

The complaint

Mr L complains that Aviva Life & Pensions UK Limited failed to handle his request to partially transfer his Self Invested Personal Pension (SIPP) to another pension provider in a timely manner. Mr L says Aviva's delays caused him financial loss. Mr L is also unhappy with the poor customer service received during the transfer process. He said the matter caused him stress and worry because he thought Aviva's errors and delays were going to result in him losing the commercial property he was going to buy following the transfer.

What happened

Mr L's complaint was considered by one of our investigators. She sent her assessment of it to Mr L and Aviva on 19 February 2025. The background and circumstances to the complaint were set out in that assessment and are known to both parties, so I won't repeat them all again here. However to summarise, the new pension provider (which I will refer to as Provider A), e-mailed Aviva with transfer documentation on 13 March 2023. Over the next few days relevant correspondence about the transfer was exchanged between Aviva, Mr L and Provider A. Mr L e-mailed a completed Transfer Questionnaire to Aviva on 24 March 2023. Mr L didn't hear anything further, and so e-mailed it to Aviva again on 20 April 2023. Aviva e-mailed Provider A the next day for information about the intended investment. On receipt of the information from Provider A on 21 April 2023, Aviva did not contact Mr L until 9 May 2023 for a completed declaration. Mr L signed and returned the declaration on 10 May 2023. The transfer was ultimately completed on 22 May 2023.

Our investigator said that she didn't think that Aviva had caused any delays up until 24 March 2023. However she said that, on the balance of the evidence, she thought it was likely that Aviva had received the e-mail and questionnaire Mr L had sent to it on 24 March 2023. And so she thought that Aviva had caused a delay by not progressing matters on receipt of that questionnaire. She also said she thought Aviva hadn't acted in a timely manner on receipt of the information from Provider A on 21 April 2023 – causing another short delay. Overall she thought Aviva had caused delays totalling 21 working days taking Aviva's usual internal service standards into account. The investigator said if Aviva had acted in a timely manner she thought the transfer should have taken place on 21 April 2023. She went on to set out how she thought Aviva should calculate and pay fair compensation to Mr L.

Mr L agreed with some of the investigator's findings, but not others. In summary, he questioned whether the compensation recommended by the investigator would work given he went on to buy a commercial property following the transfer. And he said although Aviva may have adhered to some fairly standard turnaround times, he was in constant contact with it and chasing because he needed the transfer to go through as there was a deadline on the property purchase. He said if the firm had gone above and beyond to try to help rectify the

situation the declaration could have been completed quicker, as well as the time to complete the transfer once Aviva had the required paperwork.

Aviva also provided further evidence and arguments. It said it hadn't received the transfer questionnaire back from Mr L until 20 April 2023, as Mr L had initially questioned the need to complete it. It also said that once it had received the transfer questionnaire it had to contact

Provider A to check the intended investment didn't meet the definition of a residential property. It said the matter had to be referred to its technical team as there was some ambiguity relating to the status of the property and whether it had an element of a residential property connected to it.

The investigator responded to the points raised by Aviva and Mr L. However as the parties didn't agree with her assessment the complaint was passed to me to consider.

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.

In deciding what is fair and reasonable I've taken into account relevant considerations which include the law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice. And having done so I've come to largely the same conclusions as the investigator, and largely for the same reasons.

The investigator said that overall she thought Aviva had caused delays totalling 21 working days, and she thought if Aviva had acted in a timely manner the transfer ought reasonably to have been completed by 21 April 2023. I think that, looking at the events in the round, that is a reasonable timeframe.

The investigator explained why she thought it was likely the Transfer Questionnaire had been attached to Mr L's e-mail dated 24 March 2024 even though a copy Aviva had provided to us didn't show it. She'd noted that Aviva had provided two copies of Mr L's later 20 April 2023 e-mail to us, one did show an attachment and one didn't. So she didn't think the lack of attachment on the copy of the e-mail provided to us necessarily showed there was no attachment to the 24 March 2023 e-mail. However the investigator said that, even if there hadn't been an attachment with the e-mail, Aviva should have alerted Mr L that it was missing. And given Mr L's usual prompt response times, he would likely have resent it without delay. So like the investigator, I don't think it should have made a significant difference to the timeliness in any event.

I do agree with Mr L that although Aviva had its own internal service standards that didn't necessarily mean that it is always reasonable for it to take that amount of time in all circumstances. The investigator e-mailed Mr L on my behalf to explain that looking back at events in hindsight and deciding what reasonably might have happened was a matter of judgement to decide a reasonable date taking all the circumstances into account. I said I thought the date of transfer recommended by the investigator of 21 April 2023 was reasonable in all the circumstances. Mr L subsequently said he accepted that date.

The investigator had recommended that to provide fair compensation Aviva should obtain the notional value of Mr L's pension with Provider A, and compare this with its current value – assuming the transfer had happened on 21 April 2023. However I note that Mr L was making a partial transfer of a specific amount in order to help buy a commercial property (which I understand was £210,000 and I understand he did manage to buy the property). So I think if the unit prices had been higher at an earlier date on which the units would otherwise have been disinvested, Aviva would have needed to sell fewer units to meet the £210,000. The additional units sold (at the later date – if they were at a lower unit price), would effectively have remained in the pension with Aviva. So I think the appropriate compensation is to add any lost units back into Mr L's policy (in £ terms the cost of buying those extra units).

Therefore, whilst I think the transfer date of 21 April 2023 is reasonable, I think the key date for the purposes of calculating fair compensation is the date that the units were disinvested – which was a few working days before the date the actual funds were transferred. So in calculating fair compensation and deciding on the date the units would otherwise have been disinvested if Aviva had acted in a timely manner, Aviva should mirror the time it actually took (i.e. calculate the same number of days from the date used for the disinvestment of the units to the time the transfer value was actually sent to Provider A, and then take that number of working days back from 21 April 2023 to determine the notional disinvestment date.

Putting things right

Fair compensation

My aim in awarding fair compensation is to try and put Mr L broadly back into the position that he would likely have been in if Aviva had processed the transfer in a timely manner.

Mr L was ultimately able to buy the commercial property as intended. However if the value of units was lower at the actual date of disinvestment then more units would have needed to be sold to make up the sum transferred (if the units value were higher at the actual date of disinvestment then there would be no loss). Therefore Aviva should calculate the number of units it would have needed to sell to provide the transfer value requested (which I understand was £210,000) at a notional disinvestment date, and compare this with the number of units actually sold. It should use the disinvestment date as I have described above (the same number of working days prior to 21 April 2023 that it actually took from disinvestment to transfer to Provider A).

Such an amount as may be required to equal that compensation should, if possible, be paid into Mr L's pension plan. The payment should allow for the effect of charges and any available tax relief.

However the compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance. If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mr L as a lump sum after making a notional deduction to allow for future income tax that would otherwise have been paid on it.

If Mr L has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to his likely income tax rate in retirement – presumed to be 20%. So making a notional reduction of 15% overall from the loss adequately reflects this.

I also consider the evidence shows the inconvenience Mr L was put to when chasing the transfer of his pension and his concern that he would lose the property he intended to buy because of Aviva's delays. In recognition of the emotional and practical impact of the delay, Aviva should also pay Mr L £200 in compensation.

My final decision

My final decision is that I uphold Mr L's complaint.

I order Aviva Life & Pensions UK Limited to calculate and pay compensation to Mr L as set out under 'Putting things right' above'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or

reject my decision before 9 July 2025.

David Ashley
Ombudsman