

The complaint

Mr J says Aviva Life & Pensions UK Limited ('Aviva') mismanaged his personal pension between 2021 and 2025 (especially during 2022 and 2023), because it failed to monitor the performance of the pension's underlying investments, failed to alert him to underperformance issues and failed to advise him on addressing those issues. Aviva disputes the complaint. It says it provided an execution only service for the pension, so it was under no obligation to advise on it or to monitor and/or manage it.

What happened

Aviva confirms that it received the pension in a 2007 transfer and that Mr J had a number of advisers linked to the pension over time.

Mr J says he has never used financial advisers.

He says, during the relevant period, his pension was invested in the Aviva Pension Fixed Interest FP fund and in the Aviva Pension Index-Linked FP fund; that he did not know what Aviva's management responsibilities entailed, but he knew he paid a management fee for that service and he trusted it to manage the pension in his best interests; that it failed to alert him to the growing risks of market fluctuations between 2022 and 2023, which adversely affected his pension; that it failed to advise him on options to de-risk and failed to provide oversight for his pension as he approached retirement; and that between late 2021 and mid-2025 his pension suffered a loss in value of almost £45,000.

Mr J transferred his pension away from Aviva around May 2025. He complained shortly thereafter. Aviva's response to him included the following –

"I'm sorry to learn you're unhappy with the performance of your funds. Markets can fluctuate daily ...

We're unable to send any warnings of your values dropping, as this could be classed as financial advice, which were unable to provide. We send out yearly statements confirming the value of your policy over the year. This also provides a break down of the funds you're invested in. I've included your statements since 2021 for your reference ...

I confirm you're not a part of a lifestyling programme. You're invested in Av Fixed Interest and Av Index Linked which is invested in government and corporate bonds. Unfortunately over the past few years a variety of market factors have affected the performance of fixed interest corporate bond and gilt funds."

Aviva proceeded, in the response, to give some examples of the market factors that, in its view, had generally affected performance, and the reasons behind those effects.

In its submissions to our service, Aviva said – it is an execution only business, it never provided an advisory service to Mr J; management and fund selection in his pension was also outside its responsibility; its records show that his pension rose in value by around 36% between 2015 and 2021, then fell in value by around 32% between 2021 and 2023, before

rebounding by around 5% thereafter; despite annual statements showing performance over time and giving information on his options to manage the pension, there is no record of Mr J ever reacting to performance by attempting to switch funds; and he did not take any steps to transfer the pension until 2025.

It also elaborated further, to us, on the general problems in the markets between 2015 and 2024 that affected the pension's performance.

One of our investigators looked into the complaint and concluded that it should not be upheld. He broadly agreed with Aviva's position in the matter and highlighted to Mr J that the service he received from Aviva did not include the advice, monitoring and management components he has complained about. The investigator noted that the agreement between the parties did not include the provision of advice, the pension statements sent to Mr J included notice that reminded him Aviva could not give advice, the Annual Management Charge ('AMC') he has referred to mainly related to administration of the investment funds, so overall Aviva was not responsible for the pension as he has alleged.

Mr J disagrees with this outcome. He has asked for an Ombudsman's decision. He says the level of losses in his pension ought reasonably to have prompted Aviva to take steps to mitigate, and he maintains his allegations that Aviva failed to monitor and manage his funds responsibly, to alert him about their underperformance (thereby depriving him of the opportunity to make an informed decision about it), to advise him in the matter and failed in its duty of care towards his pension.

The matter was referred to an Ombudsman.

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 have reached the same conclusion expressed by the investigator, for broadly the same main reasons he gave.

The pension was a Friends Provident ('FP') pension at the outset – since taken over by Aviva – and we have a copy of its terms and conditions.

With regards to managing the funds within the pension, section 4 of the terms sets out the circumstances in which FP/Aviva can take steps related to the pricing of the funds and to deducting costs and taxes from fund units, but on fund switches the terms confirm that discretion is left with the pension holder.

As it says, Aviva provided an execution only service for the pension. We have copies of annual pension statements sent to Mr J between 2016 and 2024, and each includes the following statement –

"We are unable to give financial advice, but we are happy to help with any queries you may have. If you would like advice, please contact your financial adviser. If you do not currently have an adviser, you can find one in your area online via unbiased.co.uk. An adviser may charge for their services."

There is no evidence of an undertaking by Aviva to advise on the pension or of an advice related fee paid by Mr J in this respect.

Based on the above findings, I am satisfied that Mr J's claim about lack of advice from Aviva

falls away. It was not obliged to advise him on the pension, and he was repeatedly reminded to seek professional advice if he wanted/needed to.

In the absence of an advisory service, I also do not consider that there is merit in his allegations about Aviva failing to monitor his pension's holdings and/or performance, and to alert him to issues in that performance. Management of the relevant *FP* funds was/is distinct from the management of Mr J's pension portfolio (which included holdings in those funds).

There does not appear to be a separate claim about alleged mismanagement of the funds themselves, and I have seen no evidence in that respect. Instead, Mr J's claim is about alleged mismanagement of his pension portfolio and the holdings within it. However, if his reference to the portfolio's under performance is also intended to include an allegation about mismanagement of the funds it was intended in, I am not persuaded such mismanagement has been established.

Performance in isolation does not automatically determine a claim about mismanagement. In broad terms, it is usually necessary to show that management has not been conducted as it ought reasonably to have been conducted. In the present case, I have not seen evidence of that with regards to the two funds Mr J's pension was invested in. Furthermore, the wider market and geo-economic circumstances that Aviva explained to him, and to us, are generally accurate in terms of the market factors that existed within the period he has complained about. It is possible, if not probable, that those wider factors – which were beyond Aviva's control – had their effects on performance.

Moving to his pension portfolio, there is no provision in the pension's terms for management of Mr J's pension portfolio by FP/Aviva, and there is no evidence of a portfolio management related fee paid by him in this respect. The AMC that he appears to rely on in support of his complaint is defined in the pension statements as follows –

“Annual Management Charge (AMC)

There is a yearly charge for the set-up and running of your plan and its investment management. This charge is taken by deducting units from your plan each month. The charge may vary by contribution type.”

I have considered reference, in the quote above, to the AMC applying to ‘investment management’, and whether (or not) this covered the service Mr J was expecting. However, the statements show that the charges are applicable for each of the invested funds themselves, not for Mr J's pension portfolio. They were linked to the funds themselves, not to his portfolio, they covered the investment management within the individual funds, not the management of investments within his portfolio.

The following additional explanation, under the same AMC heading, was given in the earlier version of the statements –

“Some funds make a deduction to pay for fees such as trading fees, legal fees, auditors fees and other operational expenses. These costs are collectively known as additional expenses. Due to the nature of the expenses, they will vary depending on the day to day management of the fund. They are not shown in the table above but the most recent information we have regarding these fees can be found on the fund factsheet. When calculating the projected value of your pension fund, we allow for these charges by using the most recent additional expense information we have.”

I consider this shows that the focus of the charge was on matters within the individual funds, not on matters within Mr J's pension portfolio.

Aviva mentioned the absence of a lifestyling facility in the terms of the pension. This is relevant to the part of Mr J's allegations that criticises it for not conducting oversight on the loss of value in his pension in the context of him approaching retirement. The idea of pension lifestyling usually includes the use of strategies to de-risk a pension portfolio as the pension holder gets closer to retirement age. However, as Aviva says, there was no facility for this in Mr J's pension and no provision for it in the pension's terms. Therefore, any pension lifestyling he wanted had to be conducted himself.

This brings me to a point about the monitoring failure he has alleged, and his argument about not being in an informed position with regards to the pension's performance.

The annual pension statements gave him a basis on which to monitor the changing values of his pension over time. Each provided a current pension value, a comparison with the previous year's pension value and information on the amount of gain or loss that happened in between. Mr J would not have needed monitoring by Aviva to tell him about the pension's falling value, because the pension statements told him that. In terms of analysing the fluctuating pension values and ways to deal to deal with them, that would fall into advice territory, and Aviva did not provide advice.

The statements also meant that, at least annually, he was kept informed about how his pension was performing, so he was in a position to make decisions on it in this respect. According to available information, his pension lost value of around £23,000 between 2021 and 2022, and a further loss in value of around the same amount between 2022 and 2023, after which there was the slight rebound that Aviva has mentioned. Therefore, it lost a total value of around £46,000 over two years, but the pension appears to have a gained total value of around £40,000 over the five years before 2021. In this context, the downturn was arguably identifiable and evident to Mr J. If he wished, he was in an informed position to take action or advice to mitigate these circumstances in either 2022 or 2023, but he appears to have not done so. Overall, I am not persuaded that he was deprived an opportunity to make an informed decision on the pension's performance.

My final decision

For all the above reasons, I do not uphold Mr J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 1 January 2026.

Roy Kuku
Ombudsman