

The complaint

Mrs W is unhappy that Aviva Life & Pensions UK Limited (Aviva) has failed to demonstrate that it has correctly allocated her employee contributions to her Group Pension Plan (GPP).

What happened

Mrs W's employer contacted Aviva on 16 January 2025 to request a full list of premiums paid into Mrs W's policy from January 2024 to December 2024. Aviva said that it issued this to Mrs W on 16 March 2025. However, the investigator hadn't seen a copy of this.

When Mrs W received this letter from Aviva, she compared it to the list of payments her employer had provided and found there were inconsistencies.

Following this, on 18 March 2025 a representative for Mrs W's employer emailed Aviva. In this email they explained that Aviva administer two "Unity" pension plans for Mrs W's employer and in the past, they had experienced issues with Aviva failing to apply contributions.

The representative said they attached a record of the employee payments over 12 months along with Aviva's statement and found that there were discrepancies. The representative then requested that Aviva investigate what caused the error and provide a detailed profit and loss calculation for the missing contributions.

Aviva said that it responded on 21 March 2025, saying it had escalated the request to the relevant team, and it would respond after completing an investigation. Aviva also said that it was checking the payments with its accounts team as the payments being made weren't ones it was used to seeing.

Following this, there was some back and forth emails between Aviva and the representative, and due to the time it was taking Aviva to resolve the issue, the representative raised a complaint on 24 March 2025 on behalf of Mrs W. Mrs W said she asked her employer to hold off sending further contributions until Aviva had ensured that her plan was up to date.

Following this, Aviva issued a final response to the complaint on 18 June 2025. In this letter, Aviva said it had been in touch with its administration team, and it was clear it failed to provide the standard of service it aimed for. Aviva apologised that the statements it sent didn't accurately reflect the payments Mrs W's employer had made. Aviva said this was due to an error on its system and its IT department was working to address the issue. Aviva said it would be making corrections accordingly and would arrange for an up to date statement and contribution history to be issued to Mrs W.

Aviva upheld the complaint and paid Mrs W £150 by way of apology.

Mrs W referred her complaint to our service for review on 11 July 2025 as Aviva was still unable to show that the plan was showing the correct value and contributions. Mrs W said in her submission that this was causing her a great deal of worry and had created friction in her relationship with her employer.

Having considered the matter, our investigator thought that the complaint should be upheld, saying the following in summary:

- She firstly noted that, despite repeated requests, Aviva hadn't provided either the final response letter, nor its business file, for the complaint. As such, she would need to assess the complaint on the basis of the available information.
- There would be times when businesses experience system issues that may be out of their control, and our service can't compel a business to fix their systems sooner than they can. However, it would be expected that, when a business was experiencing issues, it should be keeping the affected policy holders regularly updated.
- To date, Aviva hadn't been able to demonstrate that Mrs W's policy was showing that the correct contributions had been applied and the value was correct, and Aviva hadn't evidenced that it had been providing regular updates on when it expected the issue to be resolved.
- It was clear that the system issue was causing ongoing concern for Mrs W. Mrs W wanted to see evidence that her plan was showing the correct value and had the correct contribution applied. Whilst Aviva had said that this was due to an administration error and it may take some time to rectify the error, Aviva hadn't done enough to manage Mrs W's expectations, which in turn had caused her ongoing stress.
- Mrs W and her representative had chased Aviva on a number of occasions and the ongoing waiting was increasing the impact this was having on her.
- In terms of compensating Mrs W for any financial loss caused by the issues, the investigator's aim in awarding fair compensation was to put Mrs W, as closely as possible, back into the position she would have been in, but for Aviva's error.
- Aviva had said that it would calculate whether the correct number of units had been bought in Mrs W's plan and would also ensure that there had been no financial detriment to Mrs W. But in terms of this service's expectations as to how this should be achieved, Aviva should check whether the contributions were applied correctly and at the correct time.
- If it was found that the contributions weren't added correctly, Aviva should calculate the value of the pension as if the contributions had been correctly applied at the date they were received (the notional value) and compare this to the current value of the pension. If the notional value was higher, there was a loss.
- If it was determined that Mrs W had suffered a loss, then Aviva should, if possible, pay the compensation amount into her pension plan. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.
- If a payment into the pension wasn't possible or had protection or allowance implications, it should be paid directly to Mrs W as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.
- If Mrs W had remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to her likely income tax rate in retirement

– presumed to be 20%. So, making a notional reduction of 15% overall from the loss would adequately reflect this.

- If Aviva determined that the contributions were made correctly, then there would be no loss, but it should provide an up-to-date statement to Mrs W as soon as was possible.
- In terms of compensation for distress and inconvenience, the investigator had considered the impact on Mrs W, alongside our service's guidelines for compensation awards which could be found on website.
- This case fell within the bracket in which there'd been repeated small errors, or a large single mistake, which required a reasonable effort to sort out, and had caused some distress, inconvenience, disappointment, or loss of expectation. This was only a guideline, and each case was considered on its own individual merits. Whereas one person may experience delays and poor service for many months, there may have been little impact, whilst another individual may have experienced a one-week delay but been severely impacted.
- Mrs W had told our service that the ongoing issues caused a great deal of worry and the missing payments have created friction in her relationship with her employer, which was adding to her ongoing stress. Taking this into account, Aviva could have done more to provide Mrs W with updates, and it was reasonable to expect that, moving forward, Aviva provide Mrs W with regular updates on when it expected its issues to be resolved. Aviva should also confirm to Mrs W that her plan was showing the correct value as soon as possible.

Aviva said that it accepted the investigator's assessments. Mrs W's representative responded to say the following:

- They were disappointed by the response, particularly as it had been issued with limited information and didn't satisfactorily address the main issues or the prolonged distress experienced.
- It was concerning that Aviva had consistently failed to provide sufficient documentation confirming the proper allocation of employee contributions to Mrs W's Group Pension Plan. While the investigator's assessment noted repeated requests for Aviva's final response and full business file, it appeared that only limited information was provided and crucial details remained outstanding.
- There remained a significant mismatch, and the employer payment record for the period January 2024 to January 2025 was consistent with Aviva's contribution statement of 16 March 2025 showing £475.38. However, the statement provided to Mrs W only showed £222.14. This discrepancy hadn't been resolved, nor had there been any reassurance that all payments had been properly allocated. Mrs W didn't share the investigator's confidence that Aviva would eventually correct the discrepancy.
- The compensation of £150 also didn't reflect the seriousness of the situation. The matter had been ongoing for more than six months, causing considerable anxiety for Mrs W, as well as friction with her employer.
- There was still no evidence that the plan reflected the correct contributions or that Mrs W's pension value was accurate.

- Aviva had acknowledged system errors and the need for corrections, yet transparency and communication remained lacking. The request for regular updates and a clear timeline for resolution hadn't been fulfilled. The expectation from Aviva should be proactive and regular updates, genuine reassurance, and absolute clarity on contributions – which hadn't occurred.
- Mrs W had now ceased payments to the scheme as she had absolutely no confidence this would be handled any better going forwards, given she and another colleague had been in this position previously.
- Accordingly, the representative requested an urgent resolution and a comprehensive statement showing a full, accurate breakdown of all contributions allocated to Mrs W's plan, clarification and rectification of the inconsistencies between employer records and Aviva's statements, and that the compensation amount be reconsidered to reflect the extended distress and inconvenience, as well as the time lost while awaiting resolution and the ongoing lack of assurance regarding the pension plan's accuracy.

In response, the investigator said that our service couldn't compel a business to fix an issue sooner than it was able to. If a business confirmed that it would fix the issue and ensure that the affected policy holder was placed back in the position they would have been in had no error occurred, then we wouldn't usually require a business to do any more.

Aviva had confirmed that it would take action to ensure Mrs W's plan was correctly valued and she won't have suffered any loss.

In terms of the compensation award, the investigator maintained that the amount of £150 was appropriate here.

The representative responded to say the following:

- Mrs W's concern was that Aviva wouldn't take the necessary corrective action. It had had many opportunities over the 12 months or more that this issue had been ongoing to rectify the situation, yet it had failed to do so.
- This wasn't the first time this had happened, and Mrs W had no faith in the systems that Aviva used to allocate contributions to her plan. Until Aviva could demonstrate that all contributions had been correctly allocated, Mrs W was carrying a terrible burden of stress, and she was unable to plan for her retirement. She therefore felt that £150 was woefully inadequate to compensate for the worry she'd endured over a prolonged period.
- It was the representative's understanding that this service advocated on behalf of the complainant and would compel the provider to take corrective action before closing the case. It would appear that trust was being placed in Aviva that it would comply with the recommendation, but it was doubtful that this would actually happen.

The investigator responded to say that this service was aware that Aviva had had system issues since August 2024, and these had affected the pension contributions for its customers on a larger scale. The underlying issues had now been fixed and Aviva was carrying out a remediation exercise to correct all affected pension policies to restore them to the right position. However, this was likely to take a while, given the scale of the problem.

Aviva had confirmed that the remediation exercise would ensure that any pricing issues caused by delays in adding contributions to individual pension plans were fixed. Its main goal was to ensure customers had at least the number of units they would have had if everything had been processed on time. This would ensure that Mrs W wouldn't lose out financially. If the delay resulted in a gain, customers would keep this. It said this was to demonstrate its commitment to fairness and accuracy.

However, as agreement hadn't been reached on the outcome, the investigator said that it would be referred to an ombudsman for review.

I issued a provisional decision on the complaint on 13 January 2026, in which I set out my reasons for upholding the complaint. The following is an extract from that decision.

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

And having done so, I think I should firstly correct the representative's misunderstanding that this service advocates for either party in the consideration of a complaint. Where something has gone wrong, we will seek to put matters right, but we are impartial in our assessment of that.

I've further noted the representative's disappointment with what they consider to be this service's inability to ensure that Aviva follows the investigator's recommendation, but whilst we have the power to direct a business to do something, we cannot enforce this. We would be unable, for example, to visit Aviva's office and ensure that it does what it needs to do with its system to reconcile the payments received with the units bought.

I do, however, have sympathy with the representative's (and Mrs W's) frustration and can I understand that, should this complaint be resolved on the basis that the reconciliation of payments received and units bought will be completed as soon as possible, this provides Aviva some significant latitude to prolong matters further, with an uncertain outcome for Mrs W.

As such, and although I've noted what's been said about the more general systems issues which Aviva has been facing, my view is that Aviva should also be required to commit to completing the process within a set period of time. Subsequent to this, a new period of delay will begin for which Mrs W will be entitled to complain once more and seek further compensation.

Aviva should therefore complete the process as soon as possible, and in any case within 60 days of the date of any final decision along these lines. As I've said above, subsequent to this Mrs W will be entitled to raise another complaint on the basis of any additional time beyond that which it takes Aviva to complete the process.

Turning then to the amount of compensation which ought be paid to Mrs W, I acknowledge what the representative has said about the amount of time that this has taken to resolve, with no reassurance to date of an actual timeframe in which this might happen. And I understand that this will have caused Mrs W some significant concern and distress, not least from her feeling she needed to engage the assistance of her employer in trying to resolve the matter.

Our website says that an award of between £300 and up to around £750 might be fair where the impact of a mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact might last over many weeks or months.

I think this fairly reflects what has happened here, and although Aviva has assured Mrs W that the matter will be resolved, I think the fact that she is at, or close to, retirement age, and so would like some certainty for her pension planning, combined with the ongoing and prolonged uncertainty which might prevent her from doing so, would warrant a payment somewhere in the middle of that band. And I think £450 would probably be appropriate here.

Should Mrs W accept any final decision along these lines, the direction within that final decision becomes enforceable through the courts if a business fails to comply with an ombudsman's direction. And so Aviva would have 60 days to ensure that the correct payments have been applied to the pension plan from the date of any subsequent final decision, after which Mrs W would be able to begin enforcement action if she wishes.

The aim of any final decision along these lines decision would therefore be twofold – a binding determination upon Aviva to finalise matters within a reasonable amount of time, with the prospect then of Mrs W being able to enforce that in court, along with the possibility of submitting a further complaint about additional delays beyond the 60 day period if Aviva fails to complete the process by that time.

Putting things right

Aviva Life & Pensions UK Limited should ensure, within 60 days of the date of any final decision along these lines, that all payments received have been applied to Mrs W's pension plan, and that the number of units she holds is at least the number she would have had, had the payments been applied when they should have been. There should be no need to pay any loss to Mrs W directly outside of the pension plan.

It should also demonstrate to Mrs W in a clear and understandable format how this has been achieved.

Aviva Life & Pensions UK Limited should also pay Mrs W £450 in respect of the distress, concern and inconvenience this matter has caused her.”

Neither party has submitted further comments in response.

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.

My view on the matter remains the same as that set out in the provisional decision, and for the same reasons.

Putting things right

Aviva Life & Pensions UK Limited should ensure, within 60 days of this final decision, that all payments received have been applied to Mrs W's pension plan, and that the number of units she holds is at least the number she would have had, had the payments been applied when they should have been. There should be no need to pay any loss to Mrs W directly outside of the pension plan.

It should also demonstrate to Mrs W in a clear and understandable format how this has been achieved.

Aviva Life & Pensions UK Limited should also pay Mrs W £450 in respect of the distress, concern and inconvenience this matter has caused her.

My final decision

My final decision is that I uphold the complaint and direct Aviva Life & Pensions UK Limited to undertake the above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 6 March 2026.

Philip Miller
Ombudsman