

The complaint

Mr M has complained to Aviva Life & Pensions UK ('Aviva') after it stopped accepting contributions into his Group Personal Pension ('GPP') plan that he holds through his employer – Firm S.

What happened

Mr M holds a GPP with Aviva through his employer – Firm S. Up to September 2024, Firm S had been making contributions to Mr M's GPP. But Firm S was subject to a wind-up petition in October 2024. Since this date no further payments have been credited to Mr M's GPP. Firm S was fighting the wind-up petition but Companies House records show that it was recently placed in compulsory liquidation.

Mr M complained to Aviva in November 2024 because despite contributions having been deducted from his salary, these were not being credited to his GPP. And Firm S had informed Mr M that this was due to Aviva refusing to accept payments.

Aviva issued its final response rejecting the complaint. In summary it said that as Firm S was subject to a wind-up petition, the company assets and bank accounts had been frozen.

Firm S had paid employer and employee contributions up to September but due to the ongoing legal proceedings, Aviva couldn't provide any further information. Aviva went on to explain that when a company is subject to ongoing legal proceedings and its assets are frozen the pension provider would need to wait until the case has been resolved to be in a position to receive any further pension contributions.

Mr M wasn't satisfied with Aviva's response so he referred his complaint to this Service for consideration.

Our Investigator's view and Mr M's response

One of our Investigators reviewed Mr M's complaint but she didn't uphold it. This was because she thought it was reasonable for Aviva not to accept pension contributions from a firm while legal proceedings are ongoing.

The Investigator explained that Aviva has told us that Firm S holds Mr M's unpaid pension contributions and she suggested Mr M may wish to discuss different options with his employer.

The Investigator also explained that Aviva has told us that if Firm S does go into administration, it will have to try and get Mr M's pension contributions (likely solely the employee contributions) from the administrators. But if Firm S doesn't go into administration, then it will apply the contributions (once sent from the employer) and it will be Firm S's responsibility to reimburse any loss.

Mr M didn't accept the Investigator's opinion and requested that the matter was passed to an Ombudsman for review. I've summarised Mr M's comments below:

- It should have been possible for Aviva to have accepted one more pension contribution from Firm S before the wind-up petition was submitted. This wasn't done until the end of October 2024 and the last payment to his pension was in September 2024.
- The Investigator has suggested that in the event of Firm S failing, the administrator or receiver will attempt to recover all payments made by the company in the last 8 months.
- Aviva stated that Firm S had not made a payment when the truth was that Aviva had taken a unique decision not to accept pensions payments.
- The Investigator had said that Firm S' assets and bank accounts are frozen but in fact the courts have granted the company access to its bank account in order to pay salaries. Had Aviva been prepared to accept the pension payments it is clear an application could have been made in this respect and would most likely have been granted.
- Aviva also provides medical insurance for Firm S' employees and it has continued to receive premiums for this. This shows a clear inconsistency in approach.
- Mr M recognises the Investigator's view that Aviva was still entitled to refuse to accept the payment despite being made through a bank account in regular use by his employer. His issue is the lack of candour from Aviva in responding to his initial enquiry and complaint.

The complaint has been passed 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.

As our Investigator explained, it's not the role of this service to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business.

Sometimes complaints relate to a firm's use of its commercial judgement. My role is to ensure such judgement is applied fairly; it isn't to substitute my judgement for the firms. Having considered all the information on file, I don't think Aviva has treated Mr M unfairly so I'm not upholding the complaint. This is for mostly the same reasons as our Investigator. I'll explain why.

Mr M first contacted Aviva in November 2024 because he was unhappy his pension contributions had been deducted from his salary but not applied to his GPP.

I can understand why this was a concern to Mr M and why he felt the need to contact Aviva about this. He says that at that point Aviva told him that his employer hadn't made the contributions, rather than explaining that Aviva had refused the employer's proposal to pay contributions from its sister company's bank account.

I don't think Aviva intentionally misled Mr M at this point. What he was told wasn't technically incorrect as the contributions hadn't been paid. But I appreciate Mr M is unhappy that Aviva was not more upfront about the situation. However, Aviva was restricted in what it was able to say due to Firm S' ongoing legal proceedings at that time.

I appreciate Mr M is unhappy that Aviva made the decision to stop accepting contributions from Firm S. But I don't think this is unreasonable, given the circumstances involved. Firm S was subject to a wind-up petition and its bank account had been frozen.

Mr M has suggested that Aviva could have accepted contributions from another account related to Firm S's sister company. He says that Aviva accepted premiums from this account for the medical insurance it provided for Firm S employees. So he thinks it should also have accepted pension contributions from this account.

However, pensions are subject to strict rules, both in terms of the rules for those running pension schemes, such as Aviva. And for firms paying into pension schemes for its employees, such as Firm S.

So while I appreciate that Firm S advised its employees that Aviva was refusing to accept its proposal, it is my understanding that there are only very limited circumstances when a third party can make contributions into a pension on behalf of another firm. So I don't think Aviva was being unreasonable by not allowing Firm S's sister company to make the pension contributions.

In terms of Mr M's comments that he considers a Court would likely have granted Firm S permission to access its bank account to pay pension contributions, had a request been submitted. I'm sure Mr M will be aware, the issue of insolvency is not a straightforward matter and it's not for me to comment on whether an application should have been submitted to the Courts, and the likelihood of this being successful. I'm aware that Aviva and Firm S were in talks throughout the period in question. And that Aviva kept both the FCA and The Pensions Regulator updated on the situation. This is what I would expect it to do in these circumstances.

Mr M also thinks Aviva should have accepted one more payment into the pension after the payment in September 2024 (which was a payment for the August 2024 pension contributions). This is because the wind-up petition wasn't issued until late October 2024 so he thinks there was time for an additional payment to be made prior to this.

I'm aware that Aviva was already in talks with Firm S by this time and that it gave careful consideration to the situation. But ultimately its decision was not to accept any further contributions, after the payment it received in September 2024. This was a matter of its legitimate commercial judgement which I think it was entitled to make. So it wouldn't be appropriate for me to comment further on this aspect.

I appreciate Mr M feels strongly about this matter and although he has my natural sympathy, I'm not upholding his complaint because I don't think Aviva has treated him unfairly.

My final decision

For the reasons explained, I am not upholding this complaint as I don't think Aviva has treated Mr M unfairly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 October 2025.

Lorna Goulding

Ombudsman