

The complaint

Mr W says Aviva Life & Pensions UK Limited failed to provide him with a clear and informed choice about where his funds would be invested following the switch of his Group Personal Pension from another provider. He says this caused him financial detriment.

What happened

Mr W was a member of a Group Personal Pension (GPP) with Aegon, which was set up as part of his employment. He says around 60% of his pot was invested in cash with the remainder in Japanese equities.

In 2024 Mr W's employer took a decision to change its GPP provider. Mr W was also made aware of the possibility to switch the existing funds he'd already built up with Aegon into his new Aviva plan. He was sent a welcome pack on 1 October 2024 with information about his new GPP, including the default investment strategy; a key features leaflet; a questions and answers sheet related to transferring his pension savings; an illustration; and comparison of the main features of his former and new GPP.

Mr W submitted a form on 7 February 2025 approving the switch of his existing Aegon pension pot to his new Aviva GPP. This took effect in March 2025 and the transfer value at that time was around £83,000.

Mr W contacted Aviva on 4 April 2025 with concerns about what had happened. He said it was not made clear to him where his funds would be invested. He had assumed they would be held in cash until he'd decided what he wanted to do. Instead, he was invested in funds that were beyond his risk profile. And because of market fluctuations he quickly lost around 10% of the value of the money he'd switched.

Aviva issued its final response letter on 29 May 2025. It didn't uphold the complaint and in summary, said the Q&A document sent to Mr W confirmed his funds would be invested in the same proportions as his regular contributions in the new Aviva scheme. Aviva said it was satisfied the correct process had been followed and Mr W could've switched his funds at any time.

Mr W responded on 10 June 2025 and said there was nothing on the 'action' form that indicated his funds would be invested in a higher risk fund than before. Aviva responded on 16 June and quoted excerpts from the Q&A form. Aviva said its decision remained unchanged, so Mr W referred his complaint to this service. He told us:

"Before the bulk transfer, Aviva sent me an advisory document stating that the transferred funds from Aegon would be allocated to the same investments as those already held in my Aviva pension — in this case, US stocks. This letter did not require my signature or any positive confirmation. I viewed it as a general notification, not a binding agreement or formal consent. Latterly, I was sent an online authorisation form to approve the transfer itself. I signed this form, but it contained no information about how the funds would be invested upon arrival, nor did it give me an opportunity to review or select my investment options."

“...I had assumed that my funds would be put in cash and then I could allocate them as I saw fit. I certainly did not expect all my funds to be put in high-risk stocks. Shortly afterward, at the beginning of April 2025, the US market fell by over 10% in short order, and I suffered a significant financial loss.”

“Aviva failed to provide me with a clear, informed choice regarding how the transferred funds would be invested. The advisory document was not a formal agreement, and I was not asked to approve the shift in investment strategy. The authorisation form related only to the transfer itself it did not include any investment instruction or option to maintain my previous asset allocation.”

An Investigator considered his case. She issued two views but didn't recommend Mr W's complaint should be upheld. Essentially, she thought he'd received sufficient information from Aviva to have been able to make an informed decision about switching his Aegon pension pot into his new Aviva GPP.

Mr W rejected the Investigator's view. In his final submission he summarised his position in the following terms:

“I do still think the core issue has not been dealt with, however, which is that Aviva only placed what would happen to the incoming funds on an advisory document, rather than the document that I had to action. The two parts of the action: whether I wanted to transfer the funds, and where they were to go, are equally important and so both should have been explicit on the document that required my signature.”

As both parties couldn't agree with the Investigator's view Mr W's complaint has been passed to me to review afresh and to provide a final decision.

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 W's complaint. I'll explain why.

I've considered the extensive regulation around the services like those performed by Aviva for Mr W. 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.

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 W's complaint.

I've reviewed the documents Mr W was sent by Aviva. There were several, and these included:

- *Welcome to your investment programme* – this letter set out the arrangement Aviva had put in place for his Employer's staff. The broad investment strategy was set out. This was to invest in company shares and as people got closer to retirement move into funds with less exposure to stock market fluctuations. It directed Mr W to a brochure for more information about where his funds would be placed.
- *Be in control of your Aviva pension* – this provided Mr W with more information about the Aviva GPP, including access to a website, tools, information and a contact number for questions. Under a sub-heading *Investing the money in your pension* it said:

“If you haven't made your own investment choice, you'll invest in the default investment solution for your scheme. Please make sure you read the information you've received about your investment options to make sure it's the right choice for you.”
- *Key features of the Flexible Retirement Account*
- *Questions & Answers about transferring your pension savings under this offer.* This set out the considerations Mr W should make before deciding whether or not to transfer his existing Aegon funds to his new Aviva pension. It also included the following Q&As:

“In what funds will the transfer be invested?

Your transferred payment will initially be invested in the same proportion(s) as your regular contributions into the new Aviva scheme...

After the transfer payment has been invested, you can switch investment funds at any time. We don't currently charge for switching funds. In certain circumstances we may delay the 'cashing-in' or switching of units. Please refer to the Flexible Retirement Account Terms and conditions for further information.”

“What happens if I don't transfer?

Your existing pension savings will remain in the previous scheme. Your employer will contribute to your new Aviva scheme, so you'll have separate pension pots split between the previous scheme and the new Aviva scheme.”
- *Comparison of the main features of [his employer's] GPP plan with Aegon and Aviva* – this included information that would've enabled Mr W to compare and contrast investment options.
- *Pension illustration* – this included confirmation that 100% of Mr W's funds would be invested in the *Av My Future Focus Long Term Growth S4 fund*. And this had also been confirmed in other documents he'd received.
- *[Employer] GPP Plan, Flexible Retirement Account Investment Brochure* – this set out in more detail the default investment strategy Mr W was enrolled in, the rationale for it and how the approach would automatically change at various trigger points as he got closer to retirement. It also identified the different investment strategies he had access to.

I've concluded Mr W had all the information he needed to take an informed decision about whether or not to switch his Aegon pension pot into his new Aviva GPP. This should've made him aware of the consequences. The documentation also signposted him to where he could get support if he needed it before taking any decision.

The product offered by Aviva seems reasonably vanilla, by which I mean the default investment strategy it had in place was standard and didn't make me think it meant Mr W was taking on unreasonable risk given what I know about his circumstances from the information he's provided.

Investing in a pension is a long-term endeavour. And while stock markets can and do fluctuate, over the usual time horizon then some exposure to risk is a normal strategy. Indeed, I note that 40% of Mr W's former GPP funds were invested in Japanese equities.

I understand Mr W's argument that the form he signed to action the switch of his Aegon funds didn't state where his monies would be invested. He says he thought his funds would be placed in cash awaiting his investment decision. But I've not found any reference to such an approach in the paperwork he received. So, I don't know why he formed that impression.

As I've already concluded, I think it's more likely than not Mr W was provided with sufficient information from Aviva to have understood where the funds he'd decided to switch from his former GPP would be invested.

My final decision

For the reasons I've set out, I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 January 2026.

Kevin Williamson
Ombudsman