

The complaint

Mr O complains that Aviva Life & Pensions UK Limited (Aviva) was unable to apply a single premium contribution that he wanted to make into his pension plan before the end of the 2024/2025 tax year, despite assuring him that would be the case when he applied to make the payment. He would like Aviva to compensate him for the increased income tax liability he will incur as well as the loss of opportunity for investment growth.

What happened

Mr O says he holds a number of pension plans with different providers. Approaching the end of the 2024/2025 tax year – and having finalised his income for that year – Mr O wanted to make a significant single contribution to his pension to reduce his tax liability.

On 2 April 2025 Mr O contacted Aviva, with whom he held one of his pension plans, to make the contribution. Mr O was advised that it could take up to 10 working days for any contribution to be applied to his plan as a normal service level agreement. So he contacted Aviva directly to see if this process could be accelerated. An online operator tried to begin the process for Mr O but because they couldn't fully verify the bank account (with his address) he wanted to use, Aviva asked him to provide an email copy of a recent bank statement so that it could complete its vetting process. But it also said, *“as you have made the request to pay in before the end of the tax year, the funds will be applied for 2024/2025, once they have vetted the bank statement and loaded it to the plan they will send you an email with the details to make the payment.”*

Mr O said he was reassured by this statement but as he hadn't received the email by 7 April 2024, he contacted Aviva again. It said the process would be completed that day, but when Mr O confirmed the payment would still be allocated to the previous tax year Aviva said that as the payment hadn't been received by 5 April 2025 it wouldn't be applied to that tax year.

Mr O said he had been assured that it would be allocated to the 2024/2025 tax year and that he had *“nothing to worry about,”* so he raised a complaint. He also cancelled his request to make the single payment.

Aviva said its website was correct to say that it could take up to 10 days to apply a payment to the plan, but it accepted it misinformed Mr O that registering a request to make a payment would mean funds would be applied to the same tax year as his request. It said it should have confirmed that the date the money was received into its account would determine which tax year would apply.

Aviva paid Mr O £100 for the distress the matter had caused him.

Mr O wasn't happy with Aviva's response, so he brought his complaint to us where one of our investigators looked into the matter. They didn't think the complaint should be upheld, making the following points in support of their assessment:

- Aviva had acknowledged that it provided incorrect information when Mr O contacted

it on 2 April 2025. But that didn't automatically mean it should reimburse him for his tax liability. When Mr O first sought information about making a single payment Aviva's website made it clear that it could take up to 10 days to process the payment.

- It was this warning that prompted Mr O to contact Aviva directly to see if the payment could be applied in time, but that was only two working days before the end of the tax year. So it would have been highly unlikely that the payment could have been applied in time regardless of any misinformation Aviva gave.
- Aviva has confirmed its normal process for applying single premiums – particularly when it's unable to immediately verify a client and their bank account. Applying that process to Mr O's situation meant Aviva would have provided him with the link to make a payment by 9 April 2025 – after the end of 2024/2025 tax year. The person Mr O spoke with at Aviva did suggest it would try to escalate his "vetting process" but there were no guarantees this would happen and ultimately it wasn't prioritised.
- They also didn't think, for the same reasons, that Aviva should compensate Mr O for any investment loss. They noted Mr O hadn't gone ahead with the payment in any case – so there was no financial loss to quantify.
- They thought that Aviva's payment of £100 for the distress and inconvenience caused was fair and reasonable and within our guidance of what would typically be considered fair for such a matter.

Mr O didn't agree. He said we hadn't fully considered his position around the alternatives he could have pursued had he not been given incorrect information. He said not only did Aviva's assurances influence his decision not to chase up his request, but it prevented him from trying to invest his funds in his other pension plans or even starting a new plan elsewhere.

Mr O asked for his complaint to be reviewed by an ombudsman – so it was passed to me to review. He made the following points in support of his complaint:

- He acknowledged Aviva's 10-day service standards for applying a single premium to his plan. So he contacted it to see if the process could be accelerated or whether he ought to try to invest elsewhere. It was Aviva's assurance that the funds would be applied in the then current tax year that stopped him from either chasing his application with Aviva or going elsewhere.
- He assumed the assurance and definitive position he was given by Aviva "overrode" the previous website guidance.
- The reason he didn't make the payment in the end was because his income varies due to his self-employment, so he isn't in a position to decide how much to contribute until close to the end of a tax year.
- He would also like us to consider redress for the much higher income tax liability he now has for the 2024/2025 tax year as a result of Aviva's misinformation and actions.

My provisional decision

I issued a provisional decision on 24 October 2025 in which I made the following points in support of my findings:

- Aviva made Mr O aware of its 10-day service standards when he first made an enquiry – and Mr O has acknowledged being aware of the service levels. So there was no guarantee that his funds would be applied before the end of the tax year.
- And Aviva has explained the situation when a client bank account can't be verified which would usually allow for a five-day period to complete verification. So, bearing in mind there were only two full further working days left to the end of the tax year when Mr O made his enquiry it was unlikely the funds could have been applied in time in this case.

- Aviva hadn't acted outside of its service levels, nor had it delayed processing the application beyond what it said it would do.
- But it was clear that Aviva had provided misinformation to Mr O when it confirmed that the funds would be applied to his plan using the date he first made his request to invest. And it wasn't unreasonable for Mr O to take that information in good faith.
- If Aviva had provided the correct information at that time he could have taken an alternative course of action – such as investing in another of his plans – but I thought it was more likely than not he would have encountered the same issue of not having enough time for his investment to be applied before the end of the tax year.
- So I didn't think Aviva should have to compensate Mr O for the additional tax liability he incurred but I did think it should compensate him for the impact of its error. This both raised his expectations of the money being applied to the 2024/2025 tax year and denied him the opportunity to look at an alternative course of action.
- I thought a fair and reasonable award was for Aviva to pay Mr O an additional £200 on top of the £100 it had already paid him.

Responses to the provisional decision

Aviva said it accepted the provisional decision and would pay the additional compensation. But Mr O didn't agree making the following points;

- He disagreed with the conclusion that it was unlikely the contribution could have been applied (somewhere) in time. He believed that wasn't the reason for his financial loss, but that was caused by Aviva's misinformation which caused him not to take alternative action and make the contribution elsewhere.
- He has always accepted that Aviva had a 10-day turnaround service standard for applying the single premium, and understood that his request was late in the tax year and may well have presented difficulties for Aviva in applying the funds in time. But the fact was that Aviva did provide misinformation on 2 April 2025, and if it had been correct in explaining its position, he would have continued to chase his application with Aviva to expedite matters and "*pursued alternative pension providers*" – as he already held two other existing plans.
- I should consider his claim for compensation for the loss of opportunity he suffered because if Aviva had given him the correct information on the phone, he still had the opportunity and time to take alternative action. It wasn't correct to say that making a contribution through another provider was impossible but that it was uncertain. It was this uncertainty that Aviva removed from his decision making because of its verbal assurance on 2 April 2025.
- His loss isn't speculative as it can be quantified and evidenced, and it isn't recoverable now since the opportunity to reduce his tax bill was permanently lost on 5 April 2025.
- He thought that taking into account the "*acknowledged misinformation, the acknowledged loss of opportunity, and the irreversible and quantifiable financial consequence of that lost opportunity*", I should reconsider my findings and seek to put him into the position he would now be had he not relied on Aviva's incorrect advice.

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 carefully considered Mr O's further submissions I see no reason to depart from my provisional findings. I do have some sympathy for Mr O's position here, but I think the award of compensation for the impact Aviva's misinformation had on him is the right

resolution.

When Mr O considered making a contribution into his pension plan with Aviva before the end of the 2024/2025 tax year, he was made aware that request had a 10-day service level standard. So bearing in mind the date of his first enquiry, there were no guarantees that the contribution would be applied by that deadline. Aviva confirmed this in an email reply to his request which said, *“thanks for asking to make a single payment – we’re working on getting that sorted for you right now. You should be able to see the changes online in about 10 working days. And we’ll write to you when everything’s done.”*

And in this case when Mr O contacted Aviva to see if the application could be accelerated or whether it was possible the application might be applied in time, his bank account details couldn’t be verified to his address automatically – which meant a manual verification process would be required. Aviva has said that in such circumstances its normal vetting process would take seven days. So taking all this into consideration, it was highly unlikely Aviva could have applied Mr O’s single contribution to his plan before the end of the tax year. Therefore it wouldn’t be reasonable for me to tell Aviva to pay redress for the additional income tax liability Mr O now says he has incurred because of that position. In my view, it wouldn’t have been possible in these circumstances to have processed the application and applied the funds in time.

But Mr O says that when he contacted Aviva to confirm whether it could apply his funds ahead of the service standard, he was led to believe the date he applied to make the investment would determine the tax year that was used, and therefore he assumed his contribution would be applied for the tax year he wanted. He says Aviva’s assurance not only caused him not to chase and try to expedite the application but more importantly prevented him from taking alternative action. By that he meant utilising the other pension plans he held – or even setting up a new one – to accommodate his request in the time remaining. He says that in effect Aviva’s conviction that his contribution would be applied in line with his request removed any uncertainty around the outcome, and had he been aware there was uncertainty he would have looked at other options.

So I’ve looked at what happened when Mr O contacted Aviva on 2 April 2025.

What happened and what should have happened?

Mr O is right to say that Aviva gave him incorrect information when he contacted it on 2 April 2025. I say that because in an online chat with Aviva he was told, *“as you have made the request to pay in before the end of the tax year, the funds will be applied for 2024/2025, once they have vetted the bank statement and loaded it to the plan they will send you an email with the details to make the payment.”*

And in relation to the vetting process around his bank details it said, *“I have asked them to try and get this done today, but they are swamped, but don’t worry about the cut off because the funds will be allocated to this tax year.”*

Both of these statements were clearly incorrect and contradicted the previous information Aviva had set out and which was also available on its website. So on two occasions during the online communication Aviva did give an assurance that any contribution would be applied to 2024/2025 tax year – despite also confirming there would be a vetting process around the address linked to his bank account which could take up to seven days to resolve.

I don’t think it was unreasonable for Mr O to take this assurance in good faith, and I think it

almost certainly would have raised his expectations of what could be achieved – despite the earlier information he'd been made aware of about the usual 10-day service level. I think that raising Mr O's expectation and providing misinformation at a crucial time warrants the consideration of a compensatory payment for the impact the matter had on Mr O. I'll address this further on in this decision, but I also have to consider Mr O's assertion that he was deprived of taking alternative actions which could have led to a contribution being made elsewhere before the end of the tax year – which would have reduced his income tax liability as he intended, as well as potentially achieving some additional investment growth.

Had Aviva confirmed the correct position during the online conversation of 2 April 2025 Mr O would then have had to make a decision about what to do. I think it's likely he would have realised that a contribution to Aviva simply wouldn't have been applied before the end of the tax year so I think Mr O is right to say he would have considered other options at that point. This would have given him two full working days in which to find an alternative plan in which to invest and get his contribution accepted and applied. I think it's more likely than not that this would have ruled out setting up a new plan because of the verification and vetting process which would almost certainly have been required.

But I can't discount the possibility that Mr O could have tried to invest into his existing plans. Of course it's not now possible to be certain about what would have happened in that situation and Mr O is right to say that making a contribution to another provider before the deadline wasn't *impossible*. But I think it was more likely that it wouldn't have been possible, and in cases like this where evidence doesn't confirm what would have happened I have to make my decision on the balance of probabilities.

I think it's likely than most providers would have had a similar service standard to Aviva in applying single contributions to a plan – so I don't think it's likely Mr O would have been given any guarantees anywhere that his money would be applied in time. And this was two days before the end of the tax year when, historically, providers are at their busiest in terms of trying to apply money to plans before the end of a tax year. So, and I understand the point Mr O is making here, I think it's likely he would have encountered similar time sensitive problems with other providers to those he experienced with Aviva. And I think it follows that he would have been *unlikely* to have been able to make his contribution – with the administration that would invariably have been involved – before the end of the tax year.

So, in reaching that conclusion it wouldn't be fair or reasonable to hold Aviva responsible for addressing any shortfall in any additional income tax liability Mr O might incur as a result of not being able to make the pension contribution that he wanted. To do that would put Mr O into a better position than I think he would now be in as I don't think he would have been able to make the contribution before the deadline and thereby reduce the tax liability.

Putting things right

As I said previously Aviva impacted Mr O by raising his expectations – over a period of around five days – that his contribution would be applied to the plan so that he could then include it on his tax return to reduce his tax liability. It also denied him the chance to investigate his options of investing into other plans, although I've said that on balance I think he would have found it difficult to invest his money into any other plan at that time.

Furthermore in giving the assurances that it did, Aviva led Mr O to assume he didn't need to chase up the application with Aviva because it incorrectly said the application date dictated the tax year in which the contribution would be allocated.

So, I don't take lightly the impact this had and continues to have on Mr O. I've seen from his submission the frustration and disappointment this caused him directly as a result of

Aviva's misinformation. I note that Aviva paid Mr O £100 for the distress and inconvenience the matter caused but I think Aviva should do more here.

Our website sets out guidance on our approach to compensatory payments. It suggests that where repeated small errors, or a larger single mistake requiring a reasonable effort to resolve and lasting for a few days has occurred, we would normally recommend an award of up to £300.

In this case I think the impact on Mr O warrants a payment at the highest point of that range – so I think Aviva should pay Mr O a total of £300. I understand it's already paid him £100, so it should pay an additional £200.

My final decision

For the reasons that I've given I uphold Mr O's complaint against Aviva Life & Pensions UK Limited. It should pay him compensation as set out above for the impact it's misinformation had on him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 11 February 2026.

Keith Lawrence
Ombudsman