The complaint

Mr M complains that when he wanted to draw the benefits from his pension plan with Aviva Life & Pensions UK Limited (Aviva), the final value was significantly lower than the value he'd been given by his adviser in a client report around 10 days before. He believes Aviva should honour the higher figure that was set out and would like the difference in values to be paid to him.

What happened

Mr M held a pension plan with Aviva from which he wanted to draw his benefits in June 2024. His adviser issued him with a summary of his plan for the year up to 19 June 2024, which noted the current value of the plan was £103,958.76. According to the report this was an increase of just under £7,000 from the previous year.

But when Mr M decided to draw those benefits 10 days later, he was told the value of the plan was actually £85,000.95.

So his adviser complained on his behalf, asking Aviva to check and confirm the values. Aviva said they were correct and went on to explain that the summary report Mr M was provided with had "*pulled through*" some incorrect figures due to "*corporate actions.*" It said this error had inflated the cash position of the fund but during this time the correct value was always noted on the online portal system – but not on the report Mr M received.

Aviva said a corrected report was issued to the adviser within five hours of it being notified of the problem, but in any case, the correct figure had always been available for the adviser to see when he looked at the policy details online. But it paid Mr M £250 for the distress and inconvenience caused by the matter.

Mr M continued to communicate with Aviva about the matter. He said that in his personal experience providers would usually honour any original "offer" that was made to a policyholder – regardless of the reason for providing incorrect figures. So he brought his complaint to us where one of our investigators looked into the matter. He didn't think the complaint should be upheld making the following points in support of his conclusion:

- He was satisfied the valuation of £85,000.95 was correct and consistent with the prior performance of the plan. So he thought this was the correct value Mr M should be paid and therefore couldn't recommend that Mr M was paid the higher valuation as that figure was never available to him.

- He was persuaded that the risk warning within the report which stated that any valuations weren't guaranteed was more likely aimed at things like market fluctuations rather than administrative errors such as this. But he noted nonetheless that it was a general message which made it clear that the figures shouldn't be "relied upon".
- But it was clear that on learning the benefits he could draw from the plan were

significantly lower than he expected, Mr M would have been disappointed and frustrated. And his expectations had been raised for a period of time.

- But he thought Aviva's payment of £250 was appropriate in the circumstances and within our usual guidelines for an error such as this.

Mr M didn't agree. He thought Aviva should honour the higher valuation figure that was set out in the report. He made the following points in response:

- It was unfair that Aviva advised the value of his plan was around £104,000 but then dropped that value by over £20,000 just 10 days later.
- The higher value had been issued for over a year previously which would suggest he was entitled to assume that was the correct valuation. But in any case, that was the figure on which he had based his retirement planning. This also supported the claim that Aviva's argument about "*a technical issue with the client reporting tool*" was "*trite"*.
- He agreed with the investigator that the warning on the report about the figures not being guaranteed wasn't aimed at this type of error and was more about market fluctuations.
- The compensation of £250 that he received wasn't paid with his agreement and he reiterated that he should receive the higher valuation as "compensation." He said that as a matter of goodwill we should at least tell Aviva to pay him 50% of the difference between the two plan values as a reasonable resolution.

He asked that his complaint be referred to an ombudsman – so it's been passed to me to 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 the same conclusion as the investigator. I imagine Mr M will be disappointed with that outcome, and I have some sympathy for the position he found himself in with the raised expectation of a higher retirement fund on which to basis his financial planning and budgeting. But I think Mr M has ultimately received the correct level of benefits and I think the compensation payment Aviva made is fair and reasonable in the circumstances – so I'll explain my reasons below.

<u>*What was the correct valuation of Mr M's plan?*</u>

Mr M has provided a summary client report that his adviser was able to obtain from Aviva which showed the account value of £103,958.76 as of 19 June 2024. Mr M also makes the point that this summary covers the period of the previous year – so would have been available to him at any point during that time. So I don't think it was unreasonable for him to begin his retirement planning on that basis at that time. But when Mr M's adviser applied to take the benefits 10 days later the total fund value set out was £85,000.95 – so a significant difference.
Aviva explained that a systems error with its "client reporting tool" – from which the report was produced, had inflated the cash element of Mr M's plan (the value appeared to be included twice). So it said the higher value was unfortunately incorrect.

I'll set out my findings on the impact this had on Mr M later in the decision, but I need to start by considering what I think was the correct value of the plan.

Aviva has provided a number of quarterly statements from September 2023 to June 2024 which it said it sent directly to Mr M and also uploaded to the online portal (which could be seen by Mr M's adviser). The statements noted overall plan values of £80,937, £83,761, and £85,026 – including a cash account value of around £19,000 throughout this time. It has also provided values that were set out in the June 2024 illustration and subsequent to Mr M's complaint, which are broadly in line with the figures above. These were all produced by Aviva directly and available to Mr M and his adviser and, in my view, show valuations and incremental increases consistent with an accurate reflection of his plan.

On the other hand Mr M's adviser has provided a summary report which was taken from the online platform on a specific date and which contained a value which was around 19% greater than all the other statements that I've seen. I asked Mr M if he or his adviser could provide evidence of being advised of a higher valuation previously, but he was only able to provide a slightly more updated report than the one that was issued in June 2024. So I've concluded that the higher valuation was only issued from that one source, and I note that in July 2024 Aviva told the adviser that it was aware of the error with cash values within summary reports and had no timescale for when this problem might be fixed.

Looking at the all the evidence I've seen, I'm persuaded because of the greater amount of information which supports the lower valuation of around £80,000 to £85,000, that this was the correct value of Mr M's plan at the time. It would seem unlikely to me that a valuation could change so significantly in June 2024 – based on the previous statements that I've seen – without there being an error or mistake of some kind in the summary reports. I'm satisfied that the lower, correct valuation is more in line with the historical longer term performance of the plan and that it was unlikely to have increased so dramatically in the final year.

I'm also satisfied that Aviva's explanation of an issue reporting the cash values within the report is reasonable because the cash account value, according to the quarterly statements, remained consistent at around £19,000 from September 2023 until a value of (precisely) twice that amount was noted in the client report. I've also not been provided with any evidence that Mr M made a contribution of cash into his plan during this time, so I can't reasonably conclude there's another reason for the increase other than a reporting error

So I'm satisfied that in July 2024 Aviva made Mr M's adviser aware of the correct valuation of his plan after he drew its attention to the higher valuation he'd been provided with. I think it was correct for Aviva to state that this was the amount that it would pay if Mr M wanted to draw his pension plan benefits. To direct Aviva to pay the difference between the values would be to give Mr M more benefits than he was entitled to, and would put him in a better position than he would now be in even if Aviva did provide some incorrect information and raise his expectations of a higher valuation for a period of time.

Mr M says that Aviva has an obligation to pay him the higher figure that was set out in the summary report. He says that, when making retirement plans it's important that all the information provided is accurate and in this case it wasn't. So he thinks this misinformation and "ambiguity" should count against the party that provided it – which in this case was Aviva.

But I note that the summary report stated that, "*whilst care has been taken to ensure that the information provided is correct, neither Aviva nor (the platform) warrants, represents, or guarantees the contents of this information, nor do they accept any responsibility for errors, inaccuracies, omissions or inconsistencies herein".* So I think that warning allows for the correction of any valuations before a payment is agreed – when further checks are invariably made to confirm final figures.

Aviva has also provided a screenshot of Mr M's portfolio as of 8 July 2024 to show that in order to provide a client summary report for him, the adviser would have begun that journey from the "dashboard" page within the online portal. I've seen that page sets out the "correct" value of Mr M's pension plan taken on that date and that one of the options on the right hand side of the page is "*request client report*". So although I can't be sure that the adviser saw the current valuation when requesting the client report, it would have been visible to him when he made a request. This supports the claim that the lower, and in my view correct valuation, was set out at the time within the portal.

The compensation payment

Although I've concluded that the valuation of around £85,000 was the correct valuation for Mr M's plan and the correct amount that should have been paid as his pension benefits, I have to consider the impact this whole matter had on Mr M. It's clear his expectations of what to expect as a retirement fund were raised here, and that expectation would have continued until an illustration for the correct valuation was produced on 28 June 2024. It could also be argued that Mr M might have assumed the higher figure was correct while his adviser asked Aviva to confirm the figures – which wasn't until 7 July 2024 when it provided an explanation for what had happened. And I can't discount the suggestion that Mr M had begun to make his retirement plans based on the higher valuation, albeit that would only have been for around eight days in total.

But where a business makes several small or one larger error, which lasts for a few days or weeks – and takes reasonable effort and time to resolve – we would normally suggest this warrants a compensatory payment of up to £300. In this case Aviva paid Mr M £250 for the impact its error had on his retirement planning and, although I note Mr M thinks the payment isn't appropriate for the stress and upset he suffered – and he would like compensation to be at least 50% of the difference in the valuations – I think Aviva's payment is fair and reasonable in the circumstances of this complaint. I think it's within the range of what I'd expect to see for an error such as this in providing an incorrect plan valuation which clearly raised Mr M's expectations of his retirement fund and caused him some degree of distress and inconvenience.

My final decision

For the reasons that I've given I don't uphold Mr M's complaint. I think the compensation payment Aviva Life & Pensions UK Limited made to Mr M was fair and reasonable in the overall circumstances of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 November 2025.

Keith Lawrence
Ombudsman