

## The complaint

Mr G complains that Aviva Life & Pensions UK Limited (Aviva) caused an unnecessary delay to his requested fund switch, leading to a financial loss. He also complains that his account was frozen until 22 April 2025 and this stopped him from mitigating his loss.

I understand that Mr G had two pension plans with Aviva, one of which he has now transferred to another provider. However, the pension plan at the heart of this complaint is the one related to his employer's pension scheme.

## What happened

Mr G is a member of his employer's pension scheme through Aviva. I understand he became a member at the end of 2017. On joining the scheme, Aviva issued a welcome pack on 16 December 2017. This explained that Mr G should register for online access to his pension through MyAviva. It said that through MyAviva, Mr G could: *"Find out more about how your money's invested, and make changes if you want to."*

The welcome pack explained how payments into the pension would be allocated. It said:

*The allocation takes place at:*

- *the next valuation day after we receive a payment, but we reserve the right to use a later unit price if the use of the unit price that we next make available would allow you to use already known market data to your benefit; or*
- *the date that payment was due, if later.*

The welcome pack explained how units would be cancelled, as follows:

*The cancellation of units takes place using the unit price that we:*

*next make available depending on the time the request (together with all our reasonable requirements) is received by us, but we reserve the right to use a later unit price if the use of the next available unit price would allow you or someone acting on your behalf to use already known market data to your benefit*

Mr G attempted to make a fund switch on 2 April 2025 just before midnight. The fund switch contained a number of different assets, one of which Aviva determined was a "Category A" or Far Eastern asset.

Aviva said Mr G would've seen an important information box before he confirmed his switch request. This stated:

*If you go ahead, the funds you've chosen to sell may go down or up in value between the time that you submit your request and the time that the funds are sold. Therefore, we will sell the funds according to the percentage you decide to sell, not the amount estimated.*

*If your request is submitted before 5pm, Monday to Friday, we will sell the funds using the*

*unit price of the following working day. If your request is submitted after 5pm Monday to Friday, or any time on weekends or bank holidays, we will sell the funds using the unit price of two working days later. If any fund being sold is a Far Eastern asset, this will add an additional working day to the unit price sold. The funds will be sold according to their unit price on the day of the sale as explained above.*

Aviva also said that in line with its fund switch principles, it considered the fund switch request to have been made on 3 April 2025, as it received it after 5pm. It then added another two working days as one of the funds Mr G was switching out of was a "Far Eastern/Category A" fund.

On 7 April 2025, Mr G called and told Aviva that the fund switch should've taken place sooner. And that the delay had caused him a financial loss. Aviva told him the effective date of the switch would be 7 April 2025.

On 9 April 2025, Aviva wrote to Mr G to confirm that it considered the switch request had been made on 3 April 2025. It said it then allowed two working days for the switch to take place as it involved Category A Funds. It said Category A Funds were invested wholly or partly in Far Eastern Funds. And explained that the time difference meant that Far Eastern stock markets closed before the UK trading day was over. It therefore added a working day to such trades to ensure that no one had a market advantage in knowing how a certain stock had performed before requesting a switch.

Within its 9 April 2025 correspondence to Mr G, Aviva said it'd asked its administration team to take steps to ensure that his switch took place as soon as possible. It also said its complaints team would investigate his complaint further.

The message also stated the following:

*Also, if you want to make a fund switch when one is already in process, you can give us a call and have a word with the fund switch team to make that request manually.*

Mr G didn't agree with Aviva. He felt it should use the unit price from either 3 or 4 April 2025 for the switch. And that Aviva had delayed the execution of his instruction.

Aviva repeated its explanation about why it'd built the delay into its process, noting this was to avoid unfair trading.

Mr G still didn't agree. He wanted Aviva to use an earlier valuation point. And he couldn't see why some of his funds couldn't have been switched before the Far Eastern one.

Aviva explained that as all the fund switches requested were part of a single request, they would all be carried out together. The effective date for this was 7 April 2025. Mr G also wanted to know when the switch would be completed. He also said he'd had another similar fund switch carried out in one working day in his other Aviva pension. Mr G complained that Aviva wasn't being consistent.

Mr G asked Aviva to provide information so he could assess the financial loss he felt the delayed switch had caused him. He felt that Aviva was deliberately changing the time it took to carry out switches to penalize its policyholders. He said he was deeply stressed. And that he'd been severely impacted by the delay in implementing the switch.

Aviva processed the requested switch on 16 April 2025 and wrote to Mr G the same day to confirm. It backdated it to 7 April 2025.

Mr G felt Aviva had unfairly delayed his switch causing him a financial loss. He said he wouldn't have placed the trade if he'd know Aviva wouldn't implement it on the next working day.

Aviva issued a final response to Mr G on 16 April 2025. It didn't think it'd done anything wrong. It said it'd followed the correct process and in line with the terms and conditions in using two working days to establish the effective date. It said Mr G had requested to switch out of the Aviva Pensions Invesco Global Emerging Markets IS fund, a Category A fund which it classed as a Far Eastern fund. As such, the whole switch would use the same effective date of 7 April 2025. It said this had been explained when Mr G requested the fund switch online. It said switches could take up to ten working days to process and show on his online account.

Mr G didn't agree with Aviva. He said that if he'd known the Far Eastern part of his switch request would lead to the entire switch taking longer, he wouldn't have placed it.

Mr G asked Aviva to provide details of the Category A funds. He said this was an Aviva classification which hadn't been made clear to him. He felt this categorisation should be labelled clearly on its website.

Mr G also wanted to know why it'd taken so long to process his switch request. And why his account had been frozen until 22 April 2025.

On 24 April 2025, Aviva wrote to Mr G to tell him it would investigate his complaint. It stated that if a switch was requested before 5pm, a policyholder would get the unit price of the next working day. But if a policyholder requested the switch after 5pm, it would add another working day.

On 6 May 2025, Mr G called Aviva to discuss his complaint. He felt Aviva was deliberately delaying or executing trades at random timelines to ensure its policyholders were worse off while it kept the difference in value. He felt this was evidence of fraudulent behaviour on the part of some employees. And on 7 May 2025, Mr G wrote to Aviva with further details about his complaint. He thanked it for providing the fund pricing information he'd requested.

Aviva issued a further complaint response on 12 May 2025. It apologised and said it would uphold Mr G's complaint that it hadn't processed the fund switch he'd requested until 16 April 2025. It said there'd been a system error which meant the switch had to be processed manually. Aviva maintained that the fund switch had been correctly backdated to the correct date of 7 April 2025, allowing for the switch to take two working days, in line with its fund switch principles. Aviva also apologised for incorrectly stating in previous correspondence that it'd only added one working day.

Aviva explained what "Category A" funds were. And why it made fund switches of that type effective two working days after a request. It said that Mr G would've seen an important information box explaining this before he confirmed his switch request.

Aviva apologised, but said despite checking, it didn't know why Mr G's account had been frozen until 22 April 2025. It also explained why the similar trade Mr G had made on his other Aviva pension had been executed within one day. It said that pension was serviced by another team which used different turnaround times.

Aviva offered Mr G £150 compensation for the inconvenience caused by the delayed processing of the switch and for the incorrect information it'd provided about switch times and policy numbers. But it said it couldn't compensate Mr G for any financial loss as it had followed the correct switch process and correctly backdated the fund switch to 7 April 2025.

It said this was in line with its regulations as supported by the Financial Conduct Authority (FCA).

Aviva also assured Mr G that there had been no market manipulation involved within its process, noting that it was strictly regulated by the FCA.

Unhappy, Mr G brought his complaint to this service. He said that Aviva had prevented him from carrying out further trades for at least ten days until it executed his requested trade. He felt this had prevented him from taking advantage of the market recovery. Mr G said there was evidence that Aviva was executing trades for other favoured clients before executing his trade. He also felt that Aviva should review its literature so that it was clear which funds were Far Eastern assets. He said that if Aviva had made it clear that some of the funds he wanted to switch were Category A he wouldn't have placed the switch.

On 13 May 2025, Aviva wrote to Mr G to explain that it didn't provide information online about whether a fund was a Category A as this could be viewed as implied advice. It said it was Mr G's responsibility to research the funds he wanted to invest in. It also confirmed that it didn't and wouldn't consider trying to time the market. It said this wouldn't be allowed by its regulator.

Aviva said it couldn't allow its policyholders to place multiple switches if one was already in progress as that could be seen as market manipulation. Therefore, all switches had to be processed at once.

The same day, Mr G wrote to Aviva to ask it to confirm which funds were Category A. It replied the same day to say that Category A funds were linked to Overseas stock markets. Mr G didn't think this was clear enough. He felt Aviva should make its policy clearer before a policyholder requested a trade. He also repeated some of his earlier complaint points.

I understand that as Mr G was frustrated with Aviva, he transferred the other pension he held with it to another provider on 14 May 2025.

Aviva told this service that when a policyholder requested a switch, it would be completed in a single transaction even if there was a mix of funds including Far Eastern funds. It said it would be classed as one switch.

Aviva also said that once a policyholder submitted a fund switch or redirection online, the system would restrict that policyholder's ability to process further instructions until his plan value and funds were showing correctly. It said this allowed a policyholder to see the impact of the changes he'd made before submitting any subsequent instructions. It said that if the system were to allow further instructions to be submitted without this restriction, it could result in multiple transactions being made on the same fund and cause errors in the pension. And noted this was the reason switch requests couldn't be split.

Mr G felt that Aviva should make it completely clear to policyholders which funds it would trade in one working day, and which needed two. He also felt it should make it clear that a switch is done all at once. He felt there was no way to research which funds were Category A and which weren't.

Mr G also wanted Aviva to share its full correspondence with him over chat. He said he'd had chats in which he'd indicated that he'd like to make further trades.

Aviva replied to Mr G on 2 June 2025 to say that its decision remained unchanged. It said it wouldn't respond further unless any new information came to light.

Our investigator asked both Mr G and Aviva about the next fund switch he requested after his original switch finished processing, and when this was carried out.

Mr G said there was strong evidence that he intended to switch to reinvest. But he couldn't make a switch as it was blocked by Aviva.

Aviva said Mr G hadn't requested any further fund switches after the switch it'd backdated to 7 April 2025.

Our investigator felt that Aviva had acted in line with its terms and conditions and that it'd correctly backdated the trade to 7 April 2025. He said the evidence showed that an information box which Mr G would've had to complete before placing a switch explained the timings of a switch. As such, he felt Mr G ought reasonably to have known when the effective date of the switch was. He also felt that there was no evidence that Aviva had manipulated the dates used for trading.

Our investigator acknowledged that Aviva didn't publicly define "Far Eastern/Category A". But said that its terms and conditions allowed it to use a later unit price if the next available unit price would allow a policyholder to use already known market data for benefit. He felt this was reasonable.

Our investigator said he hadn't seen any evidence to show Aviva had deliberately waited to the lowest point of the market to process the switch. Nor had he seen evidence that it'd favoured other clients at Mr G's expense. He noted Aviva said it treated all clients equally. He acknowledged Mr G felt that some Aviva employees were committing fraud. But said he hadn't seen anything to show that Aviva had acted outside the regulations.

Our investigator felt that the £150 compensation Aviva had offered Mr G for providing him with incorrect information and taking until 16 April 2025 to process his switch request was reasonable, given the frustration this had caused him. But he didn't think it was responsible for any financial loss.

Mr G didn't agree with our investigator. He made the following points:

- Aviva should address the confusing terminology and lack of clarity in its fund-switching process. He felt that terms such as Category A, Category B, and Far Eastern Funds had been used without any clear explanation of how they were related.
- He also felt that Aviva didn't explicitly state on its website how long each switch would take. Nor did it clearly state that a switch would be processed all at once, rather than in any particular order of funds. Mr G felt that Aviva should provide clarity on the precise switching timelines and apply a clear warning label where funds would take longer than one day to switch. He wanted Aviva to take steps to ensure that the process was transparent, consistent, and not open to interpretation. And felt that if Aviva had taken the steps suggested, the errors in his case could've been avoided.

Mr G also wanted Aviva to provide transcripts of the calls he'd had with it.

Our investigator asked Aviva to confirm how it defined a Far Eastern asset and where Mr G could find its definition. He also said that Mr G had said he'd communicated with Aviva through a proprietary chat messaging system. He felt a record of those chats would help prove he would've switched again but for the 7 April 2025 switch taking so long to process. He asked Aviva to provide a transcript for the chat records from April and May 2025.

Aviva said that the pop-up information box Mr G would've seen before he requested the fund switch stated that if a fund being sold included Far Eastern assets, an additional working day would be added to the unit price processing time. It also said that although it'd reviewed all its systems it hadn't found any record of Mr G contacting it through proprietary chat messaging.

As agreement couldn't be reached, the complaint has come to me for a 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.

Having done so, I'm sorry to disappoint Mr G, but I've reached the same conclusion as our investigator, for essentially the same reasons. I don't have a lot to add to what our investigator said, but I'll explain my reasoning below.

I first considered whether Aviva had correctly processed the fund switch request and backdated it to the right date. Mr G feels strongly that Aviva unfairly delayed his switch and caused him a financial loss. He feels that Aviva deliberately changed the time it took to carry out switches to penalize him and to itself profit.

#### *When and how should the switch have been processed?*

I acknowledge that Mr G feels strongly that the effective valuation date of the fund switch should be either the 3 or 4 April 2025. The evidence shows that he placed the switch just before midnight - so well after Aviva's 5pm cut-off time - on 2 April 2025.

Aviva therefore correctly treated the switch as being placed on 3 April 2025. It then allowed one working day for the switch to go through and then one additional working day as there was at least one Category A funds involved in the switch request. This meant that the effective date for the switch was 7 April 2025, given the weekend.

As our investigator noted in his view, Aviva has explained that it requires an extra working day for fund switches involving a Category A fund. I'm satisfied with its explanation of why it needs this extra day, so won't repeat that here. Aviva has provided this service with a full list of its Category A funds and I'm also satisfied that Mr G's switch request contained at least one Category A fund.

Overall, I'm satisfied Aviva correctly backdated Mr G's switch to 7 April 2025, in line with its terms and conditions. I therefore can't fairly say that Aviva caused Mr G a financial loss.

I also agree with our investigator that there's no evidence that Aviva deliberately delayed Mr G's switch or favoured other clients at his expense. From what I've seen, Aviva treats all clients equally. I therefore also agree with our investigator that there's no evidence that any of Aviva employees were committing fraud or acting outside the regulations.

I next considered whether Aviva provided Mr G with enough information about how long his switch request would take before he agreed to it. Mr G said that if he'd known the Far Eastern part of his switch request would lead to the entire switch taking longer, he wouldn't have placed it.

#### *Information Mr G had before his switch request*

The terms and conditions of Mr G's pension noted the following:

*the cancellation of units takes place using the unit price that we:*

- 1. Next make available depending on the time the request (together with our reasonable requirements) is received by us, but we reserve the right to use a later unit price if the use of the next available unit price would allow you or someone acting on your behalf to use already known market data to your benefit.*

This statement was also included in Mr G's 2017 welcome pack. I'm therefore satisfied that Mr G had been made aware of the terms and conditions of his pension, and that Aviva had the right under them to use the unit price from 7 April 2025 for the switch request.

The evidence also shows that the pop-up box Mr G was required to agree to before he could confirm his switch request explained that Far Eastern funds take one day longer than other funds. I therefore consider that even if Mr G wasn't aware that there was a Far Eastern fund in his switch request, he should've been aware that the terms and conditions of his pension allowed Aviva to take however long it needed. And that once he'd seen the pop-up he could've called Aviva to ask how long his specific switch might take.

I acknowledge that Aviva doesn't explicitly state on its website how long each switch will take. So I've gone on to consider whether it should've provided clearer information.

*Should Aviva have provided clearer information?*

Mr G thinks that Aviva should address the lack of clarity in its fund-switching process, including providing full details of the Category A funds and how long a particular switch will take.

While I can see that Aviva has explained what it considers to be Category A funds, and why it needs this distinction, Mr G wanted to know how he and other policyholders could find out which funds were Category A. He said that if Aviva had made it clear that some of the funds he wanted to switch were Category A he wouldn't have placed the switch.

Mr G felt that Aviva should make it completely clear to policyholders which funds it would trade in one working day and which needed two.

Aviva explained to Mr G on 13 May 2025 why it didn't provide information online about whether a fund was Category A. It said this could be viewed as implied advice and that it was his responsibility to research the funds he wanted to invest in. While I agree with these statements, I'm not persuaded that Mr G can independently access which of Aviva's funds are Category A and which aren't. However, I'm not persuaded this makes any difference here.

I say this because the terms and conditions of the pension don't guarantee that a fund switch will be carried out the working day after a pre-5pm request the day before. Instead, they give Aviva the right to use a later unit price. I'm satisfied that Mr G ought reasonably to have been aware of this right as it was noted in his welcome pack and then highlighted in the pop-up he had to agree to before submitting his switch request. As I noted earlier, if Mr G had specifically wanted to ensure his switch went through on 4 April 2025 – the earliest possible date his late request from 2 April 2025 could've gone through – he should've contacted Aviva on reading the pop up to ask it for confirmation of how long his specific switch would take.

I acknowledge that Mr G also complains that Aviva doesn't clearly state that a multiple fund switch request would be processed in one go, rather than processing non-Category A funds in one working day.

I'm pleased to see Aviva has explained why this is the case, as I've noted in the background section.

While I understand why clarity on the precise switching timelines would've been helpful before Mr G submitted his switch request, I'm satisfied that he could've asked Aviva about this before he confirmed his switch request, which was for more than ten different funds. Had he done so, he could then have decided to amend his switch request accordingly. In any event, I agree with our investigator that Aviva's explanation about why it can't split a fund switch request into Category A and Category B funds and then transfer them separately is reasonable.

Although I understand why Mr G is unhappy with the information available to him, I'm satisfied that he had enough information from Aviva to make an informed decision about whether or not he wanted to submit his switch request. Therefore I can't reasonably say that Aviva should've done more.

I next went on to consider the time Aviva took to process Mr G's switch request. And why his account had been frozen until 22 April 2025.

#### *Time taken to process the switch request*

Mr G said that Aviva prevented him from carrying out further trades until his switch request completed on 16 April 2025. He felt this had prevented him from taking advantage of the market recovery. Mr G said there was strong evidence that he intended to switch to reinvest. He felt this had caused him financial loss.

Aviva told this service that its turnaround time for fund switches is ten working days. It said this wasn't stated in the terms and conditions. But noted that in any event the effective date of a switch would be determined by the date the request was submitted, and the funds being switched, not the turnaround time for the process.

Aviva said that during the ten working day turnaround time – so between 3 April 2025 and 16 April 2025 - Mr G wouldn't have been able to make any further switches until the submitted fund switch was complete. It explained that its system restricted multiple concurrent requests. And that this was a standard protocol applied to all policyholders.

I acknowledge that Mr G was unable to make further switch requests until 16 April 2025. But other than his testimony, I've not been presented with any evidence to show that Mr G would've made further switch requests if he hadn't been prevented from doing so.

I also say this because on 9 April 2025, Aviva wrote to Mr G to say that if he wanted to make a fund switch when one was already in process, he could call it to make a manual request. I've not been provided with any evidence that Mr G called Aviva between 3 and 16 April 2025 to request a further switch request. And Aviva confirmed to this service several months after the original switch request that Mr G had made no further switch requests. Therefore I'm not persuaded that Mr G would be in a different position now if his account hadn't been frozen until 22 April 2025.

I appreciate that Mr G feels that Aviva hasn't kept a record of all of the "chats" he had with it. But I have no reason to doubt that Aviva has withheld any such records. It has provided this service with what it says is all chat correspondence between Aviva and Mr G between 2 and 23 April 2025. And there's no evidence that he ever requested a further fund switch. As such, I can't reasonably agree with Mr G that Aviva prevented him from carrying out further trades, leading to a financial loss.



I finally considered the compensation Aviva has offered to pay Mr G.

### *Offer of compensation*

I agree with our investigator, and for the same reasons, that the £150 compensation Aviva offered Mr G for providing him with incorrect information and taking until 16 April 2025 to process his switch request was reasonable. I say this because it's in line with what I would've otherwise required it to pay for its errors here. But I'm not persuaded that those errors led to a financial loss.

It's clear that this has been a stressful time for Mr G. But I've not been provided with any evidence that Aviva has acted unreasonably or that it has treated him unfairly. The evidence shows that Aviva explained the situation clearly as early as 9 April 2025, four working days after Mr G's switch request.

I'm satisfied that Aviva followed its normal process, in line with the terms and conditions of Mr G's pension, when it processed his switch. I therefore can't fairly say that Aviva delayed the fund switch or incorrectly priced it. So I can't reasonably say that it's responsible for any financial loss. And based on what I've seen, I'm satisfied that Aviva provided Mr G with sufficiently clear information before he placed his switch request that he ought reasonably to have been aware of how long that trade might take before he made it. Therefore, I can't reasonably require Aviva to take any further steps to put things right.

However, I uphold the complaint as it's not clear from the evidence provided that Aviva has paid Mr G the £150 it offered him for its administrative shortcomings, noted in its 12 May 2025 final response letter.

### **Putting things right**

Aviva Life & Pensions UK Limited offered Mr G £150 compensation for administrative errors. It's unclear whether it has paid Mr G this yet.

If Aviva Life & Pensions UK Limited has yet to pay Mr G the £150 it offered him, it must now pay him that. If it has already paid him the £150 offered, it need take no further steps.

### **My final decision**

For the reasons explained above, I uphold the complaint. Aviva Life & Pensions UK Limited must take the steps detailed in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 December 2025.

Jo Occleshaw  
**Ombudsman**