

The complaint

Mr I is unhappy that Aviva Life & Pensions UK Limited can't provide accurate, easily accessible information about the total fees and charges applicable to the fund options for his personal pension.

What happened

Since 2007 Mr I has had a *Trustee Transfer Plan* ("TTP") pension plan, which resulted from a bulk buy-out of a previous workplace scheme. It was originally with Friends Life, which is now part of Aviva Life & Pensions UK Limited ("Aviva"). His planned retirement date is recorded as his 67th birthday in 2035.

The plan was set up with a single contribution of just over £7,900, no further contributions have been made, and the value from the September 2024 statement was around £9,800. As well as annual statements Mr I can monitor its performance via Aviva's online portal. Aviva offers a range of funds the plan can be invested in, risk-rated according to volatility, and in addition to its own funds it offers several managed by external providers. Mr I's plan is invested in four funds - one Aviva fund and three external funds. The annual management charge ("AMC") is 1% and additional charges apply for each external fund.

The charges Mr I currently pays are set out on his annual statements. But if he wanted to switch funds, he can't easily find out the exact charges applicable to the full range of external funds he might wish to invest in, he'd need to call or email for this information. Aviva says its systems can't provide that level of detail for plans like Mr I's, but the information is available from its online fund library.

Mr I has raised his concerns several times about the lack of clarity around fund charges. In 2017 he complained Aviva's investor information might be in breach of EU regulations. Aviva explained those rules only apply to certain investment products, not personal pension plans. But it apologised for the inconvenience and paid him £50 for the delay in responding. In 2023 Mr I complained that charges information wasn't available from the portal prior to making a switch. Aviva explained the exact charge depends on several factors which makes it complicated. But charges information is available from its "*Funds Library*" which is accessible online, and they sent him a hard copy funds brochure dated 2021. But this didn't satisfy Mr I as he noticed discrepancies in the "*additional expenses charge*" for two of the external funds when compared to his statement.

So in December 2023 Mr I referred his complaint to this service. It was allocated to an investigator, who gave his opinion the case, but wasn't able to resolve it informally. Mr I still wanted Aviva's systems improved, and Aviva said Mr I's complaint wasn't one we should consider. So it was passed to an ombudsman to make a decision.

I issued a provisional decision on this case in October 2025 to set out my initial thoughts and give both parties a final opportunity to comment.

Provisional findings

Jurisdiction

I firstly covered the jurisdiction issue raised by Aviva which had originally said Mr I's current complaint was referred to this service outside of the six-month time period from the January 2018 final response letter, as set out in DISP 2.8.2(1).

Mr I's current complaint is about the difficulty obtaining accurate information about the charges which apply to the range of external funds he might choose to invest in. The complaint he raised previously was about compliance with EU legislation, which I was satisfied is a separate issue to the complaint he referred to this service. So I agreed with the investigator we could look into Mr I's current complaint, as it wasn't referred outside the six-month time limit.

For completeness I also considered whether Mr I's complaint had been raised too late under the time limits as set out in our rules. DISP 2.8.2R(2) says this service cannot consider a complaint raised more than (a) six years after the event complained of, or (if later) (b) three years from the date on which the complainant became aware (or ought reasonably to have become aware) that he had cause for complaint.

I said Mr I first queried a discrepancy in the fund brochure in late 2020 and raised his complaint some time in 2023, based on the final response letter dated 16 October 2023. So in my view, Mr I complained within six years of the event being complained about. This means he complained in time, and I don't need to consider the three-year element of the rule.

Merits of the complaint

Mr I's plan was originally with Friends Life and is unlikely to have had online portal access. It's a buy-out of a previous workplace pension, and such legacy plans often have limited functionality, like the workplace plans they replaced. Plans like Mr I's adopted by Aviva from other providers, may each have specific terms and features negotiated at the time of the buyout.

The funds library or brochure sets out the full range of funds available for Group Personal Pension, Group Occupational Pension, Group Additional Voluntary Contribution Scheme and Trustee Transfer Plan, but explains "*not all of them will be available under your particular plan*". So when Aviva told Mr I the charges set out in the brochure are "*estimates*" I think it meant those are the generic charges applicable to each externally managed fund, which won't factor in any special terms negotiated for specific plans as part of the buyout.

Aviva's portal allows Mr I to keep track of how his plan is invested and monitor its performance, in addition to the annual statements. I appreciated Mr I wanted to know the applicable charges for the full range of funds he might want to invest in, to ensure he doesn't unknowingly switch into a more expensive fund.

Aviva explained the charges depend on a number of factors, and there's no simple way for Mr I to work out the charge himself, which is why such queries have to be referred to Aviva's back office. The bespoke nature of the charging structure was demonstrated by Mr I's query in 2020 which revealed the negative charge for the "*HSBC Islamic Global Equity Index*" fund which effectively discounts the AMC, which is available to his plan, but not necessarily to others who may also be able to invest in that fund.

Aviva provided a version dated 2012 of the terms and conditions applicable to Mr I's Friends Life Trustee Transfer plan, which it said is consistent with that applicable at the time his plan started. There's nothing in this document to suggest Aviva is obliged to offer online access, or a full range of functionality via its online channel. Part 6 relates to charges and point 6.3.1 explains that "*Some investment funds will have additional charges which are reflected in the unit price. These are known as fund expenses and are made by the investment company to cover the cost of running the investment fund*". So it doesn't specify what those charges are, or the specific terms applicable to the original buyout plan, which would be set out in the Key Features document, which I don't have.

It appears that for the two external funds where the charges set out in the brochure and Mr I's statement differed, he's actually paying less than the quoted charge (0.24% instead of 0.35% and 0.15% instead of 0.19%). It wasn't clear whether the terms of Mr I's plan mean he'll always pay less than the charge set out in the brochure. But he can minimise charges by choosing Aviva's own funds, as these incur no additional charges other than the AMC, and range between risk rating 1 (lowest volatility) and 6 (high volatility). If Mr I wishes to invest in externally managed funds which include some with risk rating 7 (highest volatility), he can phone or email to request details about the charges. As long as Aviva responds within the stated timeframe, I think this is a reasonable solution.

Aviva is obliged to provide information about its charges which is clear, fair and not misleading, but that doesn't mean it must provide the information in the format Mr I would prefer. So while I appreciate this will not be the outcome Mr I is hoping for, I've seen no evidence Aviva has treated him unfairly, so I don't require them to do anything to put things right.

Responses to the provisional decision

Mr I said he was confused by the provisional decision, as the investigator had upheld his complaint and said Aviva should pay him £200, which he'd accepted. He also clarified that his complaint wasn't so much that the charges information isn't available on the portal, although that would be his preference. He says Aviva can't provide the accurate charges information he wants in any format. He initially accepted Aviva's solution of the fund brochure until he realised the information it contained was incorrect. He said fund charges are an important part of any investment decision, and Aviva told him it won't commit the necessary resources to upgrade its systems to improve things.

He was confident that Friends Life would've been able to provide accurate charges information, and Aviva does not offer the same service as Friends Life. So he wanted the complaint to be reconsidered with this in mind.

Aviva accepted the provisional findings, and their technical team provided some additional clarification about external fund charges information. They confirmed that of the four funds Mr I's plan is currently invested in, three carry an additional charge. The fund guide shows the correct charge for each fund, which includes the portion taken by Aviva for managing the investment, plus any fee they have to pay to an external fund manager. But when viewing the policies on Aviva's systems this only shows Aviva's own charge, because the element which is paid externally is factored into the unit price. So when a customer wishes to switch funds they should always refer to the external charges as set out in the fund guide.

Aviva has used its current system since 2013. Mr I's plan started with Friends Life in 2007, but prior to the migration to the new system in 2013, Mr I's plan wasn't invested in external funds, so no external charges would've applied. The charges have not changed or increased

since the move to Aviva, only the branding has changed. And all of the six fund switches Mr I has made on his plan were after the rebrand to Aviva. He didn't make any switches while the plan was with Friends Life. So nothing has changed by moving to Aviva, the charges increased because Mr I chose to invest in external funds. The charge will depend on the individual fund and can't be confirmed until the switch is effected.

Finally Aviva said that if Mr I wants to pay less than the 1% baseline he would need to transfer to another plan, but doing that would mean losing his protected tax-free cash.

They also provided copies of the following documents:

- A statement from 2013 when Mr I's plan was with Friends Life, demonstrating that he'd been invested in two of Friends Life's own Lifestyle funds
- A copy of the 2017 "*Changes to our Business*" communication in relation to the transfer of business from Friends Life to Aviva.
- A copy of the brochure dated 2022 containing the full fund range available to invest in for the Trustee Transfer Plan and other types of plan.

So I'm now in a position to finalise the 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'd firstly like to apologise for how long Mr I's complaint has been with this service, and for the time which has elapsed since the provisional decision. This was in part due to waiting for a response from Aviva's technical team, about the discrepancy between the external charges set out in the funds brochure and the information on Mr I's statement. But I recognise Mr I has been very patient, and I appreciate his frustration at trying to resolve what appears to be quite a straightforward issue.

I'm sorry for the confusion caused to Mr I by me issuing a provisional decision. The original investigator had initially rejected the complaint, but then changed his mind and upheld it, on the grounds that Aviva's response caused Mr I inconvenience. So he proposed that Aviva pay Mr I £200. Mr I may have accepted this, but Aviva did not, which is why the case was referred for a final decision. And when I reviewed the case, I wasn't persuaded Aviva's actions were sufficient to justify compensation.

As Aviva didn't raise any time limit or jurisdiction issues in response to the provisional decision I'm assuming this is no longer a point of dispute, so I won't consider it further here.

I do appreciate Mr I finds it hard to understand why Aviva's systems can't provide accurate information about the additional charges applicable to all the external funds it offers. And he wasn't happy to be told that Aviva won't be committing resources to improve things. Aviva has explained that Mr I's plan was one of only 200 policies in that buyout, which although the total value was over £2m, it required a higher annual management charge ("AMC") due to the additional work involved in the transfer. I've reviewed the document Mr I would've received in 2017 when his Friends Life policy transferred to Aviva. Section 2 headed "*What the proposals mean for you and your policy*" states "*there will be no changes to your policy terms and conditions, policy number, features, benefits or premiums*". So I think Aviva is correct to say the transfer to Aviva didn't disadvantage Mr I or cause him to pay higher charges.

The 2013 statement shows Mr I's plan was invested in two Friends Life funds (the LifestyleRetirement 2025 and LifestyleRetirement 2030). The statement doesn't show the charges, but Aviva has confirmed that as Mr I was invested in house funds he wasn't paying external fund manager charges. As Mr I didn't make any switches into external funds while his plan was with Friends Life, I'm not persuaded Friends Life would've been more transparent about external fund charges than Aviva.

Aviva's funds brochure shows the percentage fund charge for the range of external funds it offers. And I accept Aviva's explanation that when viewing the funds on the portal the discrepancy in the charge is because the external fund element is factored into the unit price, which I think it likely to be a more important factor when deciding on a fund switch. Mr I can rely on the fund brochure which shows the total charge, but he'll need to bear in mind the above explanation about the external element. The highest charges appear to be those with the highest risk and volatility rating, although there are some external funds with zero or very low charges. And if Mr I wants to check a specific fund charge he can phone or email Aviva, which I think is a reasonable solution.

I accept Mr I would prefer the external fund charges to be available via the online portal, and for Aviva to upgrade its systems to facilitate this. But I'm satisfied the funds brochure provides Mr I with sufficient information to make investment decisions, or he can phone or email if he has queries. Mr I's plan is a personal pension, and while Aviva does allow several free fund switches, it's not designed to work as a self-invested personal pension ("SIPP") which is for people who wish to actively manage their investments. Mr I is invested in quite high-risk funds, and while Aviva doesn't offer its own funds with volatility rating 7, it does offer some with ratings 5 and 6, which incur no external fund manager charges, if minimising charges is a priority for him.

But overall, I don't consider Mr I has been treated unfairly, and I don't require Aviva to do more.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 16 February 2026.

Sarah Milne
Ombudsman