

The complaint

Mr M complains that Aviva Life & Pensions UK Limited (Aviva) allocated contributions to the wrong investment fund in his Stakeholder Pension Plan (the plan), potentially causing losses and he was subsequently unable to make further contributions via the Aviva App. He wants compensation for any losses and for the inconvenience caused.

What happened

Mr M paid regular contributions each month to his plan. On 5 and 9 September 2024 he paid a single contribution of £100 through the “MyAviva” App (the App). He wanted the investment made into the Blackrock US Equity Index Tracker fund he says he already held. Aviva sent confirmation letters which also gave Mr M the right to cancel but sent three rather than two of these. When he checked the App Mr M saw that the 5 September contribution had been split between two funds not just the BlackRock fund and he called Aviva on 13 September 2024. It acknowledged the error and recorded a complaint. It said this would be corrected and wrote confirming it had done so the next day. Mr M queried this, and Aviva said it would send a unit statement to confirm the correction. Mr M asked for confirmation of the unit prices for each of the contributions he’d paid.

Mr M says he wanted to make further single payments but couldn’t do so through the App and encountered problems with Aviva’s Chatbot system not understanding the issue and incorrectly repeating his plan number back to him. So, he called Aviva on 4 October 2024. It recorded a further complaint and raised an IT incident in respect of the App issue. On 15 October 2024 Aviva agreed there had been an issue with making payments which it was continuing to investigate and offered Mr M £50 compensation for the inconvenience caused. Mr M said this was inadequate. Aviva said it was still investigating the payment problem with the App and explained alternative options to pay contributions. And it increased its compensation offer to £100. Mr M referred his complaint to our service.

Mr M was then able to make contributions through the App but said this was now showing pending transactions that he hadn’t actually made. He contacted Aviva about this on 14 November 2024 and the complaint was re-opened. Mr M said he wanted £200 in compensation and had lost out on investment opportunities through not being able to make contributions when he wanted. Aviva increased its compensation offer to £150 and sent Mr M a cheque for this amount. Mr M still felt this was inadequate and said Aviva hadn’t explained why he couldn’t make contributions through the App or provided evidence it had corrected the investment of the contributions in September 2024. He said it should pay him £600 in compensation.

Our investigator looked into Mr M’s complaint, but she didn’t uphold it.

Our investigator said Aviva accepted there had been errors and had offered fair compensation for what had happened. She said whilst Aviva had corrected the investment from 5 September 2024, it hadn’t confirmed there had been no loss and it should do so. She said the App wasn’t something that Aviva needed to provide under the Terms and Conditions of the plan. And whilst it was reasonable to expect systems to work, this can’t be guaranteed. She said Aviva had provided an alternative way for Mr M to pay any

contributions whilst the issue was looked into, and he had been able to use the App for this subsequently.

Aviva said it had confirmed it had corrected the investment of Mr M's contribution in September 2024 and consequently he'd suffered no financial loss. It said this was confirmed by the transactions statements it had sent to Mr M.

Mr M didn't agree with our investigators view of his complaint. He said systems (like the App) were meant to work and our service was just repeating Aviva's position.

As Mr M doesn't agree it has come to me to decide.

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 am not upholding the complaint.

I've considered the points made by Mr M carefully. And I agree he's been caused some inconvenience through the App not working as normal. Needing to make calls, spending time on hold and going round in circles with chatbot type systems is very frustrating. But errors do happen from time to time, and I think Aviva has corrected any errors made and paid fair compensation in the circumstances.

The September Contributions

Aviva says due to a system error the 5 September 2024 contribution was initially invested in a default investment choice that should have only come into operation in the absence of Mr M providing specific investment instructions. The second contribution was correctly invested as he wanted from outset. Aviva promptly corrected the first contribution, meaning it was invested in the correct fund on the right day. That means no financial loss was caused by this error. Aviva says it is likely the initial error in the App was the reason Mr M received two confirmation letters about the 5 September contribution. Whilst this would have caused some confusion, he was in contact with Aviva about this and the issue was resolved quickly.

The App problems

As Aviva has said the provision of the App wasn't something it was contractually obliged to provide under Mr M's plan. When pension providers do offer Apps and online access, these aren't guaranteed to be available at all times. But an App suddenly becoming unavailable might well cause inconvenience as it did here. Aviva has said it hasn't been able to identify the exact cause of the problem preventing Mr M from making contributions, but this might have been due to prior transactions still being processed or pending. And it did allow contributions to be paid by other means, which it says Mr M had used in the past. So, as the App wasn't something Aviva had to offer and Mr M could have contributed by other means, even if less convenient for him, I don't think it is reasonable to say Aviva prevented him from investing. It isn't possible to guarantee any system will always be available and by providing alternative options, I think Aviva acted reasonably.

It's also quite common for pension providers to process a contribution in the days after it was actually received, backdating the investment to the appropriate date. Which is why Apps and confirmation letters might not be immediately updated or issued. For example, the contribution paid by Mr M on the 5 September wasn't processed until the 13 September 2024. In raising the issue around a pending transaction for 7 November 2024, Mr M did say

he was aware he hadn't made any contribution on the date shown. So, it wasn't a situation where funds had not been credited as they should have been, and I don't think this caused material disadvantage. And whilst it's frustrating, it isn't always going to be possible for a business to immediately provide an explanation of what has caused an IT issue.

So, there were several problems which did cause Mr M inconvenience, but I think Aviva took reasonable steps to resolve these as soon as possible. I think the £150 already offered by Aviva is fair compensation for what happened here and is in keeping with what our service would award in similar circumstances, so it needn't do any more than it already has.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 July 2025.

Nigel Bracken
Ombudsman