

The complaint

Mr M complains that Aviva Life & Pensions UK Limited (Aviva) caused avoidable delays when it processed the payment for the death benefits on his late father's policy. He also complains that Aviva was hard to deal with during this difficult time and that his representative had to make many calls to it to progress the claim, during which he experienced lengthy hold times.

What happened

In 2002, Mr M's father set up a trust for the benefits from the policy he held with Aviva. The trustees were Mr M's father and grandmother. On Mr M's father's death after a specified date in 2020, the policy would pay the beneficiary of the trust a capital sum of £27,847 plus compound bonus. Mr M's father sadly died unexpectedly in 2025.

Mr M's representative called Aviva on 20 June 2025 to discuss Mr M's father's policy. He said that during this call, Aviva said it would send the paperwork in the post within ten working days.

Mr M's representative chased the death claim on 4 July 2025. Aviva's call notes stated that the claim was still in progress.

Mr M's representative called Aviva again on 10 July 2025 to chase the paperwork. He told Aviva that Mr M needed the funds from the claim urgently as he needed them to pay for funeral costs. Aviva said it'd been working on sending out the information and it would send it shortly.

Later the same day after further calls with Mr M's representative, Aviva said that the trustee had to sign the claim forms. As there were no surviving trustees, Aviva said that Mr M would need to complete the forms in the capacity of a constructive trustee. It issued the forms the same day.

Mr M completed the forms and sent them back to Aviva on 11 July 2025. He said that after this, there was a confusing back and forth between Aviva and his representative, during which that representative faced long wait times and repeated call transfers.

Mr M's representative called Aviva again on 16 July 2025. He raised a complaint about how long the process had taken. He said he'd been told that the timescales to look at the completed paperwork were 21 working days, and if there were further requirements, it would take another 21 working days.

Aviva tried to call Mr M's representative on 21 July 2025 to explain that it needed to see a Grant of Probate (GOP) given the amount of funds involved and the fact that all the trustees had died. But it didn't get through and couldn't leave a message.

I understand that Mr M's representative spoke with Aviva on 25 July 2025. He felt the requirement for a GOP was ridiculous given there were no other assets and Mr M was the only beneficiary. He felt the estate was reasonably simple and that Aviva's process would

take weeks and cost time and money in solicitor's fees.

On 30 July 2025, Aviva confirmed that it was prepared to waive its normal requirement for a GOP. It agreed to pay the death benefits for Mr M's late father's policy to Mr M in his role as constructive trustee.

Aviva then paid Mr M £69,361.87 on 2 August 2025. This included £398 of interest. Aviva has confirmed to this service that it paid this interest in respect of the late payment of the £68,963.87 for the period from 20 June 2025 to 21 July 2025. And that the interest was based on the Bank of England base rate plus 1%. Aviva wrote to Mr M on 6 August 2025 to confirm the payment of £69,361.87.

Aviva called Mr M's representative on 4 August 2025 to discuss the complaint. He felt Mr M had suffered an investment loss as he considered Aviva had delayed Mr M's investment of the funds from the policy. Aviva told him it'd paid interest at 1% on the claim. But it said he could provide further evidence of an investment loss if he wanted to.

The same day, Aviva issued its final response to the complaint. It apologised for stating that each stage could take up to 16 to 21 days. It said any new task should be completed within ten working days. Aviva said that although it'd been notified of the bereavement on 20 June 2025, it hadn't issued claim forms until 15 working days later on 10 July 2025. It apologised for taking longer than the ten-working day standard timescale.

Aviva said that once it'd received the forms on 11 July 2025, it reviewed everything and determined that a GOP would be needed as its final requirement. But the manager of the bereavement team waived this requirement with a business decision, allowing payment to be made within three working days of that decision.

Aviva acknowledged that Mr M's representative would send evidence of where the funds would be invested as he felt they could have been invested sooner. It said it would review this and issue a separate response. It also acknowledged that it'd caused Mr M inconvenience. It offered to pay him £250 to apologise.

Mr M wasn't happy with the response. He brought his complaint to this service through his representative. He said he'd been incredibly stressed by the situation. And that he had to pay for his father's funeral. He noted that the estate had no funds to pay for that. Mr M also said that his father's death had been unexpected, so he wasn't prepared for it.

Mr M acknowledged that the situation was complicated by the fact that his father hadn't updated the trust. But felt that Aviva hadn't made this easy. He also felt the claims process had been confusing, noting he'd relied on support from his family at a time when they were also grieving.

Mr M said he'd incurred postage costs as Aviva didn't accept signatures electronically. He felt this caused additional delays. He also noted how long his representative had spent on the phone with Aviva.

After this service had requested Aviva's complaint file, it reinvestigated the complaint. It said it'd received the requirements on 11 July 2025. As such, payment should've been completed by ten-working days later, so by 25 July 2025. Aviva said it wasn't completed until 2 August 2025. It therefore offered Mr M a further £100 compensation.

Mr M didn't accept the revised offer. He made further points about the investments he'd planned to make with the payment. He also said that the delay was clearly longer than five-working days. He said the process had been more convoluted than it needed to be. And that

he'd accept £750 compensation for the distress and inconvenience caused.

Our investigator first explained why he couldn't consider whether Mr M had suffered an investment loss. He said this fell outside of this service's jurisdiction. He said he could only consider the impact of the error on Mr M as the constructive trustee for his late father's policy.

Our investigator felt that the evidence showed that Mr M's late father's policy was complex as it had been set up in trust, with the named beneficiary having already died. He said that as both parties relevant to the trust had died, he felt it was reasonable for Aviva to ensure that it had all the correct information about how the benefits should be paid; that it sent the correct forms to claim the death benefits; and that it was dealing with the correct person as trustee. He felt - given these complexities - it was reasonable to expect the claim to take additional time. He also felt that it was reasonable for Aviva to have asked Mr M for a GOP. He acknowledged that Aviva had waived this requirement. And felt this had reduced the overall time it'd taken to process the payment of death benefits.

Our investigator said that Aviva had acknowledged that it had delayed the process of paying out the death benefits. It accepted it'd sent the required forms five-working days later than its standard timeframes. And that it'd delayed the payment by five-working days. As such, he felt that Aviva should've made the payment on 21 July 2025 instead of 2 August 2025. He said that this meant that the trust had been without the funds from 21 July 2025 until 2 August 2025, noting that Aviva had already paid 1% interest. He said this wasn't in line with this service's standard redress for the loss of use of funds. He therefore recommended that Aviva uplift this amount in line with 8% simple interest each year calculated from 21 July 2025 until 2 August 2025.

Our investigator felt that the £350 Aviva had offered Mr M for the delays and poor service was reasonable.

Mr M didn't agree with our investigator. His representative made the following points:

- Aviva had yet to consider the impact of its delays on the investments Mr M had made with the claim proceeds, despite having specifically invited his representative to provide information on the investment loss suffered during the period of delay.
- He felt Aviva had caused a far more significant delay than our investigator had suggested. And that the claim had only progressed because he'd persistently chased Aviva and asked it to apply common sense. And that if he hadn't done so, the delays would've been significantly longer.
- He felt that our investigator hadn't appreciated the practical impact of the delay during a period of bereavement. He said there'd been urgent costs and administrative complexity. And felt that the situation was materially more distressing and difficult than our investigator had suggested.
- Mr M's representative felt that this service had awarded more substantial compensation in other recent cases involving bereavement where there'd been payment delays that were less prolonged than this. He didn't consider that the £350 Aviva had offered Mr M in respect of the distress and inconvenience it had caused him fairly reflected the full impact of its failings. He also said that in this service's case studies, there were a number of examples where far higher compensation had been paid where there had been significant stress and inconvenience caused.

Our investigator spoke to Aviva and explained the jurisdictional points he'd set out in his

view. He said he could consider Mr M's complaint as constructive trustee but not as beneficiary. He also noted that he'd recommended that Aviva paid Mr M loss of use interest.

As Mr M was still unhappy, 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 uphold the complaint. But I agree with our investigator that the compensation Aviva has offered to pay Mr M for the distress and inconvenience it has caused him is fair under the circumstances of this complaint. And I also agree with our investigator that Aviva should pay Mr M interest for loss of use of the claimed funds at 8% simple each year over the period of delay. I know this will be disappointing. I'll explain the reasons for my decision.

Before I start, I'm very sorry for Mr M's loss.

Our investigator noted that Mr M had two different roles in this complaint: his role as the constructive trustee for his late father's policy and his role as beneficiary of the trust.

I agree with our investigator, and for the reasons he explained in his view, that this service doesn't have the power to consider whether Mr M as beneficiary has suffered an investment loss. Therefore, while I acknowledge that Mr M's representative told this service that Aviva has yet to consider the impact of its delays on the investments Mr M had made with the claim proceeds, I can't comment further on this point in my decision.

I first considered what should have happened once Mr M's representative informed Aviva about Mr M's father's death.

What should've happened?

Having done so, I agree with our investigator that Mr M's late father's policy was complicated by the trust, especially given the named beneficiary and the fact that both trustees were no longer alive at the time of the claim. As such, I'm satisfied that Aviva acted reasonably when it took steps to ensure that it paid the benefit to the correct claimant.

I also agree that the complexities of this claim meant that it was reasonable to expect it would take additional time. And that it was also reasonable for Aviva to ask for a GOP under the circumstances of the claim. I'm pleased to see that Aviva agreed to waive this requirement once Mr M's representative had explained the situation in full. I'm persuaded that this waiver – which I wouldn't necessarily have required Aviva to agree to – reduced the time the claim would've otherwise taken.

Aviva acknowledged that it delayed the claim when it sent the required forms later than its standard timeframes. I can see that it should've sent the forms by 4 July 2025, but it didn't send them until 10 July 2025. This was a four-working day delay. Aviva further delayed the payment by five-working days as it should've paid Mr M by 25 July 2025, but it didn't actually pay him until Saturday, 2 August 2025. Mr M's representative feels that it caused a far more significant delay than this. He says that the claim only progressed because of his efforts.

While I understand why Mr M's representative feels this way, I can't reasonably say that Aviva caused further delays than those it has already acknowledged. I say this because I'm not persuaded that there were any other parts of the claim process which Aviva

unreasonably delayed. I therefore agree with our investigator that Aviva should've made the payment on 21 July 2025 instead of 2 August 2025.

I went on to consider how Aviva should compensate Mr M for the loss of use of the claim funds between 21 July 2025 – when it should've been paid, but for its avoidable delays - until 2 August 2025, when it was paid. I'll consider the distress and inconvenience caused by the delay later on in my decision.

Interest for loss of use

Mr M, as the trustee, was without the funds from 21 July 2025 to 2 August 2025.

After this complaint came to me for a review, I asked Aviva to confirm exactly what it'd paid the £398 for, including the period covered and the rate used. As I noted earlier, Aviva confirmed that it paid this interest on the £68,963.87 fund value for the period from 20 June 2025 – the date it was notified of Mr M's father's death - to 21 July 2025, the date it should've paid the claim. It also confirmed that the interest it had used was based on the Bank of England base rate plus 1%. This is in line with what I would've expected Aviva to do to bring the value of the claim up to the claim date.

It appears from the file that Aviva's complaint handler misunderstood that the interest paid was only 1%, but this wasn't the case. I can also see that our investigator also misunderstood what the £398 had been paid for. It wasn't paid in respect of the period from 21 July 2025 until 2 August 2025. And it wasn't paid at 1%.

I'm therefore satisfied that the interest Aviva has already paid Mr M wasn't in respect of the period of delay between 21 July 2025 and 2 August 2025. Instead, it was simply applied to bring the claim value of £68,963.87 up to date. As such, I agree with our investigator that Aviva needs to pay Mr M 8% simple interest each year calculated from 21 July 2025 until 2 August 2025. But to be clear, this would be in addition to the £398 it has paid for the purposes outlined above.

I finally considered the distress and inconvenience Aviva has caused Mr M. And whether the £350 total compensation it has offered him is fair under the circumstances of this complaint. I understand that Aviva has already paid Mr M £250 of the compensation offered. And that it has offered an additional £100 for the delays.

Distress and inconvenience

I acknowledge that Mr M's father's death was unexpected and appreciate what a shock it must have been. I therefore understand why Mr M's representative has noted how much distress and anxiety the delays caused and how they led to significant practical impacts – including funding the funeral - during a period of bereavement. I also acknowledge that other "similar" cases that this service has considered have been awarded more substantial compensation. However, as our investigator noted, this service considers each complaint on its own merits. As such, I'm not going to base the compensation in this case on details from other complaints.

I also note that Mr M felt that the claims process was confusing, requiring him to rely on support from his family when they too were grieving. In addition, I can see that Mr M's representative had to make several chasing calls to Aviva. And that during these, he was often transferred to other departments after facing long hold times.

In making its total compensation offer of £350, Aviva has acknowledged the following errors/avoidable delays:

- It incorrectly told Mr M's representative that it had up to 21 working days to send the paperwork, and that if there were further requirements, this would be another 21 working days.
- It delayed sending the paperwork until 10 July 2025, when it should've sent it by 4 July 2025.
- It delayed the payment by five-working days.

Mr M also told this service he'd unfairly incurred postage costs due to Aviva's failure to accept signatures electronically. He felt this had caused additional delays.

I do appreciate that Aviva's delays compounded the distress following the unexpected death of Mr M's father. But I agree with our investigator that this was a complex situation given the trust and the lack of surviving trustees. It was therefore always likely to take longer and be more complicated than a "normal" death claim. And while Mr M's representative clearly needed to call Aviva on several occasions to chase the claim, this was always likely given the complications involved.

I'm pleased to see that Aviva made a business decision to waive its normal requirement for a GOP, after Mr M's representative had explained why he felt the claim could proceed without it. I think this was a helpful decision which Aviva didn't have to take, but which ensured that the claims process was completed earlier than it would otherwise have been.

Overall, the evidence shows that Aviva only caused total delays of nine working days. I'm therefore satisfied that the total compensation of £350 is reasonable – and in line with what I would've otherwise offered – in the circumstances of this complaint.

I have considered whether Aviva should cover Mr M's postal costs. But I don't believe that it should. I say this because Aviva is entitled to use post as its preferred method. And it isn't required to reimburse customers who then incur postage costs. As Aviva is entitled to use post, I can't fairly say that this use caused delays.

I uphold the complaint. I require Aviva to take the following steps to put things right.

Putting things right

I require Aviva Life & Pensions UK Limited to take the following steps to put things right:

- Pay Mr M the additional £100 compensation it offered to pay him for the delay.
- Pay Mr M 8% simple interest each year for the late payment of the funds from 21 July 2025 to 2 August 2025.

My final decision

For the reasons set out above, I uphold Mr M's complaint. Aviva Life & Pensions UK Limited must take the actions detailed in "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 December 2025.

Jo Occleshaw
Ombudsman