

## The complaint

Mr R is unhappy with the service that he's received from Aviva Life and Pensions UK Limited ('Aviva'). When Aviva provided a value for his pension plan, Mr R says the balance given was much lower than he anticipated.

To put things right, Mr R would now like Aviva to honour the balance of his drawdown pot in August 2023.

## What happened

Between 2019 and 2023, Aviva issued the following statements to Mr R:

Statement date	Valuation date	Withdrawals	Plan value
7 August 2019	31 July 2019		£79,388.85
		-£13,606.25 TFC	
		-£5,054 income	
6 August 2020	31 July 2020		£64,338.97
		-£13,606.25 TFC	
		-£16,000 income	
13 August 2021	31 July 2021		£77,399.79
		-£20,000 income	
11 August 2022	31 July 2022		£46,693.46
		-£5,758.98 TFC	
		£16,852.15 income	
10 August 2023	31 July 2023		£17,310.47

On 8 April 2024, Mr R contacted Aviva to withdraw funds from his policy as he had done in the years prior. Aviva's call handler explained to Mr R that his fund value was now £601 and not the c£17,000 that he'd anticipated. Mr R then asked Aviva for fuller explanation around how his plan had decreased so much in value compared to the previous year.

Ten days later, Aviva wrote to Mr R, explaining the unit values of his plan over the last three years were:

- 1 June 2022 - £46,764.60
- 1 June 2023 - £33,840.59
- 18 April 2024 – £585.52

Mr R wrote back to Aviva on 2 May 2024, stating that he didn't believe they'd answered his question around how his plan had decreased in value. Aviva treated Mr R's comments as a complaint and on 30 May 2024, they issued their resolution letter. Aviva explained that after investigating matters further, they'd identified two withdrawals that he'd made which hadn't been deducted from his policy:

- 13 July 2020 - £5,054 (taking the fund value to £70,064.69 on 14 July 2020)
- 24 May 2021 - £16,000 (taking the fund value to £73,705.06 on 25 May 2021)

Aviva went on to say that they adjusted his balance to take account of the two missed withdrawals on 27 October 2023 and following that, they should have informed him but had failed to do so. Aviva also explained that this meant his balance was £532.35 (rather than the c£17,000 that Mr R thought it was). Aviva apologised for not updating Mr R about his balance and explained that for the trouble caused, they were sending £100 directly to his bank account.

On 8 August 2024, Aviva sent Mr R his normal annual pension statement. That showed his pension plan was valued at £5,708.32 as of 31 July 2024. Shortly afterwards, Mr R referred his complaint to this service. In summary, he said that he didn't think Aviva had been honest with him, particularly when they'd said that the difference in the value of his pension pot between the later years was as a consequence of market fluctuations. Mr R said he didn't think this was accurate as he never made any withdrawals in 2023. Mr R said that because of Aviva's error, he's been left with insufficient time to adjust his finances and he's been left without the income for 2024 that he was anticipating. To put things right, Mr R said that he wanted Aviva to honour the balance of his drawdown pot as it was in 2023, so c£17,300.

On 12 September 2024, Aviva contacted this service, explaining that they had looked at Mr R's file again and identified that they'd made a further error; Aviva stated that an adjustment was showing as £16,000 rather than the £10,000 that was actually withdrawn. Aviva went on to say that their actuaries had made the correct adjustments and the fund value was now correctly showing as £5,700. To apologise for the additional error, Aviva explained that they were sending Mr R an additional £300 (in addition to the £100 that they'd already provided).

On 6 November 2024, Aviva contacted our Investigator to explain that they'd re-looked at Mr R's plan and made a number of unit adjustments. Aviva explained that they'd determined Mr R's plan value now stood at £10,445.86 (in his drawdown pot).

The complaint was then considered by one of our Investigators. He concluded that Aviva hadn't treated Mr R fairly and that they should revisit all of the withdrawals that Mr R had undertaken since 2020 to date. Given the volume of errors that Aviva had made, our Investigator also asked for those calculations to be checked by two members of staff to ensure their accuracy. In addition, our Investigator felt the £400 offered by Aviva for the trouble and upset caused didn't recognise the impact their actions had had on Mr R, so he recommended an increased amount of £750 in total.

In response to our Investigator's view, Aviva agreed with his conclusions and confirmed that the case had been sent back to the relevant team to revisit all of the plan history.

On 6 February 2025, Mr R checked his pension and noticed the balance had reduced from £10,660 several days earlier to £815. Unhappy with the reduction, Mr R asked for his case to be passed to an Ombudsman for a decision. The same day, Aviva contacted this service with details of the calculations undertaken by their actuary. In summary, they'd determined that Mr R's actual plan value as of 27 January 2025 was £809.27. Mr R subsequently provided additional comments, saying that he wasn't seeking more compensation, he just wanted Aviva to show how they had reached their figures as he still wasn't clear.

On 3 March 2025, Mr R received a letter from Aviva (dated 5 February 2025) explaining that due to a system error, the payment that had been made on 26 May 2022 included an overpayment of £139.37 (net). To resolve matters, Aviva said that they could either arrange for his plan to be debited by £231.64 (gross) or he could arrange to send them a bank transfer for the £139.37. On 14 March 2025, Aviva chased Mr R for the refund, explaining that if he failed to contact them within 14 days, they'd refer the matter to their legal department and also consider following their formal recovery procedures. Our Investigator subsequently contacted Aviva and asked for the collections process to be paused until Mr R's complaint had been considered by an Ombudsman.

After carefully considering the complaint, I wrote to both parties explaining that I was issuing a provisional decision on this case as the chain of events had moved on since our Investigator issued their initial view. In my provisional decision, I explained that I was minded to uphold the consumer's complaint. The provisional decision aimed to give both Mr R and Aviva the opportunity to provide any further evidence that they wished for me to consider before I reached a final decision.

#### What I said in my provisional decision:

I have summarised this complaint in less detail than Mr R has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mr R and Aviva in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm upholding Mr R's complaint - I'll explain why below.

I've looked closely at the evidence presented to me and it appears that Aviva have already conceded they've not delivered the service that they would normally expect. Mr R has been provided with incorrect and inconsistent information about the balance of his pension on multiple occasions; as a consequence of that information, which has gone through various iterations over a prolonged period of time, I can well understand why Mr R has lost faith in Aviva's ability to paint an accurate picture of the balance of his plan. And, I don't think anyone would disagree that it's not an unreasonable expectation that the information a firm provides its consumers about arguably one of the most important financial products of their finances should be accurate.

Using financial services won't always be hassle free and sometimes mistakes occur, but when they do, both the regulator and this service expects that firm to remedy any issues promptly and accurately and ensure the consumer is placed back into the same, or as close to the same position, that they would've been in were it not for the error. But, from what I've seen, it's taken Aviva multiple attempts, and nearly 10 months to provide Mr R with a final balance within his pension that they believe is now accurate.

As our Investigator has already explained to Mr R, this service doesn't provide a checking service and we're not actuaries so we're very much reliant on the information provided to us by the respondent, which in this case is Aviva. Within our Investigator's initial view, he asked Aviva to revisit Mr R's pension transaction history, make any appropriate adjustments and then have that assessment checked by another colleague. Aviva appear to have completed that task and the result of those endeavours were the alterations that they made to Mr R's plan at the beginning of February 2025. But, from what I've seen, Aviva didn't communicate that outcome to Mr R in a timely manner, rather, he found out by chance that his balance had reduced from £10,660 (which he'd assumed was his money for the prior four months after being told that Aviva had previously checked this) to £815 after logging into his account.

Having looked at the commentary that Aviva have provided to this service, Mr R's end balance (of £815 in February 2025), doesn't appear wholly out of line with his starting balance of £79,388.85 in July 2019 and the subsequent withdrawals (of £77,300) that then followed. That of course disregards any fluctuations in the underlying unit prices. What Aviva haven't provided is a break down of those transactions showing the unit price movements which I think is important if Mr R is to have any comfort that Aviva's sums are accurate. I've compiled a table with the information given by Aviva's actuaries which I think brings to life their comments:

		Tax-free cash	Drawdown pot remaining	Accumulation pot remaining	Balance
22/06/2020	Crystallise £54,425 - 25% TFC	£13,606.25	£40,818.75	c£28,600	c£69,400
13/07/2020	Withdrawal £5,054		£35,695.86	£28,662.79	£64,358.65
24/05/2021	Withdrawal £16,000		£21,692.35	£30,266.89	£51,959.24
26/05/2022	Withdrawal £20,000		£0.00	£27,591.26	£27,591.26
30/05/2023	Crystallise - £23,151.93 25% TFC	£5,787.98	£17,363.25		£17,363.25
06/06/2023	Withdrawal £16,852.15		£754.89		£754.89
27/01/2025			£809.27		£809.27

Aviva have argued that given the modest size of Mr R's pot and the size of withdrawals taken, it wasn't unreasonable for him to deduce that his plan was almost exhausted in 2023. Ordinarily, I'd agree but given the volume of inconsistent and misleading information that Mr R has received, I can see why he may have lost track of what was in his plan.

In his complaint to this service, Mr R said that he wanted Aviva to honour the drawdown balance that was shown in his 10 August 2023 statement. However, whilst there's no doubt that mistakes have occurred, we wouldn't ordinarily instruct a firm to honour something that a consumer was never entitled to - that wouldn't be fair or reasonable. We would however expect the firm to put the consumer back into the same position that they would've been in were it not for the mistake. And, Aviva say that they've now done that.

Whilst that may be the case, I do think Mr R would benefit from some additional assurance that Aviva have brought matters accurately to a close. In his initial view, our Investigator asked Aviva to provide to Mr R information in a clear and easy to read format to demonstrate the accurate current fund value. From what I've seen, I'm not persuaded that they've done that as Mr R found out about the new plan value when he happened to log in to his account in February 2025. And, this service has only been provided with commentary/notes from Aviva's actuaries rather than a unit price breakdown. In addition, whilst I appreciate that revisiting the transactions within Mr R's pension needed to be referred to Aviva's actuaries and exhaustive enquiries were then required, I don't think it was fair or reasonable to expect Mr R to have waited nearly four months for his plan to be corrected.

I therefore require Aviva to provide a timely update to Mr R showing how they've reached the £809.27 balance (as of 27 January 2025).

#### Trouble and upset

There's no doubt that Mr R has been inconvenienced by Aviva's mistakes. Mr R says that because of Aviva's errors, he thought he had more in his pension plan than in reality was the case. Had he known earlier about the errors Aviva had made, Mr R says that he would have dialled back his expenditure in the prior years. Mr R went on to say that decisions around a new car purchase and family holidays would have also been altered to ensure he and his wife weren't left with a reduced income in 2024 but, he says, he's not in a position to adjust his finances and plan accordingly now.

Having thought about the specific circumstances of this case I require Aviva to make a payment to Mr R of £750 in recognition of the inconvenience that they've caused to him.

#### Overpayment from 26 May 2022

Aviva wrote to Mr R on 5 February 2025, explaining that he'd received more money than he was entitled to in 2022, and as a consequence, they needed him to return some of those funds. Aviva's letter stated that due to a system error, his remaining fund value was incorrect when they made the £20,000 payment to him on 26 May 2022. Aviva said, that meant, they'd overpaid a gross amount of £231.64 (£139.37 net) to him.

The rules around what can be taken out of pension (and how that withdrawal is applied) each year, are very rigid, and if a scheme member (even inadvertently) falls outside of that framework, HMRC can impose tax charges.

I can well imagine Mr R's frustration at receiving Aviva's letter, particularly in light of the wider issues that he's encountered. But, Aviva is quite correct in what they say – if a consumer receives a payment to which they're not entitled to, it must be returned to avoid

any HMRC penalties. Whilst I suspect that Mr R will likely be disappointed by my decision, I can't therefore ask Aviva to disregard that overpayment.

Aviva may, however, at their own discretion wish to consider reviewing HMRC's Pensions Tax Manual - section PTM146300 - to make their own determination on whether the May 2022 overpayment meets the criteria of an inadvertent payment under the sub £250 rule in deciding whether to pursue that payment.

### **Putting things right**

To put things right, Aviva must:

1. Provide a personalised breakdown to Mr R showing the withdrawals from his plan starting in 2020 to date. That breakdown must also include a running total of units and their respective prices so Mr R can be confident that he's getting his full entitlement.
2. Given Aviva's actuaries have already undertaken their analysis of Mr R's plan, I would expect that information to be readily available. Aviva must therefore provide that information to Mr R no later than 14 days from the date of this provisional decision.
3. If they've not already done so, Aviva must pay £750 to Mr R in recognition of the trouble caused.

I'm satisfied that the above steps are fair and reasonable in the circumstances of this complaint.

### Responses to my provisional decision:

After reviewing the provisional decision, Mr R explained that he was disappointed with the outcome as he still didn't believe what Aviva were telling him about the true value of his pension pot. Mr R went on to explain that he wanted:

- An easy-to-understand breakdown of his withdrawals.
- Confirmation from Aviva on whether they still intended to seek a refund of the overpayment by legal means.
- An apology for the poor service.

Aviva responded to the provisional decision, explaining that having spoken to their actuarial team, they were able to provide a full running breakdown of the withdrawals that Mr R had undertaken from 2020 with unit prices. Although Aviva did explain that because Mr R has undertaken a significant number of fund switches since 2020, the level of detail that they're able to provide may not be meaningful to him.

Aviva went on to say that they were able to show the withdrawal amounts, the reporting of those, and the total left in the account at each stage which they felt satisfied the provisional decision. In conclusion, Aviva stated that they were content with the £750 award for the trouble that they'd caused to Mr R.

### **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.

I've looked closely at the spreadsheet that Aviva's actuaries have provided. It shows the pension commencement lump sum withdrawals along with the taxable payments that Mr R extracted from his plan since June 2020 when he first crystallised his fund. The dates and amounts of those withdrawals now appear to tally to the actual chain of events. And, whilst this service doesn't provide a verification offering, having looked at the information provided by Aviva, the data appears plausible.

Mr R says that he'd like confirmation from Aviva on whether they still intended to seek a refund of the overpayment that he received in May 2022. As I've already explained in my provisional decision, Aviva is quite correct in what they say – if a consumer receives a payment to which they're not entitled to, it must be returned to avoid any HMRC penalties. I can't therefore ask Aviva to disregard that overpayment.

For the avoidance of any doubt, when paying Mr R the £750 for the trouble caused, Aviva can take account of any payments already made to him in connection with this complaint.

It therefore follows that I've reached the same conclusions that I reached in my provisional decision above.

### **My final decision**

I'm upholding Mr R's complaint and require Aviva Life and Pensions UK Limited to put things right for him in the manner that I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 4 June 2025.

Simon Fox  
**Ombudsman**