

The complaint

Mr R complains that Aviva Life & Pensions UK Limited incorrectly processed a part surrender of his Whole Life Assurance policy. He's unhappy with the service he received and, in particular, the date used by Aviva to calculate the surrender value.

What happened

The background to the complaint will be well known to both parties, so I'll only give some key details here.

Towards the end of 2023 Mr R contacted Aviva to set in motion a part surrender of his policy. He lives outside the UK and wanted payment to be made in the currency of his country of residence. He attended Aviva's offices on 19 April 2024, met with a member of staff and provided various documents to support the surrender request and was assured all was in order.

He was then contacted by Aviva several weeks later to say that it wasn't in receipt of all the necessary identification documentation. Mr R explained about his earlier visit and said that he had previously provided his passport. He nevertheless provided a further copy. The surrender was then completed and paid on 10 May 2024, using 19 April 2024 as the date for valuation. Payment was made in Mr R's required currency, with an associated SWIFT charge waived due to the unnecessary delay and interest added for the period between the surrender date and payment date.

Mr R soon after questioned the surrender value as he felt the latter May 2024 date should've been used, and at the point the value would've been around £2,300 higher than the value on 19 April 2024. There was ongoing correspondence on the matter and Aviva issued a final response to the complaint in October 2024.

It acknowledged an error in respect of the identification documentation and offered an increase to the amount of interest already paid but was satisfied the correct valuation date had been used. It also offered a payment of £200 for the distress and inconvenience caused to Mr R by the matter by the matter and its failure to properly follow up on queries raised by him after the surrender.

Mr R remained of the view that the latter date should've been used for the valuation, so referred the complaint to this service.

An investigator looked into it but concluded that Aviva had already done enough to address the issues. He was satisfied that it was correct for Aviva to have used the 19 April 2024 as the valuation date, as, in accordance with the terms and conditions of the policy, this was the point at which it had received Mr R's written instruction. The investigator was also satisfied that £200 was fair compensation for the distress and inconvenience caused.

Mr R didn't accept the investigator's opinion. He said, in brief –

- He questioned that he'd had sight of the policy terms and conditions and requested

they be provided to him.

- He felt that the offer in respect of the distress and inconvenience caused was insufficient given the amount of time and effort involved in dealing with the matter.
- He hadn't been asked to complete a surrender form during the April 2024 meeting.

The investigator provided Mr R with a copy of the terms but wasn't persuaded to change his opinion. As no agreement could be reached, the matter was referred to me to review.

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've come to the same conclusions as the investigator, and I'll explain my reasons for doing so.

While I note Mr R's concerns about Aviva's handling of the complaint, including its various failures to respond to him, the key issue as I see it is whether Aviva used the correct valuation date for the surrender.

The terms of the policy say, in respect of a surrender, that the value paid will be the value on the day on which a written instruction is received, along with the policy and evidence of title to the policy.

I've seen that Mr R provided a written request, signed and dated 19 April 2024, relating to surrender of six segments of the policy, which included his bank details to which payment should be made and an agreement that a charge would be applied reading the currency issue. He also provided a bank statement and a copy of the policy schedule.

In respect of the third requirement, that of evidence of title, this is where the dispute is centred. Mr R called Aviva on 8 May because he'd received a missed call from it and was told that a copy of his passport was required for the surrender and payment to be completed. But that information was incorrect. Mr R had shown the member of staff his passport during the face-to-face meeting of 19 April 2024 and was told that Aviva had everything it required. It had also confirmed as far back as 2017 that it had added a copy of Mr R's passport to its records and that it would therefore not require identification at the time of a claim.

That being so, it would appear that on 19 April 2024 Aviva was in fact in receipt of everything it needed to administer the surrender as requested. As such I'm satisfied that date was the correct one to use for the surrender calculation. Aviva's mistake was then to overlook the identification information it had already received when it spoke to Mr R on 8 May 2024.

Had Aviva acted correctly and recognised that it already received everything it needed it wouldn't have contacted Mr R on 8 May 2024, instead it would simply have proceeded with the surrender and Mr R would have received payment and there'd have been no basis on which to suggest any later date should've been used for the surrender value.

I appreciate the frustration the matter caused Mr R and the inconvenience of having to visit Aviva's office a second time (although I think it probably would've been possible to sort the matter out without the need for a visit). I also note the trouble he encountered with Aviva failing to respond to his subsequent fax communications.

But I nevertheless think that the offer as a whole made to Mr R – the waiving of the SWIFT fee, the additional interest of £57.71 and £200 for the distress and inconvenience caused is fair and reasonable in the circumstances. So, I won't be directing Aviva to do anything more.

My final decision

Aviva Life & Pensions UK Limited has already made an offer to settle the complaint and for the reasons given I think the offer is fair in all the circumstances.

So, my decision is that Aviva should compensate Mr R as set out above if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 29 January 2026.

James Harris
Ombudsman