

The complaint

Miss H has complained that Aviva Life & Pensions UK Limited has delayed the payment of her pension benefits, which caused her significant trouble and upset.

What happened

The investigator who considered this matter set out the background to the complaint in her assessment of the case. I'm broadly setting out the same background below, with some amendments for the purposes of this decision.

Miss H held a personal pension plan (PPP) with Aviva. In April 2024 Miss H became too unwell to continue working and said that she was forced to take early medical retirement. She was aware that she could take the benefits from her Aviva personal pension when she turned 55 in July 2024.

Miss H received retirement options from Aviva and considered her options. She was considering taking her pension as flexible lump sums in order to spread her lump sums over two payments and not incur as much tax.

When she contacted Aviva on 7 February 2025 to discuss the options available to her, Aviva explained that she would not be able to take flexible lump sums from her current pension and this would need to be transferred to a SIPP in order to take the benefits flexibly.

Miss H said that unfortunately at this point she wasn't medically or physically able to reconsider her options. She said that she had recently had to move in with her parents and had decided to put a downpayment on a small mobile holiday home to provide her with respite. She intended to make the remainder of the payment with the funds she received from her Aviva pension. So, she decided to take her benefits as a lump sum.

On 12 March 2025 Miss H called Aviva and advised them of her decision to take the pension as a lump sum. She confirmed that she wanted a quotation and the forms in readiness to take her benefits on 7 April 2025. Aviva advised they would send her the necessary paperwork. During this call Miss H updated her address with the necessary Aviva team. Aviva told Miss H that the payment would take five working days from the date Aviva received the claim forms.

Miss H received the documents by email but she couldn't open the attachments, so she emailed Aviva on 14 March 2025 to re-request them. However, she didn't receive a reply, so she called Aviva on 19 March 2025 and asked that the paperwork be posted to her. She received emailed copies of the documents, but this didn't include a "DocuSign" form.

On 24 March 2025, Miss H received the documents by post and she returned them by email on 7 April 2025.

On 15 April 2025 Miss H contacted Aviva as she hadn't received her payment. The call handler initially told her that they couldn't find the form. However, it was then located during the call and Miss H was advised it hadn't been actioned yet. Miss H was told that the request would be expedited.

On 23 April 2025, Miss H called Aviva again to chase the payment, and she raised a formal complaint.

Miss H made a further call on 29 April 2025 and was asked to confirm her address. The call handler explained that they couldn't give Miss H an indication of when she would be paid the money. Miss H said that she was receiving daily calls from the holiday home company chasing the remainder of the payment and this was impacting her health. The payment was made on 1 May 2025.

Aviva responded to Miss H's complaint on 15 May 2025. It confirmed that Miss H's address had not been updated on its systems, and this delayed the process in paying her claim.

Aviva said that it had looked at the payment Miss H would have received if the payment had been processed on 7 April 2025 in comparison to what she did receive on 1 May 2025 and it had determined that Miss H had received a higher payment due to the delay - so there had been no financial loss.

Aviva paid £150 compensation for the trouble and upset they had caused Miss H. However, Miss H didn't feel this was fair and so referred her complaint to our service.

Having considered the matter, the investigator thought that the complaint should be upheld, saying the following in summary:

- Miss H had raised concerns about the retirement options she was provided with in 2024 and two of those options not being available to her when she contacted Aviva to take her benefits. These options were drawdown and flexible income or lump sums.
- This part of Miss H's complaint hadn't been considered yet, as this wasn't raised as part of her complaint to Aviva. However, it wasn't unusual for a consumer to need to transfer to another policy that allowed these options when they chose to take their benefits in this way. This was because older style personal pensions didn't allow the option of taking the benefits flexibly. However, the option would have still been available by transferring to another plan.
- Miss H was disappointed with the information she was provided by Aviva at the time, but if she remained dissatisfied, she would need to raise a separate complaint with Aviva about this issue. If Miss H remained dissatisfied once she'd received Aviva's response, she would be able to raise her complaint with our service.
- The investigator said that she'd considered whether the delay in the payment of her benefits had caused Miss H a financial loss, as well as the impact the delay had had on her. Where there had been an error, this service would aim to put a consumer in the position they would have been in, had the error not occurred.
- In this case, if it hadn't been for the delay, Miss H would have received the value of her policy on 7 April 2025 as a lump sum. However, due to the delays Miss H received the value of her policy on the effective date of 28 April 2025.

- Aviva carried out a loss assessment to ensure that Miss H hadn't been affected financially by the delay. The fund value on 7 April 2025 was £24,826.74. A total amount of £18,133.22 would have been payable which included late payment interest at 8%. Miss H received £18,413.40 on 1 May 2025. So there hadn't been a financial loss to Miss H because of the delay.
- But having considered the compensation paid by Aviva for the trouble and upset it had caused Miss H, £150 wasn't reasonable. Miss H updated her address on 14 March 2025, and the claim form she was sent from Aviva was addressed to her new address.
- Aviva sent Miss H emails on 2 April 2025 and 23 April 2025 to ask Miss H to clarify her address, but Aviva had sent the claim form to her home address by post and the claim form that was sent by email also included Miss H's new address. Aviva spoke to Miss H on several occasions during the process and had the opportunity to ask Miss H to clarify her address during the calls if this was necessary.
- Miss H had explained that she's in poor health and needed the funds from Aviva to pay the remaining balance on her new home. Miss H explained that she was being chased daily for payment, and this was causing her additional distress and inconvenience and affecting her health. When Miss H contacted Aviva to chase the payment, she was told that it hadn't been processed and would be escalated without any explanation that her address needed to be clarified before matters could be finalised. So, the delays caused Miss H considerable distress, upset and worry that she would lose her new home and the deposit she'd already paid.
- In order to put things right, Aviva should pay Miss H an additional £200, bringing the total compensation to £350 for the considerable distress, upset and worry that the delays had caused her.

Aviva agreed with the recommendation, but Miss H maintained that the amount should be higher in view of the distress she'd been caused.

As agreement hasn't been reached on the outcome, it's been referred to me for 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 overall conclusion as the investigator, and for the same reasons.

I appreciate that Miss H is disappointed with the amount recommended by the investigator, and I understand and acknowledge the distress she would have experienced due to what happened here.

But when thinking about the type of award to make in this kind of situation, it's useful to refer to the awards which this service might typically make in similar situations. And there is guidance on our website relating to this.

This guidance says that an award of over £300 (and up to around £750) might be fair where the impact of a mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically,

the impact might over many weeks or months, and it could also be fair to award in this range if a mistake has a serious short-term impact.

Having considered what has happened here, I think the circumstances are fairly similar. Miss H was certainly caused significant distress by the delay, and it took several weeks to resolve – but not many months. And instead of there being a financial loss as a result of the delay, Miss H was ultimately paid a higher amount.

And so I agree that the amount of £350 would be appropriate here.

Putting things right

Aviva Life & Pensions UK Limited should pay to Miss H, including any amount already paid, a total of £350.

My final decision

My final decision is that I uphold the complaint and direct Aviva Life & Pensions UK Limited to undertake the above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 26 November 2025.

Philip Miller
Ombudsman