

## **The complaint**

Ms L complains that Aviva Life & Pensions UK Limited (“Aviva”) has deliberately obstructed her attempts to take a pension commencement lump sum (“PCLS” – otherwise known as tax-free cash) from her pension savings.

## **What happened**

Ms L holds pension savings with Aviva. Her pension savings arose from a legacy pension plan that she had opened with Friends Provident. But that plan is now managed by Aviva.

Ms L got in touch with Aviva in 2023 to discuss taking a PCLS from her pension savings. At that time Aviva explained to Ms L that her plan didn’t allow her to take her pension benefits in that way. So, it told her that she would need to open a new pension plan and transfer her existing pension savings into the new plan. It appears that Ms L started to open that pension plan but didn’t complete the process. So, her pension savings remained in the legacy plan.

Ms L says that she had a number of further conversations with Aviva in late 2023 and during 2024 about putting her pension benefits into payment. Aviva says that it has no records of those calls. Aviva says its next contact was with Ms L in February 2025 when she again asked to take a PCLS from her pension savings. Aviva again explained that Ms L would need to move her savings from the legacy plan before it could assist her. Unhappy with that response Ms L brought her complaint to us.

Following that referral, Aviva took another look at Ms L’s concerns. It appears to have taken Aviva some time to identify that Ms L’s new pension plan had not been fully opened in 2023. And that prevented her from being able to transfer her pension savings to the new plan. So, Aviva asked Ms L to call its team so it could complete the plan opening process. Or it told her that, if she preferred, she could just open another new plan using its online systems. Aviva paid Ms L £150 for any trouble and upset she’d been caused. Unhappy with that response Ms L asked us to continue looking at her complaint.

Ms L’s complaint has been assessed by one of our investigators. The investigator thought that Aviva’s requirement for Ms L to open a new pension plan, in order for the PCLS to be paid, was fair. And she said there was no evidence that Aviva had obstructed the opening of that new pension plan. The investigator thought that the £150 Aviva had paid to Ms L for any inconvenience she’d been caused was fair and reasonable. So, the investigator didn’t think Ms L’s complaint should be upheld.

Ms L 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 Ms L 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.

The events of 2023 were dealt with by Aviva in a final response letter that was issued on 1 August 2023. That letter provided Ms L with six months to refer any concerns about what had happened to us. Ms L didn't make any contact with us at that time. So, I am not able to make any findings of fault about what happened when Ms L first attempted to take her PCLS in 2023. But I will naturally comment on some things that happened around that time as they have led into this complaint.

Ms L has said that she had multiple conversations with Aviva in late 2023 and 2024. But Aviva says that it doesn't have any records of those calls being made. I have no reason to doubt that Ms L has recalled events to the best of her ability, but I find it very unlikely that conversations of the nature she has reported would not have been recorded on Aviva's systems. It is possible that some conversations took place, at a relatively high level, which didn't get attributed to Ms L's records. But I'm not persuaded that matters were discussed in the depth that Ms L has recalled.

Given my need to be led by the evidence before me, this decision will therefore focus on what happened in 2025 when Ms L again attempted to take her PCLS. I will look at what assistance Aviva gave to her and consider whether that was sufficient. And I will consider whether Aviva has treated Ms L fairly in the way it has dealt with her request for the payment of the PCLS.

When Ms L first opened her pension plan, the freedoms that are now available for taking pension benefits were not part of the regulations at that time. The majority of those benefit freedoms, that Ms L is seeking to take advantage of here, were introduced in 2015. But, of importance to this complaint, the changes to the regulations did not impose any requirement for all pension providers to offer all the freedoms across all their pension products. What that means here is that Aviva chose not to amend the rules of the pension plan that Ms L holds. So, to allow her to make use of the additional benefit options now available she would need to transfer her pension savings to a newer pension plan.

That was information that Aviva gave to Ms L in 2023. And it does seem that Ms L started the process, using Aviva's online system, of opening a new pension plan. But for reasons that are not entirely clear it doesn't seem that Ms L completed that application process at the time. I can see that in its final response letter of August 2023 Aviva offered to help Ms L complete the application process and provided a phone number for her to call. But Ms L didn't finish the application.

Aviva says that Ms L didn't ask anything more about taking her PCLS until early 2025. I have no reason to doubt that it has diligently searched its records and provided us with all the information it holds. But Ms L says she made a number of requests before then. As I have explained earlier, in the absence of any contemporaneous evidence of those requests there

is little more I can do. But in any case, I have no doubts that Aviva's answer at that time would have been the same answer that Ms L received in 2023, and in 2025 in relation to this complaint. She would have simply been told that the pension plan she held would not allow her to just take a PCLS – to do that she would need to complete the opening of the new pension plan.

I appreciate that Ms L has said that she doesn't want to engage with Aviva by telephone. Given what appears to be a breakdown in their relationship I can understand why she might want to have some documentary evidence of any discussions she had with the firm. But Aviva has also told Ms L that, rather than continuing her existing application by phone, she could simply start, and complete, a new application online instead. But it doesn't seem that Ms L has taken that option either.

I am sorry to tell Ms L that I cannot require Aviva to pay her PCLS from her existing pension plan. The terms and conditions of that plan simply do not allow that payment to be made. The plan would allow her to take all her pension benefits as a cash lump sum, but 75% of that payment would be taxable. Or she could use her pension savings to purchase an annuity. But accessing them flexibly, as would be required to just take a PCLS, would need them to be held in a new pension plan. And before that can be done, and the pension savings transferred to the plan, the opening of the new pension plan must be successfully completed.

When it looked at Ms L's complaint in May 2025 Aviva expressed some concerns that it hadn't identified more quickly that the opening of Ms L's new pension plan had not been completed in 2023. So as well as again setting out the steps Ms L needed to take to get the plan opened (and ultimately allow the PCLS to be paid) Aviva sent her a cheque for £150 in respect of any trouble and upset she'd been caused. I think the letter Aviva sent to Ms L clearly set out the reason that payment was being made.

I've looked at the circumstances that led Aviva to make this compensation payment to Ms L. Given those circumstances, and considering the types of award I would expect to make in similar circumstances, I am satisfied that the payment Aviva has made to Ms L is fair and reasonable. So I won't be directing it to make any additional payment for any distress and inconvenience Ms L might have been caused by its delayed explanation that the new pension plan wasn't correctly opened.

I appreciate that this decision will be disappointing for Ms L. I am satisfied that Aviva isn't unreasonably preventing Ms L from accessing her PCLS. But to do that she does need to work with Aviva to open a newer pension arrangement and transfer her pension savings into that plan. Aviva appears to be ready and willing to provide Ms L with whatever assistance she needs to open that new pension plan, or as it has told her it is something that she can do herself online. So I don't think this complaint should be upheld.

### **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 Ms L to accept or reject my decision before 28 November 2025.

Paul Reilly  
**Ombudsman**