

## The complaint

Mrs T complains that Aviva Life & Pensions UK Limited (“Aviva”) has failed to pay pension benefits she was entitled to receive in a timely manner since 2022.

## What happened

Mrs T has been assisted in making her complaint, and in her dealings with Aviva, by her partner. But in this decision, for ease, I will simply refer to all communications as if they have been with, and from, Mrs T herself.

Mrs T is in receipt of an annuity from Aviva. That annuity pays her an income twice a year, on 1 January and 1 July. Mrs T lives overseas in the EU and, as a result of changes arising from the UK leaving the EEU, was required to close her UK bank account with effect from November 2022.

Mrs T provided Aviva with details of her account with a local bank in her country of residence. It seems that Aviva has successfully made pension payments to that account in respect of another annuity she holds with the firm since that date. But Aviva has consistently failed to make the payments on this annuity on time. Every six months Mrs T has reported that she has needed to chase Aviva for the payment. And as a result, it has arrived in her bank account several days after it was due.

From the information I hold it appears that Aviva has formally responded to Mrs T’s complaints about the late payments on three occasions. In July 2024 it paid Mrs T £100 for the inconvenience she’d been caused and reassured her that it had put processes in place to ensure future payments were made on time. And following delays to the payment due in January 2025 Aviva paid Mrs T a further £50 for her inconvenience. When the payment due in July 2025 was late Aviva paid Mrs T another £100 and added 47p to her compensation as interest for the late payment.

Mrs T’s complaints have been looked at by one of our investigators. She noted that Mrs T hadn’t referred her complaint to us about the payment in July 2024 within six months of Aviva’s final response letter so explained that we couldn’t consider what had happened with that payment. But she said that she was able to consider what had happened with the delays to the other payments Mrs T had received. The investigator asked Aviva to provide an audit trail of the dates of the payments it had made to Mrs T and any compensation it had paid. Disappointingly Aviva didn’t respond to that request.

The investigator therefore issued her assessment on the basis of the information we held. She said that Aviva should add compensatory interest to each of the late payments. And she asked that Aviva increase the amount of compensation for Mrs T’s inconvenience so that she received a total of £500.

Aviva failed to respond to the investigator’s assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process. If Mrs T accepts my decision, it is legally binding on both parties.

## **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 deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mrs T and by Aviva. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words, I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead, this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

It seems clear, and not disputed by Aviva, that the biannual annuity payments made to Mrs T since she moved the payment to the local bank account have been late. But I'm sorry to tell Mrs T that I don't have the powers to ensure that payments are made in time in the future. It appears that the delays are caused by limitations in Aviva's processing systems. Whilst I understand that Aviva is hoping to make changes in 2026 to those systems, it appears that the payment due last week was again delayed. In this decision I am limited to looking at whether Aviva has done enough to put things right for Mrs T in respect of the previous delays.

As our investigator has explained, unless a business agrees, I am generally not allowed to look a complaint which is referred to me more than six months after the date the business sends its final response letter. Whilst I entirely accept that Mrs T has complained to Aviva consistently since the problems started it doesn't seem that Aviva treated matters as a formal complaint before the payment it made in July 2024. Its final response in respect of that payment delay was issued the same month. But the matter wasn't brought to us until the delays that occurred with the following payment, in January 2025. By then more than six months had passed since the final response letter in relation to the July 2024 payment had been issued.

I have some sympathy with Mrs T's argument that she didn't consider the need to bring the first complaint to us given that Aviva had said it would ensure that the problem didn't reoccur. And it was only six months later, when the next payment was delayed, that it became clear it would be necessary to seek the involvement of this Service. But, as I have explained above, in this decision I am considering how to put things right in respect of the delays. That was something that Mrs T could have considered before she knew whether the next payment had been delayed or not. So, I share our investigator's conclusion that our rules do not allow me to consider compensation for the delays to the payment in July 2024. But I am able to consider the delays to each of the other payments that Mrs T has received since she asked for the annuity payments to be made to her overseas bank account.

As I have said earlier it doesn't appear that Aviva disputes that it failed to make the annuity payments due to Mrs T on time. But it has been very disappointing that Aviva has failed to engage with our investigator either by providing a detailed timeline of the payments it has made to Mrs T, or a response to her assessment. I'm sure that I don't need to remind Aviva of its obligations to cooperate fully with the Financial Ombudsman Service as set out in its regulator's rules. And as set out in those rules I am entitled to proceed with my consideration

of the complaint should Aviva fail to adhere to any time limit that has been set, reaching my decision on the basis of what information has been supplied.

I think the payments that are made to Mrs T every six months follow two separate processes. First Aviva needs to release the payment from its systems to the worldwide banking system known as SWIFT. And then SWIFT is responsible for sending that payment to Mrs T's bank in her country of residence who will then apply it to her account. Clearly Aviva cannot be held responsible for any delays in the payment being added to Mrs T's account by the local bank. But it is entirely responsible to ensure that it makes the contracted payment on the date that it is due. From the evidence I have seen, that is something that it has consistently failed to do.

In situations such as these I would expect Aviva to pay compensatory interest to Mrs T to reflect the time she has gone without her pension income due to its processing delays. From the evidence I have seen I can only be satisfied that interest of this nature has been added to the payment Mrs T received in July 2025. So, I will direct that Aviva calculate and pay interest to reflect the delays it caused to the other payments it has sent to Mrs T apart from that in July 2024 (for the reasons I have set out above). It would of course be reasonable, and perhaps an indication of good customer service, for Aviva to also include that payment in any compensatory interest it calculates.

There is little doubt that these delays have caused considerable distress and inconvenience to Mrs T. She has explained that she doesn't have online access to her bank account. So, she needs to visit the local branch of her bank to check whether Aviva has made the payment she is due to receive. And of course, repeat that check (potentially on multiple occasions) every time the payment is delayed.

As Aviva has failed to engage with our investigator's requests for information, I cannot be entirely sure how much compensation it has already paid to Mrs T for the distress and inconvenience she has been caused. Having looked at everything that has gone on, taking account of the fact that Mrs T only receives two payments each year, but also considering the length of time over which the problems have continued, like our investigator I think a payment of £500 for Mrs T's inconvenience is fair. So, I will direct Aviva to ensure Mrs T receives whatever balance might remain outstanding when considering the compensation it has already paid.

As I explained earlier, I do not have the powers to ensure that Aviva makes any future payments on time. Sadly, if Aviva is late making the payments in the future, Mrs T will again need to complain to the firm and bring the matter back to us if needed. I hope that the system changes Aviva has said it intends to make later this year bring these problems to a conclusion.

### **Putting things right**

Aviva is required to pay Mrs T's annuity twice a year, on 1 January and 1 July. Aviva should consult its records for when those payments have actually been made following the changes to Mrs T's bank account in 2022. Should it find any of those payments have not been made on time it should pay her interest as set out below for the period of any delay.

Simple interest should be paid at a rate of 8% per annum on any delayed annuity payment (with the exception of that paid in July 2024 unless Aviva decides to include that payment) from the date it was contractually due to be paid to the date of actual payment. Aviva may deduct from that interest any amount it has already paid as compensatory interest on the late payments.

HM Revenue & Customs may require Aviva to take off tax from this interest. Should any tax be deducted Aviva must give Mrs T a certificate showing how much tax it's taken off.

Aviva should pay additional compensation for the distress and inconvenience it has caused to Mrs T by the late payments such that the total she receives (including any payments already made) equals £500.

### **My final decision**

My final decision is that I uphold Mrs T's complaint and direct Aviva Life & Pensions UK Limited to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 10 February 2026.

Paul Reilly  
**Ombudsman**