond she has states the interest rate payable is 5.2% and Aviva have never provided any evidence that when she applied for the bond with B, it was at the lower interest rate of 5.02%.

Mrs B wants Aviva to pay her the difference in the two interest rates at 0.18%, which she calculates to be £153.

Aviva says it has apologised for sending Mrs B incorrect details regarding the interest rate on the one-year fixed bond with B, but this increased interest rate was only available for new investments made on or after 8 July 2024 and she had applied for the bond on the 1 July 2024 and fully funded it by 5 July 2024, so the 5.2% was never available to her.

Aviva says it accepts it has made a mistake sending out the incorrect information and while it has paid Mrs B £50 for that system error, it wouldn't be able to offer the new rate of 5.2%.

Mrs B wasn't happy with Aviva's response and referred the matter to this service.

The investigator looked at all the available information and while she initially upheld the complaint, after further information was provided by Aviva changed her view to a non-uphold. The investigator explained initially Aviva weren't able to provide sufficient evidence to show the original interest rate offered on the bond was at 5.02%. The investigator says Aviva subsequently provided evidence to show Mrs B's bond was opened on 1 July 2024 and the interest rate increase to 5.2% was effective for new bonds opened with effect from 8 July 2024, so she couldn't uphold the complaint.

The investigator felt the £50 Aviva had paid for sending the incorrect information to Mrs B was fair.

Mrs B didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Mrs B to believe she had invested in a bond with a higher interest rate only to be told that the notification of the interest rate increase was an error by Aviva. When looking at this complaint I will consider if Aviva should pay Mrs B the higher interest rate on her bond at 5.2 %.

Both parties have provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything – I have. But it's just that I don't need to comment on each individual point here in order to reach a decision on what's fair and reasonable.

Both parties are fully aware of the issues here, so I won't reiterate that again other than to say Mrs B feels the main issue is that Aviva haven't answered her point of *"what was the interest rate of B's 1-year fixed rate bond, as advertised on the Aviva investment platform on 1 July 2024, when the account was applied for."*

I understand the points Mrs B makes here and there's no question that Aviva did send out conflicting information to her surrounding the increase in the interest rate on the bond she had applied for. So, when looking at this complaint, I need to consider if Aviva should have made Mrs B's investment into the bond with bank B on 1 July 2024 at 5.2% or not and from the information I have seen I'm not persuaded it needs to.

I say this because while Mrs B maintains she recalls the original investment was at 5.2% when she applied for it on 1 July 2024 and she has a product information sheet to show that, I'm not fully persuaded by her argument. The first thing to say is the product information sheet Mrs B refers to was sent to her on 8 July 2024 when the new rate came into effect. What is important here is that I have seen a copy of the confirmation of her investment extracted from Aviva's save platform, which Mrs B used to make her investment, addressed to her stating the rate of interest was at 5.02%.

While Mrs B may not agree, it's also fair to say that given she received an email on 8 July 2024 saying the interest rate had increased, even though the rates were mis-quoted, this does indicate the previous interest rate before 8 July 2024 must have been at a lower interest rate. What is important here is what interest rate should Mrs B have received at the time she fully funded the bond on 5 July 2024?. From the information I have seen this would have been at the lower interest rate at that time and given the confirmation I have seen from the Aviva platform addressed to Mrs B, it clearly shows the rate is 5.02% and I'm satisfied that was the correct interest rate at the time she applied for the bond.

That's not to say Aviva haven't made mistakes here - it has, and it appears that its systems have incorrectly sent out an email and new product information sheet to Mrs B stating an incorrect interest rate she would be receiving. So, while I can sympathise with Mrs B here and can understand why she may have believed she was receiving a rate of 5.2%, it wouldn't be fair of me to tell Aviva it must now pay that rate for a genuine system error and after all it did send the correct details to Mrs B within hours of its mistake.

Aviva have apologised for the incorrect notices being sent and paid Mrs B £50 for that, which

I am satisfied is fair in the circumstances. But given the information I have seen as previously mentioned here, I can't agree it has paid Mrs B the incorrect interest rate on her investment as this was funded before the increased interest rate came into effect.

While Mrs B will be disappointed with my decision, I won't be upholding this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 4 February 2025.

Barry White  
**Ombudsman**