DRN-5971424

The complaint

Mr H has complained that Aviva Life & Pensions UK Limited (Aviva) gave him incorrect information when he completed a fund switch within his pension plan.

What happened

Mr H holds a pension plan with Aviva. As Mr H was approaching his retirement age and was concerned about market volatility, he decided to switch the fund in which his Aviva pension was invested, from a higher risk to a lower risk fund. In this decision I will refer to the higher risk fund that Mr H wanted to switch out of as "*Fund A*" and the lower risk fund that Mr H wanted to switch into as "*Fund B*".

At approximately 11.40pm on 9 April 2025 Mr H completed online instructions with Aviva for his fund switch to be made. So that the fund switch could then be completed Aviva needed to sell Mr H's holding in Fund A, the sale proceeds realised would then be invested into Fund B.

Mr H telephoned Aviva on Friday 11 April 2025 to say that he was concerned about the time it was taking for his fund switch to be completed. Mr H told the Aviva representative he spoke with that he'd looked at the online details for his pension plan and could see that his requested fund switch hadn't been made. Mr H also said that he could see that the value of his pension plan was approximately £121,000 and he wanted this value to be switched into Fund B. Mr H raised a complaint with Aviva during this telephone call about the time it was taking for his fund switch to be completed.

Mr H called Aviva again on Monday 14 April 2025 as he still couldn't see his fund switch showing on his online pension account. Mr H was concerned that the value of his pension had fallen. Mr H claims that he was told during this telephone call that the value of his holding in Fund A that would be switched into Fund B was approximately £121,000.

On 16 April 2025, Aviva sent Mr H a fund switch confirmation letter. This said that £118,035.96 had been invested into Fund B within his pension plan. Mr H complained again to Aviva as he said he'd been told that the figure that would be invested into Fund B would be approximately £121,000.

Aviva responded to Mr H's complaint on 23 April 2025. It said that when Mr H telephoned on 11 April 2025, its representative had told him that the value of Fund A that would be used to complete the fund switch would be the value calculated at the close of business on 11 April

2025. Aviva told Mr H: "*When you called us on 11 April 2025, you were viewing the fund value of your policy still invested within the (Fund A) fund but with a value from 10 April 2025 as the fund values update after 5pm each business day*".

Aviva went on to say that when Mr H telephoned again on Monday 14 April 2025 its representative had correctly told Mr H that the value used in the fund switch would be the value of Fund A on Friday 11 April 2025, but its representative then didn't check to confirm what this correct monetary value of Fund A was. This meant that its representative hadn't corrected Mr H when he claimed during his call that this value was approximately £121,000.

Aviva said that it hadn't done anything wrong in processing Mr H's fund switch and that the correct value for Fund A had been used. It therefore didn't think that its actions had caused Mr H any financial loss. However, Aviva upheld Mr H's complaint as it said it should have ensured that Mr H understood that the value to be used in the fund switch wasn't the value that Mr H was looking at online when he spoke with its representative. Aviva offered Mr H compensation of £150. Aviva said that this compensation was "*for the lack of clarity we conveyed*".

Mr H didn't accept Aviva's response to his complaint. He thought that Aviva should use the figure of £121,000 for his fund switch. He therefore brought his complaint to the Financial Ombudsman Service. One of our Investigators reviewed Mr H's complaint. Their view was that although the Aviva representative that Mr H spoke with on 14 April 2025 had told him the correct date his holding in Fund A would be priced at, Mr H had then been told that the amount switched would be approximately £121,000. Therefore, our Investigator thought that Mr H had been misled into believing this would be the fund value switched.

However, our Investigator also thought that Aviva had used the correct value for Fund A when it completed Mr H's fund switch and that Mr H hadn't suffered any financial loss. They also thought that Aviva's offer of £150 to compensate Mr H for the inconvenience and loss of expectation its error had caused was reasonable.

Mr H didn't agree with our Investigator's view. He maintained that he had been assured by Aviva that the Fund A value used in his fund switch would be £121,000, and therefore Aviva should have used this value. Mr H asked for his complaint to be considered by 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.

In its response to Mr H's complaint Aviva admitted that its actions had caused Mr H a loss of expectation and it had provided poor service. Aviva offered Mr H £150 to compensate for its error. I therefore don't think that there is any dispute between the parties in this complaint that Aviva made an error. However, Mr H has said that he should receive more compensation than the amount offered by Aviva and his fund switch should be completed using a Fund A value of £121,000.

In bringing his complaint to this Service, Mr H has referred to the telephone calls that he had with Aviva on 11 April 2025 and 14 April 2025. I've therefore listened very carefully to recordings of these two calls. Mr H spoke with a different Aviva representative on each call. I've also considered the date and time when Mr H submitted his online fund switch instruction and the dates for valuing Fund A that Aviva used to process Mr H's fund switch.

As I've said above, Mr H submitted his online fund switch after 11pm on 9 April 2025. The terms and conditions for Mr H's Aviva pension plan say:

"*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*."

As Mr H submitted his fund switch instruction after 11pm on 9 April 2025, so after 5pm on that day, I think that Aviva is saying in its terms and conditions that it would sell Mr H's Fund A using the unit price from two working days after 9 September 2025, which was Friday 11 April 2025.

Aviva has also said that it can it up to 7 working days for it to process and complete a fund switch. However, in doing so Aviva has also said that it will use fund prices that would apply based on the date that it receives the switch instruction, and not the date that it completes the processing of the fund switch.

I think that this meant that even though Aviva might not process Mr H's fund switch until 22 April 2025, which was 7 working days after 9 April allowing for the Easter weekend, it would still complete the switch using the value of Fund A from 11 April 2025.

When Mr H first telephoned Aviva on 11 April 2025 he said that he was looking at his pension plan details online and could see that the fund switch he'd instructed hadn't happened. But Mr H was then told by the Aviva representative that it could take up to 7 working days for his request to be processed.

Mr H then questions the valuation of his pension that will be used to complete the fund switch. He says he's concerned about volatile markets and has noticed that the value of his holding in Fund A has increased from when he submitted his fund switch instruction. Mr H says he wants Aviva to use this higher value for his fund switch, and not the lower value that applied when he submitted his fund switch instruction on 9 April 2025.

Included in the recording of Mr H's telephone call of 11 April 2025 are the discussions that the Aviva representative had with colleagues to confirm how Mr H's fund switch would be processed. I've therefore also listened carefully to this part of the recording. Mr H is put on hold by Aviva whilst these discussions are taking place. The Aviva representative is told by his colleagues that Mr H's fund value will be calculated using the unit price applying two days after Mr H submitted his switch instructions.

When the Aviva representative has completed his discussions with his colleagues, he then speaks again with Mr H. I think that the Aviva representative then correctly passes on what he's been told by his colleagues to Mr H. The representative explains to Mr H that his fund switch will be completed used the fund value at close of business that day, which was 11 April 2025. Mr H is also told that the value used for the switch isn't guaranteed and that values can go down as well as up.

During this telephone call Mr H refers to the value of his pension plan that he's looking at online. Mr H says that this is £121,000. But as Mr H is looking at the value of his pension plan on Friday 11 April 2025 then this will be the value of his plan at close of business from the previous working day, 10 April 2025. This therefore wouldn't be the value used in the fund switch as this would be the value calculated after close of business on 11 April 2025.

Mr H then telephoned Aviva again on Monday 14 April 2025. Mr H says in this call that the value of his pension plan has gone down and he's concerned that his fund switch hasn't happened. Mr H is told that his fund switch is with Aviva's administration team. Mr H goes on to say that when he had previously called Aviva on 11 April 2025, he was told that his pension was worth £121,000 and that this will be the value used for the fund switch. In response the Aviva representative confirms that this will be the value used in the fund switch.

But I don't think that Mr H was told during the 11 April 2025 telephone call that the value used in his fund switch would be £121,000. Instead, I think that Mr H was told that the value used would be that at close of business on 11 April 2025. I also think that Mr H was told that the value of his pension plan wasn't guaranteed and could fall as well as rise.

My conclusion is that Mr H was given correct information during his telephone call of 11 April 2025. I think that Mr H was told that the value to be used for the fund switch would be calculated after close of business that day, and, as I've said above, that the value of his pension wasn't guaranteed and could fall as well as rise.

I've also considered the valuation that Aviva has provided to this Service which shows the close of 11 April 2025 price for Fund A. This valuation shows that Mr H held 24,843.40 units in Fund A and that the 11 April 2025 unit price was £4.7512. This gave a valuation of £118,035.96 (24,843.40 X £4.7512 = £118,035.96). Aviva then invested the sale proceeds from Fund A of £118,035.96 into Fund B for Mr H. I therefore think that Aviva correctly completed Mr H's fund switch, using the correct value for Fund A.

I do however think that when Mr H telephoned Aviva again on Monday 14 April 2025 it would have been reasonable for the representative he spoke with to have checked the value of his pension that would be used in the fund switch, rather than just accepting the value that Mr H told him during the call.

I also think it's reasonable to assume that if the Aviva representative had done this then they would have been able to tell Mr H the correct value that would be used for his fund switch. However, because the Aviva representative didn't check the correct value, I think that at the end of the telephone call Mr H was left with the belief that the value that would be used for his fund switch was £121,000.

I'm therefore upholding part of Mr H's complaint as I think that Aviva did make an error during the 14 April 2025 telephone call, as Mr H wasn't given the correct Fund A valuation that would be used in his fund switch. But I don't think that Aviva made any error during Mr H's telephone call of 11 April 2025. I also think that Aviva correctly completed Mr H's fund switch, using the correct price for Fund A.

I will therefore now consider what action I think that Aviva should take to put things right for Mr H.

Putting things right

Mr H has told this Service that Aviva should have used a value of £121,000 when it completed his fund switch. I think this means that he wants Aviva to pay him compensation of £2,963.83, this being the difference between the value that he thinks Aviva should have used in the fund switch, £120,999.79, and the value that Aviva did use in the fund switch, £118,035.96. (£120,999.79 minus £118,035.96 = £2,963.83).

But I don't think this can be right. Aviva explained to Mr H during his telephone call of 11 April 2025 that the Fund A value it would use in his fund switch would be the value at close of business that day. I think that this value was £118,035.96. Aviva has provided this Service with a valuation for Fund A at close of business on 11 April 2025 which confirms this value.

I therefore think that when Aviva completed Mr H's fund switch it used the correct value for Fund A. Because I think that Aviva used the correct value in completing fund switch, I don't think that Aviva's error in the 14 April 2025 telephone call caused any financial loss for Mr H. I've also not seen any evidence to show that Mr H suffered any other financial loss because of Aviva's error.

I do however think that Aviva's error in the 14 April 2025 telephone call caused Mr H to suffer a loss of expectation, as the value used in the fund switch was less than he believed it would be. This is because when Mr H called Aviva on 14 April 2025 and wrongly told the Aviva representative that it had been explained to him on 11 April 2025 that the value that would be used in the fund switch was £121,000, the Aviva representative didn't correct him. Instead, the representative told Mr H that this was the right value.

I think that if Aviva used this value of £121,000 in completing the fund switch as Mr H wants, then Mr H would be benefitting from a fund value that he wasn't entitled to. I don't think it would be fair or reasonable for Aviva to use an incorrect valuation to complete Mr H's fund switch. I say this because I think there is a difference between what was the correct valuation for Fund A which was applied in the fund switch, and the value that was incorrectly given to Mr H during his 14 April 2025 telephone call.

Mr H was told the wrong fund value on 14 April 2025, which was after he'd instructed the fund switch on 9 April 2025. I therefore don't think that Aviva's error had any impact on Mr H's decision to complete his fund switch.

I also think that Mr H was correctly told on 11 April 2025 how the Fund A value for his fund switch would be calculated. As I've said above, I've not seen any evidence to show that Mr H has suffered any financial loss because of Aviva's error. Instead, I think that Mr H's fund switch was completed correctly, and for the correct value. I therefore don't conclude that it would be reasonable for Aviva to complete Mr H's fund switch using a Fund A value of £121,000.

As I've also said above, I think that when Mr H telephoned Aviva on 14 April 2025 he believed that the value to be used in the fund switch was £121,000. Aviva then wrote to Mr H on 16 April 2025 to confirm that the value used in his fund switch was £118,035.96. I therefore think that Aviva made Mr H aware of the correct value that was used in his fund switch, and thereby corrected its error, within a few working days after his 14 April 2025 telephone call.

I think it's reasonable to conclude that Aviva's error would have caused Mr H more than the levels of frustration and annoyance he might reasonably expect from day-to-day life, and the impact on him has been more than just minimal. Therefore, I think that it would be fair and reasonable for Aviva to compensate Mr H for the distress and inconvenience I think its error caused.

I also think that Aviva's error was a single mistake that required a reasonable effort from Mr H to sort out. I think that Aviva told Mr H the correct value it used in the fund switch only a few working days after its error. But I also think that Aviva's error still caused Mr H disappointment and a loss of expectation. Taking all these matters into account, I conclude that an award of £150 is fair and reasonable in this case.

I therefore think that Aviva should now pay Mr H total compensation of £150 in respect of the distress, inconvenience and loss of expectation its error caused. Aviva has previously offered to pay Mr H compensation of £150, so if Aviva has already paid this amount of compensation to Mr H it doesn’t need to take any further action. However, if no compensation has yet been paid to Mr H by Aviva, it now needs to pay him £150.

My final decision

My final decision is that I uphold part of Mr H’s complaint and Aviva Life & Pensions UK Limited should now compensate Mr H as I’ve set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr H to accept or reject my decision before 22 December 2025.

Ian Barton
Ombudsman