

The complaint

Miss H complains that Aviva Life & Pensions UK Limited (Aviva) took longer than it should to carry out an internal pension transfer. This led to a period of time when her funds weren't invested, which she thinks may have led to a financial loss.

What happened

Miss H had pension funds with Aviva and wanted to transfer those funds to a Self-Invested Personal Pension (SIPP) also with Aviva. On 11 July 2024, Miss H contacted Aviva about the transfer.

Effectively, one part of Aviva was the ceding provider, and another part was the receiving scheme. Therefore separate Aviva departments were involved.

The receiving scheme sent a request to the ceding scheme through Origo on 15 July 2024.

However, it was soon noted that two of Miss H's policies couldn't be transferred through Origo. So transfer forms would be required.

The receiving scheme wrote to Miss H on 16 July 2024 to tell her she'd need to contact the ceding scheme through another Aviva department to request its transfer out discharge forms. Within that email, the receiving scheme gave Miss H address details for her to use when sending the requested information back.

On 17 July 2024, Miss H contacted Aviva to express upset at having to call round to different departments within Aviva to locate the forms she needed. Subsequently, Aviva sent the transfer forms to Miss H on 18 July 2024.

The receiving scheme emailed Miss H on 24 July 2024. It acknowledged that the transfer was an internal one, but said that its department wasn't dealing with the policies Miss H wanted to transfer. It said she needed to contact the correct department to obtain and then complete and return the required discharge forms.

Miss H asked the receiving scheme to provide a phone number for the relevant department. The receiving scheme did so the same day.

The receiving scheme completed a Transfer Discharge form and Pension Wise Guidance form on 9 August 2024.

The ceding scheme then sent a chaser to the receiving scheme on 13 August 2024 for it to complete its Transfer Statement and to send it its HMRC approval letter.

Miss H then returned her discharge paperwork to Aviva on 19 August 2024.

The receiving scheme sent the ceding scheme the information it'd requested on 22 August 2024. The ceding scheme then sent the funds to the receiving scheme on 23 August 2024.

On 27 August 2024, the receiving scheme received Miss H's funds. But as it still needed

additional scheme information, it couldn't invest those funds.

On 2 September 2024, Miss H called Aviva as she was anxious to know what was happening with her money. She said that she couldn't see her funds in either her new or old account.

The call handler said that the receiving scheme had received about £33K on 23 August 2024. And that the reason the funds hadn't been applied yet was because the ceding scheme had yet to confirm the split of the two policies which had been sent over as a single lump sum. It also needed to confirm the Pension Scheme Tax Reference (PSTR) and Scheme type.

Miss H wasn't happy. She said that her funds were out of the market. The call handler acknowledged this. But said that the receiving scheme couldn't apply the money without the outstanding information from the ceding scheme.

The call handler said she would ask the ceding scheme to send the requested information and would raise a complaint. She sent a follow up email to Miss H the next day.

On 3 September 2024, the receiving scheme contacted the ceding scheme to confirm the split of the two policies. And to ask it again for the information it'd previously requested.

On 5 September 2024, the same call handler called Miss H with an update. While on the call, she confirmed that the requested information had been provided, and the funds were now in Miss H's new SIPP. The call handler told Miss H that Aviva would consider if any loss assessment was needed given the transfer had taken longer than expected. Miss H noted that the stock market had: "*slumped in the last couple of days*", but said it could've gone the other way. The call handler also explained that Aviva's normal timing for a transfer was five working days for the transfer and then ten working days to apply the funds.

I understand that the transfer process was finalised and completed on 12 September 2024.

Aviva (receiving scheme) issued its final response to the complaint on 23 December 2024. It didn't think it'd done anything wrong. It said it hadn't been able to identify any errors with its processes.

The receiving scheme acknowledged that the transfer had been an Aviva-to-Aviva transfer. But it noted that the different departments involved had used different forms. It said that once it'd got the forms back, it received the money on 27 August 2024. But it couldn't apply the money to the SIPP given the outstanding information from the ceding scheme. It said it hadn't got this until 5 September 2024, noting that it'd applied the money the same day and started the investment.

Unhappy, Miss H referred her complaint to this service. She noted that this was an internal transfer within Aviva. She said she wasn't interested in its internal pathways - that was an issue for Aviva. She wanted to be compensated for Aviva's delays.

Our investigator felt that the complaint should be upheld. She felt that Aviva could've obtained the information it needed sooner. She felt the transfer should've completed by 29 August 2024, with the funds being invested by 5 September 2024. She asked Aviva to complete a loss calculation on this basis.

Our investigator also felt that Aviva should pay Miss H £100 for the distress and inconvenience caused by its delays and the poor service it'd provided her.

Aviva didn't tell this service whether it accepted our investigator's view. But it did provide further information on 5 June 2025. The receiving scheme told us the following:

- *27/08/24 - money received - we do not ask for information same day as scheme could have sent this via post etc so we give it 3 working days before chasing*
- *30/08/24 - called scheme for info but office was shut so emailed info needed such as the split as come across as 2 policies and the pension ceding type. 03/09/24 - chaser for information as still not received.*
- *05/09/24 - info confirmed and payment applied*

As agreement couldn't be reached, the complaint has come to me for a review.

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.

Having done so, I agree with our investigator that the transfer should've completed by 29 August 2024, with the funds invested by 5 September 2024. I also agree that Aviva should pay Miss H £100 compensation for distress and inconvenience. I'll explain the reasons for my decision.

I first considered the delays I consider the ceding scheme caused. The receiving scheme said that the ceding scheme had caused the delay when it'd failed to confirm the information it'd needed to apply Miss H's funds to her new SIPP.

Transfer delays

In her view, our investigator explained in detail why she felt that although the transfer had initially progressed as expected, the ceding scheme had later caused avoidable delays. Aviva – through its receiving scheme – also said that the ceding scheme had caused the delays. So I don't think this is in dispute.

Our investigator set out the timeline she would've expected the transfer to follow. Allowing for the ceding scheme to have provided the outstanding information by phone within two working days from the funds being sent, this showed that by 29 August 2024, the ceding scheme should've confirmed the required information, enabling the transfer process to be completed. She then felt the funds should've settled by 5 September 2024.

Having carefully considered all of the information provided, I agree with our investigator's timeline. I'm satisfied that the ceding scheme should've provided the information requested sooner than it did. I therefore uphold the complaint.

I next considered the distress and inconvenience caused by the delays.

Distress and inconvenience

I agree with Miss H that as far as she was concerned, she was dealing with one business for her transfer. Therefore, while I acknowledge that the ceding scheme and the receiving scheme were based in different Aviva departments that have different processes, I don't think it's reasonable for Aviva to have asked Miss H to chase for the information it needed, when it was internally available to it.

I don't think Miss H should've had to call different parts of Aviva to try and locate the discharge forms another part of Aviva had told her were needed. I can see that this would've been frustrating. And if Aviva really did need Miss H to take this step herself, I think it should've told her exactly which department she needed to call. If it'd done this, the process would've been less frustrating and time-consuming for Miss H.

I can also see that the transfer delay made Miss H anxious. I can understand why she was concerned when her pension funds weren't visible to her in either her old pension plan or her new SIPP.

Overall, I agree with our investigator that Aviva should pay Miss H £100 compensation for the distress and inconvenience the delay and its service caused her.

Putting things right

My aim in awarding fair compensation is to put Miss H back into the position she would likely have been in, had it not been for the avoidable delays Aviva caused. I think this would've meant that the transfer would've completed by 29 August 2024, with the funds having been invested by 5 September 2024.

What Aviva must do

To compensate Miss H fairly Aviva must:

- Determine any loss Miss H has suffered by obtaining the notional value at the date of my final decision of the funds transferred on the basis that they had been invested by 5 September 2024 and subtracting the value of those funds at the date of my final decision from this notional value. If any interest was paid on the funds while they were held in the new account but not invested, this amount can be allowed for in the calculation. If the answer is negative, there's a gain and no redress is payable.
- If there is a loss, the compensation amount should if possible be paid into Miss H's Aviva SIPP. The payment should allow for the effect of charges and any available tax relief. 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 Miss H as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.
- If Miss H 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.
- Provide the details of the calculation to Miss H in a clear, simple format.
- Pay Miss H £100 compensation for the distress and inconvenience caused.

If payment of compensation is not made within 28 days of Aviva receiving Miss H's acceptance of my final decision, interest must be added to the compensation at the rate of 8% per year simple from the date of my final decision to the date of payment.

Income tax may be payable on any interest paid. If Aviva deducts income tax from the interest, it should tell Miss H how much has been taken off. Aviva should give Miss H a tax

deduction certificate in respect of interest if she asks for one, so she can reclaim the tax on interest from HMRC if appropriate.

My final decision

For the reasons set out above, I uphold Miss H's complaint. Aviva Life & Pensions UK Limited must take the action detailed in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 21 August 2025.

Jo Occleshaw
Ombudsman