

## **The complaint**

Mr C has complained that Aviva Life & Pensions UK Limited transferred his Barclays Self Invested Personal Pension (SIPP) into a new Aviva pension plan, rather than his existing Aviva SIPP, which was invested in the Stewardship Fund. It meant that the pension funds hadn't been invested since the transfer and had lost out on possible investment growth.

## **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.

Mr C contacted Aviva in 2023 asking to transfer his Barclays SIPP to his existing Aviva pension, which was invested in a Stewardship Fund. Mr C has said that, due to an accident he had some years ago, it was becoming difficult to manage the SIPP. So he wanted to consolidate these pensions.

Aviva produced an illustration for Mr C, dated 22 June 2023, showing that all of the £100,000 transferred would be invested in cash. Mr C has said that he also spoke to Aviva on the phone, but unfortunately there's no record of what was discussed.

On 26 June 2023, Aviva told Mr C that Barclays needed its own discharge forms and that he should contact it for this paperwork. Mr C did this, completed the relevant paperwork and sent this back to Aviva. The transfer completed in July 2023.

On 14 December 2023, Aviva wrote to Mr C. It noticed that a system error meant his pension wasn't transferred into his existing pension. Instead, a new plan was opened. Mr C responded a few days later, clarifying that he wanted the funds transferred into his other pension – plan number ending in 086.

Mr C has said that he emailed Aviva again in February 2024, but unfortunately there's no record of this.

On 1 March 2024, Aviva sent a letter to explain some changes to the Stewardship Fund range of investments it offered. Within this letter it explained the aim of each fund and also provided a number to call if Mr C wanted to change any of the investments.

On 22 July 2024, Mr C contacted Aviva again saying he was still waiting for his pension transfer to be corrected and wanted to know if Aviva was going to put this right.

Aviva responded to Mr C's query the same day and apologised for the delay. It confirmed that the email was sent to the relevant team to deal with in February and that it would be sent again. A complaint was logged.

On 26 July 2024, Aviva called Mr C and told him that he couldn't transfer his funds into his other Aviva pension because this was now closed to new business. Mr C still wanted to continue with the complaint.

On 9 August 2024, Aviva emailed again, acknowledging that Mr C had said he wanted his funds transferred into his other plan but could see it didn't explain the next steps to him.

Aviva said it should have confirmed that it wasn't possible to transfer the funds into the policy. Aviva said that, because of this it had caused delays to Mr C's choice of investment and that if Mr C decided to invest, it would undertake a loss calculation. It also sent a cheque for £50 for the inconvenience caused to Mr C.

On 9 October 2024, Aviva sent a final response to the complaint. It acknowledged the system error. But it said that statements were sent to Mr C every three months showing the funds were held in cash and that he could have invested the funds at any time. And so it reversed its offer to undertake a loss calculation to determine any investment losses. It offered £150 for the inconvenience Mr C had been caused by its failure to notify Mr C sooner that the pension funds couldn't be transferred into his existing plan, however.

In February 2025, Mr C contacted this service, saying the following:

- He was given incorrect information about being able to transfer his Barclays SIPP into his existing Aviva SIPP. Instead, Aviva set up a new pension for the transfer.
- Aviva later told him that he couldn't transfer the pension into the existing plan.
- He'd tried to obtain information about the investment options but hadn't had a response.
- He'd highlighted the difficulties he'd experienced since an accident in 2018 and that this was one of the reasons for wanting his Barclays pension transferred and invested into the Aviva Stewardship Fund.
- He also said that earlier last year his wife sadly passed away, adding to the impact of Aviva's errors.

Having considered the matter, our investigator thought that it should be partly upheld, saying the following in summary:

- Aviva had acknowledged that there were failings when Mr C's pension was transferred to Aviva. Mr C wanted to transfer the funds into his existing Aviva pension plan and he was told this was possible. However, an administrative error meant that a new pension was set up instead and it was later discovered the existing policy couldn't accept the transfer.
- Mr C had said that he didn't realise this until Aviva told him several months later and he didn't realise until then that the funds were left in cash. So, the investigator was satisfied that Aviva incorrectly set up a new pension instead of telling Mr C that a transfer to his existing policy wasn't possible.
- It was also clear that Aviva should have responded to Mr C much sooner after he confirmed the plan he wanted the funds transferred to. But Aviva only replied to Mr C several months later and only after he reminded Aviva. It was only then that Aviva told Mr C that it wasn't possible to transfer the funds into his existing pension. So, it had been a year since the original error and around seven months after that error was discovered that Mr C knew that what he initially wanted to do wasn't possible.
- Aviva's current offer didn't fairly reflect the inconvenience and upset these failings

had caused. Mr C wanted to simplify his pensions. But Aviva did the opposite by setting up a new pension policy. When Aviva noticed the mistake Mr C had to wait several months before Aviva helped him, Mr C said that in the meantime his wife sadly passed away, which made the situation more difficult still.

- In addition to waiting for this period of this time, Mr C was then told that he couldn't transfer any of the funds into the other pension plan. This would have been very frustrating to find out after waiting several months for a resolution.
- Overall, there'd been more than one failing over the course of a year. Aviva failed to process the transfer correctly and hadn't treated Mr C fairly in the way it communicated with him. This put him in a position in which he'd had to rethink where he wanted his pension invested.
- Whilst it couldn't be definitively concluded that Mr C would have invested differently, the situation had been upsetting for Mr C and made things difficult for him. For these reasons, the investigator recommended that Aviva pay £400 compensation for the trouble and upset this had caused.
- In terms of the complaint about investment loss, it was difficult to say what Mr C would have done if Aviva had told him to begin with that he couldn't transfer his Barclays SIPP into his Aviva plan. Based on what he'd said, it seemed likely that he would still want to transfer away from the SIPP and there seemed to be no reason why he wouldn't have chosen Aviva to at least keep his pensions with the same provider.
- Mr C had said that he told Aviva he wanted the transferred funds invested in the Stewardship Fund, which was where his existing pension was invested. But the funds wouldn't have been invested in the same way as his other pension funds automatically on transfer. Mr C would have needed to give clear instructions to Aviva if he wanted the funds invested.
- On the basis of the available evidence, it was difficult to conclude that Mr C gave clear instructions to Aviva about where he wanted the funds invested. He'd provided a record of a call with Aviva where the investments may have been discussed. But unfortunately Aviva didn't have a record of that call. So, it couldn't be determined what was discussed. Whilst the call likely related to the transfer of the pension funds, it couldn't be established that the discussion included instructions on how to invest the money after the transfer.
- This was supported by the illustration sent by Aviva, which showed that the funds would be invested in cash. And there wasn't any other correspondence or documents which indicated that the funds would be invested in the Stewardship Fund on transfer. So, although Mr C had said that he intended to invest in these funds, there was no clear instruction to Aviva to invest, nor evidence that Aviva did anything wrong by holding the funds in cash, pending reinvestment, as indicated to Mr C in the illustration.
- There also hadn't been any request to invest the funds since the transfer completed. When Mr C was made aware of the error, he emailed Aviva asking that the funds be transferred into plan number ending 086. But this didn't include any instructions to invest in a particular fund, and as previously explained, Aviva wouldn't be expected to invest the funds automatically unless it had a clear instruction to do so.

- It was only after Mr C raised a complaint in July 2024 that Aviva said it wasn't possible to transfer the funds into the older policy and that he should call Aviva to discuss his options. Since then, Mr C hadn't invested his pension. Mr C said that he'd been waiting for Aviva to provide more information about his investment options as he'd found the website difficult to understand. But neither party had been able to provide evidence of this. So this wasn't something which it could reasonably be concluded had delayed Mr C in making an investment choice.
- Further, Aviva had been acting as the provider of the pension plan and couldn't give Mr C advice on where he should invest. So, it wasn't clear what more Aviva could have given Mr C that wasn't already on its website, which Mr C had acknowledged he'd viewed. The pension plan was an "execution only" product so Aviva could only invest the funds if Mr C instructed it to do so.
- Aviva confirmed that it received authority from an adviser to act on Mr C's behalf and they had asked for information about the pension, which had since been provided. This may have been the information request to which Mr C had referred. But it had been several months after Aviva confirmed no new funds could be transferred to the older policy.
- Mr C had known since at least December 2023 that the funds were in cash and understood that this was an execution only policy, where he would need to instruct Aviva to invest the funds. So, there had been opportunity for Mr C to mitigate the situation sooner by investing his pension if this is what he wanted to do.
- It was also important to note that the funds in which Mr C wished to invest may be available in his new pension. Although Aviva hadn't provided the exact fund details for the old pension for comparison purposes, it had provided a link to its website where a search could be undertaken for the investments it offers. And the Stewardship Fund was available in the new plan.
- The investigator didn't therefore conclude that Aviva needed to consider whether Mr C had incurred investment losses. This was because there was no clear evidence from the time of the transfer to demonstrate that Mr C told Aviva he wanted to invest in specific funds – there was only the request to transfer the Barclays SIPP to an existing Aviva pension.
- There had also been opportunities since then to invest the pension, but the funds had remained in cash. This made it difficult to determine exactly what Mr C would have done differently if Aviva had told him he couldn't invest in the existing pension earlier - and Mr C had had the opportunity to mitigate the situation since.
- Aviva did offer to consider potential investment loss, only to then change its position on this. Whilst this was unfortunate and likely caused confusion, it wouldn't be reasonable to endorse that original offer. Aviva ultimately changed this when it formally responded to the complaint and referred Mr C to this service.

In response, Mr C agreed with the recommended £400 compensation, but didn't agree that investment losses should be discounted, saying the following in summary:

- The investigator had said that it was difficult to say what he would have done if Aviva had told him to begin with that he couldn't transfer his Barclays SIPP into his Aviva plan, and that he would have needed to give clear instructions as to how he wished his funds to be invested. But it was his understanding that when he transferred funds

from the Barclays SIPP that they would then be invested automatically into the Stewardship Fund units within his existing SIPP account, as had been his instruction. He viewed this as one action, rather than needing to specify a SIPP account and a choice of investment fund. In his view, Barclays didn't seek to clarify this matter.

- In his email to Aviva on 18 December 2023, he said *"I confirm that I didn't intend to open a new SIPP and wanted to transfer into one of my existing Aviva pensions: Plan number xxxx086"*.
- In his email to Aviva on 19/08/2024, he again said that *"It was my intention that the funds (£100,000) I transferred would be invested in the Stewardship Fund as part of my SIPP (Policy Number: xxxx086)"*.
- In statements and correspondence, Aviva referred to *"Uncrystallised transfers in Cash"* (e.g. on 22 June 2023). It was his assumption that this referred to cash transferred from Barclays, which would then be invested automatically into Stewardship Fund units within his existing SIPP account, as had been his instruction. Clearly, his assumption had been incorrect, but Aviva gave inconsistent information which didn't help him resolve this confusion.
- In addition to Aviva's delays, and although it informed him that his plan didn't accept new investment, he didn't consider that Aviva made it clear that he would still be able to invest in the Stewardship Fund with a new plan.
- Throughout his years investing in Aviva pension plans, since 1991 he'd only held investments in the Stewardship Fund. He believed it would have been reasonable to conclude from his request to invest the transferred cash in an existing plan that he also meant for this money to be invested in the Stewardship Fund. Aviva didn't seek to clarify this point.
- Further, Aviva didn't respond when he requested information (not advice) on funds that were similar to the Stewardship Fund. If there hadn't been delay and confusion caused by Aviva, he would have looked to transfer his funds back out of Aviva to another provider in whom he had greater confidence.
- He wasn't in the financial position he would have been in, had Aviva not made so many failings in handling the transfer of a large amount of his pension funds. Aviva's errors and delays had caused him considerable financial loss.

Aviva responded to say that it had processed another payment to Mr C to make the total payment to him £400.

Addressing Mr C's further points, the investigator said the following:

- To clarify Aviva's role as the pension provider, it wouldn't have the authority to invest Mr C's funds unless it had specific instructions from him to do so. Mr C had said that he did give that instruction, but the available evidence didn't support the position that Mr C gave Aviva investment instructions when the transfer happened in 2023.
- The email in December 2023 only specified the plan to which Mr C wanted the funds to be transferred, not that he wanted the funds invested in a particular way. Aviva wouldn't have had the authority to assume that Mr C meant he wished to invest in the same fund, even if that was the only fund he'd invested in for several years.

- It wasn't clear whether Mr C had submitted to this service the email to Aviva on 19 August 2024, so the investigator said it would be helpful if Mr c could send this to him. But even if Mr C told Aviva at this time that his original intention was to invest in the Stewardship Fund after the transfer, this was more than a year after the transfer.
- It also wasn't reasonable to expect Aviva to treat this as an investment instruction at that point, as it only added context to his complaint. Aviva did, however, give Mr C a number to call to invest the funds and the available evidence didn't support the position that Mr C had done this.
- Mr C had said that he may have transferred away from Aviva if there hadn't been a delay, but he could only base his opinion on the matter on what had happened to date. Aviva had made Mr C aware that his plan ending 086 couldn't accept new funds more than a year previously, but to date the funds remained with Aviva in cash.
- This made it difficult to conclude that Mr C would have done anything differently. Even though Aviva had made errors, it had been over a year since it made it clear that Mr C would need to let it know how he wished the funds to be invested - and the number to call to arrange this.
- So whilst the investigator agreed that there had been failings in this case, there'd nevertheless been an opportunity for Mr C to mitigate the situation. And so his position remained that Aviva didn't need to consider investment losses.

As agreement hadn't been reached on the matter, the investigator informed both parties that it would be referred to an ombudsman for review.

Mr C then submitted the email from August 2024 and said that, although he acknowledged the investigator's point that he could have transferred and reinvested his pension funds at any time after learning that his existing plan couldn't accept new funds, he thought that it would be inappropriate to move those funds whilst the complaint was being investigated. He said that he would, however, be moving those funds in the near future.

The complaint has been referred to me for 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.

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

I've noted Mr C's points as to why any investment loss should also be considered, but I agree with the investigator that, in the circumstances, it would be difficult to conclude that this would be a fair and reasonable outcome here.

To clarify, had Mr C informed Aviva that he wished to transfer to the same plan and to invest in the same fund within that plan, then I think I might view matters differently. But Aviva couldn't assume that Mr C wished to invest in a particular way, hence the illustration which showed at least an initial investment within the plan in cash.

I also acknowledge what Mr C has said about his assumption that the transferred funds would automatically be invested in the same fund, but again, the illustration didn't bear this out, and nor did the statements which Aviva has said were issued every three months.

I do also think that the involvement of an adviser on Mr C's behalf, who requested information on the policy, indicates that the choice of fund for investment may not have been entirely straightforward or predictable, as does Mr C's retention of the funds in cash since learning that this was the case. Although I appreciate that the initial intention may have been to invest in the Stewardship Fund, the involvement of an adviser would seem to suggest that research may have resulted in a different fund choice.

I've also taken into account Mr C's particular circumstances during the course of what happened here, and I was very sorry to learn of his bereavement. I know that what has happened here will have exacerbated an already very challenging and distressing time.

But overall, given the cumulative weight of the indications that the transferred money wouldn't be, and hadn't been, invested as Mr C might have intended, I agree with the investigator that, although the higher sum of £400 would be justified in respect of Aviva's errors, a loss calculation to establish any investment loss wouldn't warranted in this instance.

### **Putting things right**

My understanding is that Aviva Life & Pensions UK Limited has already paid Mr C £400, but it should ensure that this is the case.

### **My final decision**

My final decision is that the £400 payment is appropriate in the circumstances here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 10 October 2025.

Philip Miller  
**Ombudsman**