

The complaint

Mrs A has complained about her experience with Aviva Life & Pensions UK Limited (Aviva) when she requested a payment from her pension. Mrs A is unhappy with the time it took to process the transaction, the level of communication she received whilst this was ongoing, that she's had to spend a large amount of time chasing things up, make multiple complaints in the process and that she's lost interest on her pension value as a result of the delays.

To resolve things, Mrs A would like Aviva to reconsider the compensation that has been offered and explain how it arrived at its calculations regarding the interest accrued because of the delays.

What happened

The investigator who considered this matter set out the background to the complaint in his assessment of the case. I'm broadly setting out the same background below, with some amendments for the purposes of this decision.

Mrs A had a New Generation group personal pension policy with Aviva, and on 7 May 2024 Mrs A contacted Aviva to update her address details as she had moved overseas to live there permanently. She was also turning 65 that month. Aviva confirmed on 23 May 2024 that it had everything it needed to update her address on its system.

On 12 June 2024, Mrs A contacted Aviva to confirm her options for accessing her pension. A retirement pack was sent out to Mrs A on 26 June 2024. This should have been issued on 18 June 2024.

On 1 July 2024 Mrs A was sent a pension illustration. She needed to confirm the option she wanted to take and then sign a declaration by "DocuSign". Following these steps, on 11 July 2024 Mrs A provided the documents that Aviva had requested previously. Aviva then sent out an overseas payment form for Mrs A to complete.

On 26 July 2024, Aviva requested more information from Mrs A as it wasn't satisfied with the bank statement that had been provided. Mrs A sent in certified documents on 31 July 2024. Aviva requested the documents again on 5 August 2024 as it said the ones it had received weren't clear enough to be accepted.

On 19 August 2024, Mrs A was told that Aviva had everything it needed to proceed and that she should receive payment within 10 days.

In the meantime, Aviva continue to undertake its checks. There were internal discussions around whether the documents which had been supplied were suitable. It wasn't then until 18 October 2024 that Aviva confirmed that it needed further information. Mrs A had asked in the meantime if the payment could have been sent to her UK bank account, but this request wasn't responded to directly by Aviva.

On 5 November 2024, Mrs A raised her first complaint about the delays and the level of communication she had experienced up to that point. Aviva responded on 4 December 2024. It acknowledged that it had caused delays and offered Mrs A £75 for the distress and inconvenience caused.

Following further internal discussion, another complaint was raised on Mrs A behalf on 20 December 2024. It wasn't until 24 December 2024 that Aviva confirmed that the transfer could go ahead, and the funds Mrs A requested were paid out. Mrs A was sent a payment confirmation, which included a P45, via post. This confirmed that the value of the fund on 6 December was £20,133.58 and that, after tax deductions, Mrs A would be paid £15,001.78.

A few days later Aviva issued a second final response. It apologised for not responding to Mrs A's queries regarding a UK bank account for payment. Aviva offered Mrs A £100 as a compensation award and calculated that Mrs A was owed £111.33 in interest. It didn't provide a copy of its calculations for Mrs A to consider.

Mrs A received the money into her overseas bank account on 30 December 2024. On 3 January 2025, Mrs A confirmed that she hadn't received the payment confirmation yet, and Aviva emailed these documents to Mrs A on 6 January 2025. These emails were supposed to contain the P45, but Mrs A was unable to see these attachments from her email account. Following this, a third complaint was raised on 12 January 2025 regarding Mrs A not receiving the P45 information.

Aviva responded to the third complaint on 22 January 2025. It explained that, according to its systems, Mrs A had been provided with the P45 information on previous occasions, but it was provided again with the final response.

Mrs A went on to raise another complaint on 5 February 2025 regarding the delays she'd experienced up to that point and the effects these delays had had on her. Aviva responded to this fourth complaint on 11 February 2025. It acknowledged that it was responsible for a host of unnecessary delays and offered Mrs A an additional £25 for this.

Mrs A contacted Aviva after reviewing the final response and remained unhappy at multiple items that she felt hadn't been considered or responded to in a satisfactory way. Aviva responded to Mrs A's concerns in an email on 4 March 2025. It was at this stage that Mrs A approached our service as she remained unhappy with the responses she had received from Aviva up to that point. Mrs A has highlighted that, although some payments had been received, these didn't match the figures quoted in the final responses.

Mrs A was particularly unhappy with the interest calculations that Aviva had provided her with, as the interest calculations she had been given by her overseas bank led her to believe that she had lost out on around £3,500 of interest as a result of delays from Aviva.

When this service contacted Aviva for its file, it reviewed the complaint again and made an offer in an attempt to resolve things. It confirmed that the interest offered in its second final response had been calculated using the Bank of England's base rate plus 1%, which gave the initial figure of £111.33. In reviewing its complaint, it used our service's interest rate of 8% from 27 July 2024 to 24 December 2024. This confirmed that the interest owed was an additional £372.99 on top of what had already been calculated and paid.

As a result of this, the service issues highlighted and other delays that Mrs A had experienced, Aviva offered to pay Mrs A an additional £200 for its actions and the distress and inconvenience caused to Mrs A as a result of the delays. This brought the total compensation package to £572.99. Mrs A rejected this, however.

Having reviewed the matter, the investigator said the following in summary:

- With regard firstly to the first final response about the delays in processing the claim, when reviewing the events that had taken place up to 4 December 2024, Aviva acknowledged that its internal process could have led to better communication overall, and as a result, it offered Mrs A £75 compensation for its actions at this stage.
- It explained that the delays in this period took place because its due diligence teams were considering the documents that Mrs A had provided. Between 14 August 2024 and 8 October 2024, there were internal discussions between the due diligence team and the administration teams. From the available evidence, it seemed that some information wasn't being reported or recorded incorrectly by the due diligence team, leading to additional requests for information already held. This caused some avoidable delays.
- Mrs A sent chasers during that period, and she was told that the payment was progressing, but heard nothing more than that. Aviva had explained that the contact centre provided Mrs A with its standard response, which was that it took 10 working days to process claims. Unfortunately, those teams weren't connected to the pension administration teams, so their knowledge of what was needed would have been lacking in these instances.
- The 10 working days was a guide for how long it was expected it would take to process things, and this clearly raised Mrs A's expectations regarding the next steps and what she should expect. This was clear because in multiple emails to Aviva, she referenced timeframes she was given to receive her payment.
- Although not sharing the details around what was happening in the background made sense, this was a situation in which, once it had taken longer than a month for payment to be made, Mrs A should have been afforded a more detailed explanation around the delays, and then a better idea of when her pension payment could be made.
- Mrs A was told that Aviva tried to contact her lawyer who certified her documents. But Aviva hadn't been able to provide specific evidence of the contact attempts that had been mentioned in conversations. Mrs A's response to this element seemed reasonable, in the sense that it wasn't clear what channels of communication were used and if all the methods of communication were explored to try and move things along.
- Although security measures would have been in place to protect customers and Aviva would have felt it needed to ensure that it had documents which could be relied upon for Mrs A, those protections shouldn't be unnecessarily prohibitive or obstructive. So, in this instance, some regular updates may have been more helpful, not least to show Mrs A that her retirement claim was being processed.
- Aviva had acknowledged that the process to verify Mrs A's detail took longer than it should in its final response and provided reasons for the delay, owing to limited resources and a high number of requests at the time. But based on the available evidence, Aviva should have done better when processing the claim. Staffing issues and the number of requests weren't the responsibility or concern of customers to manage. As a business, Aviva should have ensured that, where possible, it was adhering to its service standards, and if any deadlines were going to be missed, it

should have been proactive in informing Mrs A about that. By needing to continually chase matters to establish when she should receive the funds, Mrs A didn't have a good customer service experience.

- When the final response was issued, the offer of £75 was lower than the investigator would have suggested at the time, owing to how long it took for Aviva to process the claim, and the amount of chasing by Mrs A. However, at that stage Aviva was still waiting on information to satisfy its security checks, so it was understandable as to why that offer was made in the context of the complaint. It was also important that Aviva highlighted that it would consider any financial loss as a result of its actions, because this was something the investigator would have recommended.
- Whilst the unreasonable delays themselves were unfortunate, the reason behind them, i.e. verification of documents, was understandable. So, Aviva didn't need to do anything further regarding this element of Mrs A's complaint.
- With regard to the further delays addressed in the second final response letter, when reviewing the complaint, Aviva acknowledged that it had been responsible for delays and offered Mrs A £100 for this. It also calculated lost interest as a result of its actions to be £111.33, which it would pay to Mrs A.
- Aviva conceded that its procedures relating to sending Mrs A information within its service standard wasn't followed, and it acknowledged instances where updates should have been given to Mrs A regarding her change of address. It was important to recognise that Aviva had acknowledged that it didn't follow its own processes, and this was something which Mrs A had raised on a number of occasions.
- It wasn't ideal and the expectation was that, if deadlines for responses were given, they should be met. But whilst there could be occasions where these things were missed, it would be hoped that it didn't happen on more than one occasion. Over the course of these complaints, there were instances where some of Mrs A's queries weren't always responded to as quickly as they could have been, but at some stage her requests were acknowledged.
- Aviva further clarified what had happened between the administration team and the retirement team regarding the length of time the background checks were taking. It confirmed that it wasn't until 6 December 2024 that it emailed Mrs A's lawyer. From the available information, it seemed that previous contact was via phone up until that stage. There was no indication of how long it should have taken to process the lawyer's certifications once they were received, but it took the due diligence team 12 working days to authorise the payment once it received everything it needed. This was outside of the 10 working days that had previously been mentioned, but this took place in a period of time where there likely would have been staff shortages due to the seasonal holidays.
- Mrs A had queries regarding whether using a UK bank account was an option to speed things up. She sent multiple emails to Aviva regarding this, and Aviva confirmed that it didn't acknowledge and respond to her queries about using a UK bank account. Aviva had since confirmed that making the payment into her UK bank account would have been an option, but it wouldn't have removed the security requirements that Aviva had in place.
- So, it was likely that Mrs A would have had similar issues regarding the documents she provided to Aviva to confirm her identity and address information. With Mrs A's

address no longer being a UK address, there would have been a need for new payment forms and details for the UK bank account.

- Ideally, Aviva should have provided this response to Mrs A in the first instance when she asked the question about using her UK bank account on 6 September 2024.
- Because she didn't receive a reply to this question, she needed to ask the same question a further four times between 1 and 31 October 2024. This wasn't good customer service from Aviva.
- Aviva confirmed how much interest would be applied due to the delays, but didn't provide any information on how these were calculated. When it offered the interest payment, ideally it would have provided Mrs A with a breakdown of how it had calculated this, as this caused Mrs A some confusion which she later queried. Mrs A was overseas and had pointed out in the complaints raised that she was expecting the interest that was applied within her overseas bank to be used. A breakdown of the calculations at the outset could have prevented this confusion.
- Overall, therefore, Aviva had acknowledged that there were service failings and tried to compensate for this with its offer of £100. And this offer was reasonable and in line with what the investigator would have suggested. Although Aviva could have done more in the final response letter issued, it covered off the important points that needed to be considered and made a reasonable offer based on what had happened. The interest rate wasn't what our service would suggest, but as has been noted above, Aviva decided to rectify this once the complaint was with our service, so overall Aviva shouldn't need to do anything further in this instance.
- With regard to the third final response, which addressed the missing P45 information, Aviva apologised for Mrs A not receiving her P45 on 6 January 2025. It wasn't disputed that Aviva sent three emails with attachments, but for reasons which were unclear, Mrs A wasn't able to retrieve the P45s which Aviva said were attached to these emails.
- The investigator said he'd seen the payment confirmation letter which was sent on 24 December 2024 to Mrs A's overseas address. This document contained the P45. There was a discussion around the device being used to access the emails, as Mrs A confirmed that when she used her computer, she was able to see the attachments but still unable to retrieve the P45.
- It wasn't until Mrs A received the final response that she acknowledged receiving the P45. This was after she'd been told that it could not be replicated when she initially contacted Aviva in early January 2025 for confirmation of the tax which had been deducted.
- Aviva had confirmed that its process was to post documentation unless a customer requested something be sent via email. Based on the available evidence, it had followed its process. The investigator considered that it was very unlikely that Aviva failed to provide the P45 as an attachment on three separate occasions on the same day. Mrs A said that she received the information she needed by 22 January 2025, and it hadn't been demonstrated that the 16 days between 6 and 22 January 2025 had caused Mrs A any financial loss.
- As far as Aviva could tell, the P45 was issued on four separate occasions before Mrs

A received it with the final response. The available evidence didn't support the position that Aviva hadn't included the P45 on every occasion that it was issued or requested, so it was difficult to conclude that Mrs A was treated unreasonably in this instance. Although Mrs A didn't appreciate being told that her phone was potentially an issue, it was fair for Aviva to make the observation, as it likely had more experience of different customers having similar issues when retrieving attachments.

- With regard to the fourth final response, which acknowledged elements of the three previous complaints in addition to ongoing issues with communication, Aviva addressed multiple issues which had already been covered above, so the investigator focused on the issues which hadn't been considered up to this stage.
- After its investigation, Aviva offered a further £25 in an attempt to resolve the complaint. Avia confirmed that, but for its delays, it should have been able to process the claim with a date of 27 July 2024. The investigator had been provided with a timeline which took into account the timeframe Aviva had to process information. There was nothing to suggest that Aviva's proposed date wasn't a reasonable or fair one to use in terms of when the claim should have been processed.
- Aviva had since confirmed that the fund value on 27 July 2024 would have been £19,646.76, whereas on 24 December 2024 it was £20,133.58. After tax deductions, the net value from the July 2024 payment date would have been £14,741.48 as opposed to £15,001.78 for the December 2024 payment. As highlighted above, the interest calculated as a result of the delay between July and December 2024 was based on the Bank of England base rate plus 1%, which meant that there had been a £111.33 loss. This detail regarding the dates and the figures involved was lacking in previous responses, and as previously set out this should have been provided to Mrs A in a clear and simple format so she could review what had happened.
- Aviva apologised for Mrs A receiving inconsistent information in the communications she had with it. This was relevant to the point raised above about different departments being involved in the claim process. Ideally, whenever a customer contacted a business, whomever they spoke to would provide the most up to date and relevant information relevant to whatever query was being considered. But it seemed that, on occasions, Mrs A would be speaking to customer service agents who would provide generic information, and this would add to the confusion felt by Mrs A.
- Aviva had adequately acknowledged what had happened in this instance since the complaint had been raised. It was unfortunate that Mrs A didn't get through to the same department when she contacted Aviva, but it was understandable as to why she was given the answers she was.
- There was evidence that an Aviva agent attempted a call back with Mrs A, however Mrs A had disputed this, explaining that she had no missed calls or voicemails on the date in question - 13 August 2024. If a call back was meant to happen and for whatever reason the call was unsuccessful, one of two things would be expected to happen - another call would be scheduled the next working day or an email would be sent confirming that a call was unsuccessfully attempted.
- Mrs A made it clear that she wasn't happy to accept the payments when they were proposed. This being the case, ideally Aviva should have made it clear that the money offered would remain available for a specific amount of time if Mrs A changed her mind rather than just making the payment into her account. Once that time frame

elapsed, after say three to six months, then it would be expected that Aviva would make the payment if it had heard nothing further. Ignoring a customer's wishes regarding payment wasn't good customer service. This hadn't really been covered in the final response but it was fairly clear that Aviva made the payment once it had confirmed that the claim had been finalised.

- Mrs A had said that the amount she received was different to the amounts quoted by Aviva in the first two final response letters. It was unclear as to why that was the case, but it was likely due to exchange rates being different over time. Mrs A received more than she'd been quoted, so it couldn't be said that Mrs A had lost out as a result of Aviva making the payment to her without any acknowledgment or confirmation.
- Aviva also confirmed that the payments offered in the first and second final responses hadn't been made until the complaints had been considered to be resolved. But there was no indication that Mrs A had accepted the conclusions of the final responses in the evidence provided to this service.
- Aviva also acknowledged that Mrs A felt the complaints had been raised by it on her behalf, which she was unaware of until she received the final response for them. The investigator thought that Aviva did a reasonable job of explaining why it felt that Mrs A comments could be considered as complaints, and as such acted appropriately when setting up and investigating those complaints on her behalf. All the responses were issued well within the eight weeks that businesses were afforded to respond to complaints, so the investigator had no issue with Aviva's actions in that respect.
- In light of all the issues reviewed in the February final response letter, in addition to the £175 that had already been offered for distress and inconvenience, Aviva offered a further £25, bringing the total compensation offered at that stage to £200. This took into consideration what had happened after 20 June 2024. Aviva also offered to consider any further losses as a result of its delays but needed evidence of this to move forward. To date, the £25 payment remained unpaid.
- When considering the complaint as a whole, the investigator didn't think that £200 was a reasonable amount of compensation to award for the distress and inconvenience experienced by Mrs A. There were many examples of things that Aviva didn't do well, and examples where Aviva attempted to resolve these issues. However, the impact of the experience on Mrs A was more significant than the offer which had been made. But the investigator said that it was good to see that Aviva had considered the wider impact of its actions in terms of actual financial losses.
- Following Aviva's February final response letter, Mrs A responded on 19 February 2025. Mrs A queried how the calculations were made and explained that she'd gathered information from her overseas bank regarding her potential losses. She said that her financial loss was £3,539. Mrs A also highlighted other things she was still concerned about, namely:
 - that the compensation offered fell short of our service's guidelines,
 - that the response letters had some inaccuracies,
 - that Aviva focused on issues with her phone rather than what she was telling them about the missing P45s,
 - that the missed phone call hadn't been adequately responded to, and
 - that she was given information in August 2024 that Aviva would make the payment in 10 working days which turned out to not be true.

- Aviva responded to these points on 4 March 2025. It confirmed that it would need her bank statements from after the payment was completed in December 2024, and that her bank provide the applicable interest rate on letter headed paper. It also provided further details and a breakdown of how it would calculate any potential losses, along with a breakdown of the payments Mrs A received on 25 February 2025, which confirmed she'd been paid a total of £212.14.
- There were further responses to the points raised, and further apologies provided as a result. We'd also been provided with the document that Mrs A was sent, dated 18 February 2025 and that she subsequently sent to Aviva. Mrs A had chosen not to send her bank statements to Aviva, as she felt it was unnecessary for Aviva to be able to see her banking activity to resolve her concerns about lost interest.
- The investigator sympathised with Mrs A's reasons, but said that Aviva was entitled to ask for the information it requested. It would have been important for it to understand how the interest rate was calculated and that the overseas bank provide any type of calculations on official documents. This would have been to prevent any fraud and to make sure that the correct payments were being calculated and paid, if they needed to be.
- The further information and details provided in Aviva's letter of March 2025 also went some way to providing details where previously some issues hadn't been explained in the depth which Mrs A required.
- Although Aviva had explained that it needed more formal documents before it could consider the loss claimed by Mrs A, it was important to acknowledge that the interest Mrs A says she'd lost out on was significantly different to what her bank says she has lost out on.
- Having reviewed the interest calculation Mrs A has referenced, it seemed that her bank had calculated the interest owed as £3.539 not £3,539. It was unlikely that the exchange rate would have differed too much from the current one since 18 February 2025, so it was very unlikely that Mrs A was owed £3,539 in interest.
- However, if Mrs A was able to obtain the information which Aviva had requested, in the format it needed, and it reinforced what Mrs A believed to be her lost interest, then Aviva would consider these losses and make payment where needed.
- Aviva had also explained that feedback had been given to the teams and individuals involved in this complaint, and as a service we would expect businesses to learn from events such as these to prevent future complaints from occurring.

The investigator then set out his consideration of whether Aviva needed to do anything further to resolve this complaint based on what had happened and what should have happened, as follows:

- Aviva had already confirmed that the payment should have been made using a claim date of 27 July 2024 if it hadn't caused any unreasonable delays. So, it had acknowledged that it was responsible for around five months of delays and calculated interest accordingly.
- Since the complaint had been referred to our service, Aviva had completed loss calculations using our service's interest rate of 8% pa simple. As highlighted in the

background, and as had been explained to Mrs A previously, that meant that the total outstanding interest, based on the July 2024 payment date, was £484.32. As Aviva had already paid £111.33, there remained £372.99 to pay. Had it not completed these calculations using 8% as the interest figure, this was something that the investigator would have recommended. Our role was to put the customer back in the position they should have been in, or as close to that position as possible, were it not for the business' mistakes.

- Aviva had confirmed that £25 was still outstanding from the compensation that had been offered prior to the complaint coming to this service. Otherwise, all other payments had since been made, and Mrs A had confirmed that she'd received these payments.
- Overall, the investigator hadn't been satisfied with Aviva's initial combined offer of compensation (£200). Aviva should have been aware of how these delays were affecting Mrs A, as she was constantly chasing matters with it as well as the amount of information that was incorrectly being passed on, in addition to the lack of response to specific questions such as that regarding using the UK bank account instead.
- It was unfortunate that the relevant departments didn't have better lines of communication, as things could have been dealt with quicker and better if that was the case. There were a lot of unreasonable delays, for which Aviva had apologised on a number of occasions, and based on our guidelines, the investigator would have recommended a higher award in respect of this.
- However, Aviva's additional offer for compensation (£200) plus what had already been offered (£200) was a fair recognition of the effect of its actions on Mrs A. It was difficult to quantify the loss of time that Mrs A suffered as a result of having to chase matters, but Aviva's offer attempted to address this, so the additional £200 to resolve Mrs A's complaint was reasonable.
- This meant that Aviva needed to make a payment of £225 to Mrs A to fairly resolve the complaint, as well as make a payment for the outstanding interest owed. And if Mrs A wanted Aviva to consider any further potential losses with her overseas bank, she would need to provide Aviva with the information it had requested in the format it had outlined.

In response, Mrs A said that the investigator had made a mistake in his calculation of the interest owed, and that the dot had instead represented a comma.

The investigator acknowledged this, but said that as Aviva hadn't responded to his assessment, it would need to be referred to an ombudsman for review.

Mrs A then submitted further comments as follows:

- She explained to Aviva (at the DocuSign stage) that the overseas bank statements didn't have address details and therefore attached different documentation which had her overseas address on it. This was an internationally accepted document, but apparently not for Aviva.
- She would be forwarding the emails which didn't have her P45 attached as the investigator had been unable to confirm this.

- She'd been extremely unhappy that a person named in a complaint would also be the complaint handler.
- There was no confirmation of a money transfer on the 24 December. She was attaching an email she sent on the 20 December which enquired about that very subject.
- The information regarding the loss of interest was totally different than when sent to the investigator. She'd provided the information from her bank regarding the loss of interest on the total amount deposited. The document had been signed by her bank manager and stamped, with the relevant rate of interest and lost interest shown in the local currency and also sterling.
- The overseas bank used full stops instead of commas, but she'd clearly been referring to the total amount deposited. Aviva should pay the lost interest, particularly as it ignored her questions regarding the use of a UK bank account. At that stage she hadn't been thinking of interest, rather just being paid her pension.
- She'd requested all correspondence by email right from the beginning as post didn't arrive at her overseas address. On several occasions she'd been told that things had been sent, including her P45. This still hadn't arrived and neither had anything else from Aviva.
- Payments had been made into a sterling account and so she wasn't sure how the comment on exchange rates being different was relevant.
- She was still extremely angry at the way she'd been treated and the time it had taken - and was still taking - to get a resolution.

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.

And having done so, I've reached broadly the same conclusions as the investigator, and for similar reasons.

To address the matter of the comments in the first final response letter, I would agree that, in light of the situation at the time that letter, the offer of £75 was probably about right in the circumstances as set out by the investigator, especially given its assurance that it would consider any consequential financial loss as a result of the delays.

Similarly, I think the further £100 in respect of the further issues Mrs A experienced and which were addressed in the second final response letter would be appropriate, especially given that Aviva had by this point undertaken a loss calculation to determine the loss of interest to Mrs A (albeit that this was then reassessed later on).

With regard to the missing P45 information, as with the investigator, I've noted that Aviva did send three emails which it said included the P45. Mrs A wasn't able to access that information, and I've noted the emails which Mrs A has sent to the investigator since his assessment of the matter. But I don't think I can draw any firm conclusions from emails which have been forwarded and so may in any case have lost their original attachments. And as with the investigator, I do think it's unlikely that Aviva would have failed to add the attachments on three separate occasions.

The investigator said in his assessment that Mrs A had received the P45 by 22 January 2025, but Mrs A has said that she still hasn't received this. And so I'll address this further below.

Turning then to the timeline Aviva used to calculate the lost interest, I can't see that Mrs A has disputed the investigator's finding that the date of 27 July 2024 was appropriate to use as the notional date of payment, had the unnecessary delays not been incurred. I've also considered that timeline, and it seems a fair representation of what should have happened here, compared to what did actually happen.

I've also noted that, had payment been made on 27 July 2024, it would have been lower than that paid in December 2024, by around £250. And so, this was in any case higher than the interest of £111.33 which was initially offered. And so, Mrs A would have been better off by virtue of the higher fund value in December 2024, and also compensated for the financial loss of not having access to the money sooner.

The recalculation of the interest sum to account for the 8% pa simple interest which this service would typically award in such instances meant that the overall interest due would be £484.32 – in addition to the approximate £250 by which Mrs A was better off because of the higher fund value paid in December 2024. And so the amount in respect of the financial loss seems reasonable to me.

I've further noted what Mrs A has said about the actual rate of interest which she would have received in her overseas bank account, this being an average interest rate of exactly 50% for the delay period in question. But I would say that, albeit without specific knowledge of the interest applicable in the country in question, this would be quite a high rate of interest to be applicable on a bank account. Therefore, if Mrs A would like to pursue the matter of a higher interest rate which would have been applicable, I think Aviva is entitled to request evidence in the form of Mrs A's bank statements for the relevant period so that it can verify the interest rate which she was receiving on her account in that timeframe.

In terms of the other failings identified by the investigator as set out above, along with Mrs A's own comments regarding what has happened, and her residual frustration and anger over this, I'd agree that the overall payment in respect of this of £200 would be on the low side. Aviva has, however offered an additional £200 in addition to the original overall £200 offer (made up of the £75 and £100 amounts offered in December 2024, and the £25 amount offered in February 2025), in addition to the additional interest due to Mrs A of £372.99.

I think the overall payment of £400 in respect of distress and inconvenience, along with additional interest calculated at 8% pa simple on the amount which should have been paid earlier, is appropriate here, and is in line with the type of award which his service might typically make in similar circumstances.

Our website provides guidance for such payments, and a payment of £400 would be appropriate in a situation where the impact of a mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needed a lot of extra effort to sort out. Typically, the impact might last over many weeks or months. And I think this is a reasonable characterisation of what's happened here.

Putting things right

As with the investigator, my understanding is that £175 of the original £200 offered has been paid, and so Aviva would need to pay Mrs A an additional £225. But Aviva should in any case ensure that a total amount of £400, in addition to the corrected interest payment, is

made to Mrs A.

If Mrs A provides the requested evidence (to Aviva's satisfaction) that she would have received a higher rate of interest than 8% pa simple in her overseas bank account, then Aviva should pay the higher amount to her.

As above, it's unclear as to whether Mrs A has received her P45, but on the basis that she's said more recently that she hasn't, Aviva should send this to her.

My final decision

My final decision is that Aviva Life & Pensions UK Limited should undertake the above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 9 October 2025.

Philip Miller
Ombudsman