DRN-5684500

The complaint

Mr C's complaint against Aviva Life & Pensions UK Limited ("Aviva") is about the performance of his whole of life investment plan.

What happened

Mr C took out a whole of life investment plan in 1982 with a sum assured of £3,200.

In late 2024 Mr C complained to Aviva about the performance of his plan. Aviva said there had been average growth of 6.43% per annum over the preceding 40 years and didn't uphold Mr C's complaint.

Mr C remained unhappy and referred his complaint to our service. He said the plan hadn't performed as expected and he thought Aviva's valuation was incorrect. He was particularly concerned about a slowdown in growth since about 2017 when Aviva took over responsibility for the policy.

Our investigator looked into Mr C's complaint and said:

- Although the growth rate on Mr C's plan wasn't as high as he expected, that wasn't something she could hold Aviva responsible for. The projected growth rates that Mr C was given when he took out the plan were not guaranteed and there are many reasons why an investment might not perform as expected.

- However, based on the information she had seen, she thought there had been an error in the amount of Mr C's monthly premiums being invested in his plan. She said that Aviva should reconstruct Mr C's investment on the basis that the amount of the premium being put towards the investment should have been £4.75 a month since 1 July 1992.

- She also said Aviva should pay Mr C £150 for the distress and inconvenience he had experienced in trying to obtain answers for a number of months as to why the value of his plan wasn't as he expected.

In response Mr C said he still hadn't got answers as to why his plan had achieved such poor returns compared to growth rates over the period. He said his latest statement showed a value of just £7,815 after 42 years of investment and growth. I have therefore been asked to make a final decision on this complaint.

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.

The crux of Mr C's complaint is that he thinks the performance of his plan compares unfavourably with growth rates over the same period.

Mr C's plan is invested in the Aviva Life Managed fund. The fund managers are responsible for buying and selling investments within the fund, with the objective of achieving capital growth over the longer term.

Aviva have provided Mr C with information on the growth rate achieved by his plan in each of the last 40 years. The annual growth rates have varied considerably as would be expected for an investment with substantial equity holdings which are likely to have been affected by events that impacted the wider markets. Over the 40-year period, however, the average growth rate of Mr C's plan has been 6.43% a year.

I've considered what Mr C has said. But the fact that his plan has not performed as he thinks it should have, or as well as some other investments, does not mean it was mis-managed by Aviva. I've not seen evidence that any guarantees were given to Mr C about the performance of his plan. And with the exception of the point I will consider next, I've not seen evidence that Aviva have done anything wrong in how they have managed Mr C's plan.

As I've already noted however our investigator thought Aviva had made an error in the amount of Mr C's monthly premiums that were being invested in his plan.

Aviva provided information in March 2025 showing that when Mr C took out his policy in 1982, he initially paid his premiums on a quarterly basis. That was changed to a monthly premium of £5.28 in July 1983. At the same time the amount of the premium invested changed to £2.16 from July 1983, increasing to £3.84 from July 1985 and then to £4.75 from July 1992.

Mr C's monthly premium of £5.28 has remained unchanged since July 1983. Aviva have said that on their electronic policy system however the investment premium is recorded as £4.32 rather than the £4.75 quoted in the policy schedule. Aviva acknowledged that such a difference would have a small impact on performance but wanted to check whether it was an error or if there was another explanation.

When our investigator issued her final view on this case in June 2025, she said that Aviva hadn't provided any reasoning for the difference. That remains the case and so I think it is fair and reasonable for me to conclude that the difference in investment premium is due to an error on Aviva's part. I therefore agree with our investigator's findings on this point and on what Aviva should do to put things right.

In summary, I have decided to uphold in part Mr C's complaint. To put things right, Aviva should:

- Reconstruct Mr C's investment plan on the basis that the amount of the premium being invested should have been £4.75 from July 1992 and thereafter. Once this has been completed, Aviva should provide Mr C with a statement showing the current value of the plan.

- Pay Mr C £150 for the distress and inconvenience he has experienced in trying to obtain a full explanation of the value of his plan.

My final decision

For the reasons I've explained, my final decision is that I uphold in part Mr C's complaint.

Aviva Life & Pensions UK Limited should put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr C to accept or reject my decision before 23 September 2025.

Matthew Young
Ombudsman