

The complaint

Mr M says Aviva Life & Pensions UK Limited is responsible for providing him with incorrect information when he enquired about moving his Group Personal Pension funds into cash. He says this caused him financial detriment. He's also unhappy about how it handled matters.

What happened

As Mr M approached retirement, he took advice from an independent financial adviser about what to do with his three pension pots. One of his policies was a Group Personal Pension with Aviva. In February 2025 it had a value of around £83,000.

Mr M's adviser was working towards using his pension funds to set-up an annuity for him. He'd been advised that if he wanted to protect the value of his Aviva pension from market fluctuations he had the option of moving his investments into a cash fund. He says his adviser had arranged to do this with his Scottish Widows pension and had left it with him to arrange to do the same with his Aviva pension.

Mr M contacted Aviva on 18 February 2025. He told this Service:

"I ...contacted Aviva in February to request a transfer of my complete pot into a cash fund, to be told that they did not have a cash fund within my pension type. I insisted I had been told by my IFA that they did have a cash option but they were adamant they didn't..."

Mr M contacted Aviva again on 13 March 2025 because his adviser had reiterated his pension provider did have a cash fund. He was worried about the value of his plan being eroded at what was an important time given his retirement plans. Aviva informed him that while his Group Personal Pension had around 200 funds with different risk exposure levels to choose from, it didn't have a cash fund he could opt for.

Mr M lodged a formal complaint with Aviva about what had happened in April 2025. He was unhappy he'd been told there hadn't been any cash funds available. He said the value of his plan had dropped by around £2,500 since his first enquiry on the matter.

Aviva issued a final response letter to Mr M shortly after receiving his complaint. It said it had reviewed matters and agreed its call handlers hadn't provided him with the correct information. It told him the people he spoke to should've confirmed his plan didn't offer managed cash funds but that an alternative would have been to open a Self-invested Personal Pension (SIPP), whereby this would've been a possibility.

Aviva ended its final response letter by stating it had let Mr M down, and the level of service received wasn't of the level he should expect, and the possible opening of a SIPP account not being mentioned meant his investment decisions were delayed. As way of an apology, Aviva offered to send Mr M a payment of £75.

Mr M declined what he considered a derisory offer, given that if he'd been given a proper service based on what Aviva had now told him then his pension fund wouldn't have suffered

the £2,500 fall it had at that time. He said this had impacted on the tax-free cash he received and the level of his annuity for the next 20 years.

Mr M brought his complaint to this Service.

An Investigator considered his case and initially upheld it. In short, he'd thought Aviva should've told Mr M he could access cash-based funds by opening a SIPP. He didn't think this would've been considered as financial advice, but instead it would've been providing him with information, allowing him to make a more informed decision on his next steps.

The Investigator concluded that had Aviva acted as it should've, Mr M would most likely have transferred the benefits from his Group Personal Pension to a SIPP and then protected his funds from the volatility in the market, prior to his transfer away from Aviva in May 2025. He asked Aviva to undertake a loss assessment.

Aviva rejected the Investigator's view. It retracted earlier statements that Mr M should've been informed he could invest in cash-based funds by way of setting up a SIPP. It said as a pension provider, it wasn't obligated to inform customers about specific investment products such as SIPPs. It said providing information about a particular product could be interpreted as giving financial advice, and this fell outside the scope of their service. They said they would like to offer an increased payment of £100 for the trouble and upset caused.

Mr M rejected Aviva's new offer. He referred to the newly introduced Consumer Duty rules set by the FCA, and said they had to provide correct, clear and not misleading information, and ensure they treat consumers fairly. He said had Aviva done so, he would have been able to protect himself from the subsequent fluctuations in the market.

The Investigator reconsidered Mr M's case in light of the additional submissions he'd received. He said he didn't wholly agree that providing Mr M with wider information about a SIPP, and the possibility of investing in a cash-based fund by that method, would be giving financial advice. But he also accepted when discussing cash-based funds over the phone, Aviva's agents had made their comments in the context of his Group Personal Pension.

The Investigator noted Mr M's actions following the phone calls with Aviva. He couldn't see he'd taken steps to lower his investment risk, for example by moving all his pension into the lowest risk category funds available to him despite being informed of the possibility.

The Investigator also noted that a SIPP wasn't typically used for cash investments. And that setting up a SIPP, transferring the benefits Mr M held within his Group Personal Pension, wouldn't have been as simple as a fund switch. It would've taken a few weeks during which time we know his fund value would've fallen in any event.

In recognition of Aviva's handling errors, the Investigator concluded by increasing the level of the award to Mr M for the distress and inconvenience caused to £200.

Mr M rejected the Investigator's second view. In responding he provided detailed comments, and in his covering email summarised in the following terms:

"As you will see I am very disappointed with the way Aviva have tried to abdicate responsibility after first accepting they had made mistakes and in several areas on the attached letter, I have referred to how they have missed complying with the FCA rules on Consumer Duty. I am also disappointed that Aviva did not even bother to try and resolve the situation and speed up the process by making a reasonable offer to me to resolve the matter, given they clearly accepted responsibility in their Final Response. They have been

happy to further extend the level of anxiety and inconvenience and jumped at the chance to pay just £200, without having me accept it first.”

As both parties couldn't agree with the Investigator's view Mr M's complaint has been passed to me to review afresh. I issued my provisional decision on 10 October 2025. Mr M rejected my conclusions and provided a further submission, which as he noted contained many of the points he'd already made and I'd considered. However, in this final decision I will provide further clarification in respect of certain matters he's raised.

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.

Where there's conflicting information about the events complained about and gaps in what we know, my role is to weigh the evidence we do have and to decide, on the balance of probabilities, what's most likely to have happened.

I've not provided a detailed response to all the points raised in this case. That's deliberate; ours is an informal service for resolving disputes between financial businesses and their customers. While I've taken into account all submissions, I've concentrated my findings on what I think is relevant and at the heart of this complaint.

I'm not upholding Mr M's substantive complaint. I'll explain why.

I've considered the extensive regulation around the services like those performed by Aviva for Mr M. The FCA Handbook contains twelve Principles for businesses, which it says are fundamental obligations firms must adhere to (PRIN 2.1.1 R in the FCA Handbook). These include:

- Principle 2, which requires a firm to conduct its business with due skill, care and diligence.
- Principle 6, which requires a firm to pay due regard to the interests of its customers and treat them fairly.
- Principle 7, which requires a firm to pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.
- Principle 12, a firm must act to deliver good outcomes for retail customers.

So, the Principles are important and form part of the regulatory framework that existed at the relevant time. They must always be complied with by regulated firms. As such, I need to have regard to them in deciding Mr M's complaint.

My starting point in this case was to review the two phone calls Mr M made to Aviva in February and March earlier this year. Having done so I think matters become relatively clear cut.

Mr M's basic recollection of the calls is broadly accurate. It's clear he wanted to move his pension into cash. He was worried about market volatility. And he'd been getting some form of advice from his independent financial adviser about the course of action to take. It appears his adviser was adamant moving his funds into cash should've been possible from what he knew about the firm's offerings.

It's not clear why Mr M's adviser was making similar arrangements in relation to his Scottish Widows pension on his behalf, but left it to Mr M to execute matters in relation to his Aviva pension. Perhaps he hadn't got around to assigning his adviser to this policy? Maybe it was a matter of cost?

Listening to the conversation on 18 February 2025 between Mr M and Aviva, the call handler states clearly that he can't provide advice, which Mr M understood. The call handler stated there were no cash funds he could move his pension pot into. They discussed the funds he was currently invested in and the risk category attached to these. The risk ratings ran from 1 (low) to 7 (high), and Mr M's pot was invested in one fund with a risk level of 2, one fund at level 3, three in level 5 and one in a level 7 fund.

Mr M was informed there were around 200 funds to choose from and that he could move his money to lower his risk exposure. He was told about the fact sheets available for the different funds and where to access these. He acknowledged the possibilities in the call but said this meant he'd have to decide himself, but he wasn't a risk manager. He said deciding on which funds to choose was a matter for a professional adviser. And he noted that what Aviva might say was low risk might vary to another provider.

In responding to my provisional decision Mr M made several references to a deposit fund, he said:

“...I am now advised that Aviva have, within some of their designer pensions, a deposit account. Aviva failed to disclose this to me or the Ombudsman. I am advised that an Aviva designer pensions policy, with the same prefix as mine (TK), has previously been put into a deposit/ cash fund, so it is possible. Again, it might be the terminology used by Aviva's, but as a client I would not be aware of what their fund terminology was.

Even if this was not a fund in my particular scheme, which it seems it was, it would have been an option to transfer into a different scheme with such a fund. Again this was not disclosed to me or yourselves.”

Aviva has confirmed one of its 200 funds available to Mr M was its Deposit fund. I wouldn't have expected Aviva's call handler to have gone through all the lowest risk funds available to him, he was signposted to the relevant information. His desire was expressed in terms of getting his funds into cash and he was correctly informed there was no such facility.

The Deposit fund wasn't a cash account. It was a fund with a risk level assessed by Aviva of 1. It was described on the fact sheet in the following terms:

“The Fund aims to protect capital by investing typically in deposit investments and similar assets with governments, first class banks and major companies. Although the Fund aims to provide a lower risk return, the value can fall....You should be aware that the charges you pay on the fund and product may be more than the investment return you receive.”

I note Mr M said the following about his concerns around switching into lower risk funds:

“I have previously explained that the lower risk funds still carried a risk and would have lost value, possibly more than some higher risk funds, due to the effect some of Trumps tariffs would have had on certain sectors. The 'low risk' funds did not have the same certainty against no loss as cash would, which was what was explained, several times to Aviva, was my financial objective.”

I think it's also clear the conversation Mr M had with Aviva was within the context of his Group Personal Pension. But tellingly, towards the end of the call Aviva's agent also said the following:

"In regards to your options then you also have the option of transferring your pension. In the end it's your money, so you have an option of switching funds [inaudible word] and transferring."

Mr M followed up what Aviva's call handler had said by asking if there was a cost to switching from funds. The agent responded by saying there were no costs associated with switching or transferring.

Mr M ended the call by saying he would go back to his financial adviser. Pensions are complicated and planning for retirement is a very important matter. Ultimately I think Mr M wanted and needed advice. And I don't know why he didn't seek more support from his adviser at this point.

I've also listened to the call Mr M made to Aviva on 13 March 2025. This had similar coverage to his earlier call. Again, Aviva's call handler noted he had the option of transferring his pension to another provider if he wanted access to the sort of funds he was describing. Or that he could switch his pension into lower risk funds.

As in the first call with Aviva, it was clear and understandably so, that Mr M wanted advice and guidance about the matters he was dealing with. He didn't want to make decisions himself about switching into alternative funds. But that wasn't Aviva's responsibility, as he was told and acknowledged. Aviva's agent asked Mr M whether his financial adviser could help him deal with matters. He said he would contact his IFA again.

I don't know what Mr M was told by his adviser in the run-up to his enquiries with Aviva or during the period of those engagements. It's clear his adviser had a strong view about what should be possible in terms of Aviva's offerings. But I don't know how he conveyed that to Mr M, for example was the Deposit fund I've previously referred to mentioned? And if so why didn't Mr M act on that advice? Or did his adviser tell him he'd need to move his Group Personal Pension to another product with Aviva (such as a SIPP)? Supplementary questions arise then about why the adviser would've recommended an Aviva SIPP and not that of an alternative provider? And I don't know why the adviser remained at arms-length from this element of his client's retirement planning until after Mr M's last conversation with Aviva. But these are matters between Mr M and his adviser.

I think Aviva did enough in the calls to meet the standards I would expect from a pension provider in terms of the information it provided Mr M. To be clear, I don't think informing Mr M of the broad options he had for his pension funds brought Aviva into the realms of providing advice. As it has since acknowledged, it could've potentially sailed closer to the wind here had the actions suggested in its final response letter to Mr M - that its call-handlers should've confirmed an alternative option was to have open a SIPP with Aviva - been acted on. But these are hypothetical matters.

I also consider there is merit in the Investigator's argument around Mr M not taking mitigating action with his Aviva Group Personal Pension in February 2025 when it became clear he couldn't access a cash fund. For example, he didn't move his money into the lowest risk funds available, nor did he explore an alternative pension provider.

We're all inconvenienced at times in our day-to-day lives – and in our dealings with other people, businesses and organisations. When a firm considers compensation, it needs to

reflect on whether the impact of its actions was greater than just a minor inconvenience or upset.

Aviva Life & Pensions UK Limited has accepted its handling of Mr M's enquiries, particularly in relation to what it told him during his complaint journey wasn't good enough. In total it has offered him £200 to recognise the trouble and upset it has caused. I think this is a fair award and should Mr M accept my final decision I would like it to honour that payment.

My final decision

For the reasons I've set out, I'm not upholding the substantive matters raised in Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 December 2025.

Kevin Williamson

Ombudsman