

The complaint

The estate of Mr R complains that Aviva Life & Pensions UK Limited hasn't settled a claim on two life insurance policies.

What happened

The estate of Mr R made a claim on the policies. Aviva said that the claims couldn't be settled as they needed a 'letter of no interest' from a business because Mr R had previously been made bankrupt and the policy was held in trust.

The estate of Mr R complained to Aviva as they'd provided evidence that the bankruptcy had been discharged. Aviva said they still needed the letter but paid £150 compensation to the estate for poor service. Unhappy, the estate complained to the Financial Ombudsman Service.

Our investigator looked into what happened and upheld the complaint. She thought the estate had provided enough evidence to demonstrate the bankruptcy had been discharged. She directed Aviva to pay the claim and 8% simple interest from 29 October 2025 to the date of settlement as that was ten working days after the estate had sent them the information.

The estate accepted the investigator's recommendation. Aviva didn't respond to the investigator's opinion or further correspondence. So, the complaint was referred to me to make 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.

The relevant rules and industry guidelines say that Aviva has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

I'm upholding this complaint because:

- It wasn't unreasonable for Aviva to request a letter of no interest. However, I'm satisfied the estate provided sufficient evidence that the bankruptcy was discharged. I think that's explained in the documentation the estate sent to Aviva in October 2025.
- Aviva has provided no detailed commentary or explanation about why the information the estate has provided isn't sufficient. And, based on the available evidence, I think it's reasonable to conclude that the letter of no interest is unlikely to add any further information.
- I'm aware that Aviva paid the estate £150 compensation for poor service. The estate's representatives bring the matter on Mr R's behalf (as the person authorised in law to do so). I can't compensate an executor/s for any impact incurred by them

personally, when representing the estate. Therefore, I can't award any compensation to the estate for any distress and inconvenience caused.

Putting things right

Aviva needs to put things right by:

- Settling the claims on the policies; and
- Paying 8% simple interest per annum from the 29 October 2025 until the date of settlement. That reflects that I think Aviva ought reasonably to have settled the claim within 10 days of receiving the information from the estate. I think that's fair and reasonable in the circumstances of this case.
- If Aviva considers that it's required by HM Revenue & Customs to take off income tax from any interest paid, it should tell the estate how much it's taken off. It should also give them a certificate showing this if they ask for one. That way the estate can reclaim the tax from HM Revenue & Customs, if appropriate.

My final decision

I'm upholding the estate of Mr R's complaint and direct Aviva Life & Pensions UK Limited to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr R to accept or reject my decision before 12 March 2026.

Anna Wilshaw
Ombudsman