

The complaint

Mrs W and the trustees of the W Family Protection Trust complain that Aviva Life & Pensions UK Limited unreasonably delayed the surrender of an investment within the trust.

What happened

In July 2014, The W Family Protection Trust was set up and a number of investments were placed within it, including several Aviva investment bonds.

On 31 October 2024, Mrs W (a trustee and beneficiary) contacted Aviva, asking them to encash an investment policy held. Following the call, a surrender form was issued to Mrs W which was completed and returned back to Aviva on 6 November 2024.

As Aviva's records showed the policy was in trust, they contacted Mrs W asking for the required HMRC trust registration document along with authority from the other trustees before they could proceed with the surrender. Various telephone calls and email exchanges then followed between Mr W (one of the trustees) and Aviva.

In January 2025, after feeling like no progress was being made, Mrs W and the trustees decided to formally complain to Aviva. In summary, they said they were unhappy with the delay that had been caused whilst dealing with the surrender of the investment. Mr W explained that his mother (Mrs W) had been forced to withdraw money from her ISA to cover the costs of her intended use of the funds, a new boiler installation. He said that meant she'd lost the tax advantages of having those monies within the ISA wrapper.

After reviewing the complaint, Aviva apologised for the time taken to undertake the surrender. They also said, in summary, that they still required a number of forms to be returned to them and set out what was needed. But they also explained if Mrs W were to provide evidence of any wider financial detriment the delay had caused, they'd be happy to consider this. In addition, Aviva also said that they were paying Mrs W £175 for the distress and inconvenience caused.

The trust and Mrs W were unhappy with Aviva's response, so they referred their complaint to this service in February 2025. In summary, they said they'd become frustrated at the lack of progress made in trying to surrender the investment and the impact that it had had on Mrs W's planned spending needs. Aviva surrendered the plan and issued the monies on 24 March 2025.

The complaint was then considered by one of our Investigators. He concluded that whilst Aviva had acknowledged that there had been delays, their correspondence had caused confusion. He went on to say that they didn't communicate particularly well and prolonged the surrender by not initially providing the trust with clear, concise information for it to achieve what it wanted to. Our Investigator felt that Aviva's offer to look at what financial detriment may have followed from Mrs W accessing her ISA to fund her intended purchase given the delay in paying the bond monies to her was fair. He also thought that their offer to

Mrs W of £175 for the trouble caused was reasonable. However, our Investigator felt that in light of the significant volume of interactions that Mr W had to have with Aviva to get to the bottom of resolving the surrender, they should also pay him £150 for the trouble caused.

Aviva, however, disagreed with our Investigator's findings. In summary, they said that Mr W had never implied that he had been impacted in his role as trustee when dealing with matters, otherwise they would have considered awarding a payment to him if this had been deemed appropriate.

Our Investigator was not persuaded to change his view as he explained that in his opinion, it was quite clear that Mr W had been inconvenienced and Aviva should have established this in their assessment of the complaint. The case now comes to me for a decision.

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.

I have summarised this complaint in less detail than the trust has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by the trust and Aviva in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm upholding Mrs W's and the trust's complaint and it's largely for the same reasons as our Investigator - I'll explain why below.

I see little merit in repeating the timeline on this case as I'm satisfied it's well known to both parties and I don't believe it's in dispute here. From what I've seen, Mr W had to telephone and email Aviva on at least 10 occasions from November 2024 onwards to get to the bottom of what was needed to allow the bond to be surrendered. The responses that then followed weren't particularly clear which I think delayed the eventual encashment. In short, Aviva needed a deed of assignment from the trustees, even though the trust had been wound up by the point the surrender had been requested. That's because Aviva needed confirmation that Mrs W was entitled to the monies from the bond. Had the trustees been informed of this requirement in October or early November 2024, when the surrender request was originally made, on balance it's more likely than not that Mrs W would have received the monies far sooner than she did.

It also seems to me that Aviva aren't disputing that they could have handled the bond surrender in a more timely fashion by providing a clearer explanation sooner of what they needed. Therefore, I have focused my attention on what Aviva needs to do to put things right.

Putting things right

Using financial services won't always be hassle free and sometimes mistakes occur. When they do, we'd typically expect the business to put the consumer back as closely as is possible into the position that they would've been in were it not for the error.

Aviva have already offered to look at any financial detriment to Mrs W while the bond surrender was ongoing. I think that's reasonable and as such, Mrs W should provide Aviva's complaints team with evidence of any financial impact the delay in surrendering the bond has had on her within a month of receiving my final decision. This could include items such as an ISA statement, showing the withdrawal amounts and dates, and/or invoices for the boiler replacement and any other costs demonstrably linked to the delay.

Aviva have offered to pay Mrs W £175 for the inconvenience that the delays have had on her. In light of what Mr W has told this service of the stress this issue has caused to his mother, I'm satisfied that the £175 is in line with what I would have instructed Aviva to pay to Mrs W had they not already offered to do so. Therefore, Aviva must pay Mrs W the £175 if they've not already done so.

Given the avoidable volume of interactions that Mr W had to have with Aviva to resolve the bond surrender (repeatedly chasing for clear guidance and documentation), Aviva must pay him £150 for the trouble and inconvenience their actions have caused him. I'm satisfied this amount recognises the avoidable volume and persistence of his interactions needed to obtain clarity on Aviva's requirements.

I'm satisfied that the above is fair and reasonable in all the circumstances.

My final decision

I'm upholding Mrs W's and the W Family Protection Trust's complaint and require Aviva Life & Pensions UK Limited to put things right in the manner set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the W Family Protection Trust and Mrs W to accept or reject my decision before 4 January 2026.

Simon Fox
Ombudsman