

The complaint

Mr H complains that Aviva Life & Pensions UK Limited (“Aviva”) has failed to effectively manage his pension investments resulting in them suffering a fall in their value.

What happened

Mr H holds pension savings with Aviva. His pension plan was originally opened with another firm, but Aviva took over responsibility for that firm and its customers in 2017. At that time Mr H’s pension savings were invested into a single fund and he says he was very happy with their performance.

In August 2020 Aviva wrote to Mr H, and other affected investors, to explain that it had reviewed the range of investment funds it offered and had taken the decision to no longer offer the fund in which Mr H’s pension savings were held. It told him that he could choose an alternative investment fund from the range of funds it offered. Or it said that if Mr H didn’t get in touch, it would move the investments to an alternative fund that it thought was closely matched to the fund that it was withdrawing. Aviva says it had no response from Mr H, so his investments were moved in November 2020.

Aviva says that it heard nothing more from Mr H until April 2024 when he called to query the performance of his investments. It says it had further enquiries from Mr H along the same lines in June and November 2024, and in March 2025.

Aviva didn’t agree with Mr H’s complaint. It said it had given him appropriate notice when the fund was switched in 2020. And it said that it had sent him annual statements so he could check how his pension investments were performing. Aviva said that the investment fund had performed in line with the industry benchmarks against which it was targeted. Unhappy with that response Mr H brought his complaint to us.

Mr H’s complaint has been assessed by one of our investigators. He didn’t think Aviva was responsible for providing Mr H with advice about his pension investments. And the investigator thought that the change of investment fund in 2020 had been made by Aviva for legitimate commercial reasons and fairly notified to Mr H. He didn’t think that any poor performance by the fund suggested that Aviva had done something wrong. Instead, he thought the performance of the investment reflected the market environment at that time. So, the investigator didn’t think Mr H’s complaint should be upheld.

Mr H didn’t agree with that assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr H and by Aviva. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead, this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

I think it is important to first set out the basis of the relationship between Mr H and Aviva. Aviva is not Mr H's financial advisor. So, it simply acts on the instructions he provides. It isn't for Aviva to ensure that any investment decisions are suitable for Mr H's needs – those were essentially decisions he needed to make for himself. And I have seen that Aviva's website (or by post on request) provides comprehensive information for investors about the range of funds that are offered.

The regulator sets out the timing and content of the regular statements that need to be issued to pension investors. Generally, that sort of communication needs to be issued at least once a year. I can see that Aviva did provide that sort of information to Mr H.

There is no doubt that the performance of Mr H's pension investments in more recent years will have caused him great disappointment. They have shown limited growth despite Mr H making regular contributions each month. But I have noted that the information provided to investors about the fund into which Mr H's pension savings were invested clearly set out that their values weren't guaranteed and might fall.

Whilst the performance of the specific investment fund might be considered to be lower than it would be hoped, I'm not persuaded that means Aviva has done anything wrong. There will be many factors that influence the performance of a specific investment. It is for individual investors to monitor that performance and make changes to their investments should a particular fund not be performing as they would expect, or in line with their investment objectives.

As I have said, Aviva did not offer Mr H any advice on his investments. Had it specifically brought any underperformance to his attention, by perhaps suggesting he might want to change his investments, it is likely that the regulator would have considered Aviva to be providing Mr H with advice – and so be acting outside its regulatory permissions. I don't think there is any expectation on Aviva to do more than it did – providing Mr H with clear and transparent annual statements showing the value of his pension investments, together with providing, on request, specific information about the performance of any investment fund.

I have carefully considered that Mr H did not personally choose the investment that he held. That investment arose as a result of a change Aviva made in 2020 when it decided to no longer offer the investment that Mr H previously held. But as I will now explain, I don't think that change was unreasonable either.

It is for Aviva to make a commercial decision on which investment funds it will offer to consumers with pension savings in its plans. From time to time Aviva will reasonably review those funds, looking at the numbers of investors making use of them, and so whether it remains cost effective for them to continue being offered. So, I don't think Aviva did anything

wrong when it decided to no longer offer the fund into which Mr H's pension savings were invested in 2020.

Aviva wrote to Mr H (and other similarly affected investors) to advise him of the withdrawal of the investment fund. It provided him with details of all the funds that it offered and invited him to choose an alternative investment. But given it had decided to withdraw the investment fund Aviva needed an alternative approach should investors not make a new choice. That is what happened in Mr H's case as he didn't take any action as a result of Aviva's letter.

Aviva selected an alternative investment fund that it thought closely mirrored the attributes of the investment fund it had decided to withdraw. So, the new fund had similar investment objectives and risk profile. And the annual management charges were actually a little lower than the fund that had been withdrawn. So, I don't think it would be reasonable to conclude that Aviva made any errors in the default option that it chose. And nor do I think that Aviva gave, or should have given, any guarantees over the performance of the new investment. In fact, it made it very clear in its letter that the values of investments were not guaranteed.

I appreciate that Mr H will be disappointed by this decision. But I cannot agree that Aviva is responsible for the fall in the value of his pension investments. I think the change that was made in 2020 was transparent and supported by Mr H being offered a choice of new investments. And I think the more recent performance of his investments, whilst perhaps a little disappointing, is simply a reflection of the nature of the investment and the prevailing market conditions. So, I don't think Aviva has done anything wrong.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Aviva Life & Pensions UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 October 2025.

Paul Reilly
Ombudsman