

## **The complaint**

Mr S complains that Aviva Life & Pensions UK Limited delayed the transfer of his pension to another provider and he suffered financial loss as a result.

## **What happened**

Mr S had three pension policies with Aviva. He applied to transfer all three policies to a new provider on 27 November 2020. He says the first two policies were transferred relatively quickly with the funds being received by the new provider on 30 November 2020 and 2 December 2020 respectively. However, he says the third policy was not transferred until 22 December 2020.

Mr S complained to Aviva.

Aviva looked into his complaint. It said it had to raise a query because the name on the third policy didn't match the name on the Origo Transfer Service (OTS) request. OTS is described as "an electronic pipework that lets connected businesses swiftly and easily transfer customer funds from one platform to another." The receiving scheme had clarified the name on 8 December and the funds were transferred after that. Aviva said it had added £24 by way of interest to the payment that had been made. It said it hadn't done anything wrong. Mr S didn't accept this and Aviva looked into his complaint again.

Aviva subsequently issued a further final response letter. It said it had reviewed the requests for all three policies and all had quoted the same name. As two of the policies had been paid without delay, Aviva said it should've been aware of the other policies and treated them all the same and not caused a delay with the third policy. It said the third policy should have been transferred on 1 December and not 19 December. Aviva said it would carry out an assessment to see if Mr S had incurred a financial loss as a result of the delay.

Aviva also said it would arrange for a cheque for £200 to be sent to Mr S by way of apology for the inconvenience caused.

Mr S says he heard nothing further. He submitted an assessment of loss to Aviva. He said he wanted compensation for the loss in growth caused by the delay. He also said he wanted compensated for potential IHT (Inheritance Tax) he might incur. He thought Aviva should pay him an additional £200 for the inconvenience he'd experienced.

Our investigator looked into Mr S's complaint. She asked Aviva to provide its assessment of financial loss. It said that the receiving scheme had not provided it with details of the investments Mr S had made after he transferred his pension.

Our investigator thought that Aviva hadn't done enough to complete its loss calculation. She said it should now complete the loss calculation with the aim of putting Mr S back into the position he would've been in had the transfer completed on 1 December 2020. She also thought Aviva should pay Mr S an additional £100 for distress and inconvenience.

Mr S thought that the compensation should be calculated on the basis of the calculations he had provided. He also said that an additional £200 for distress and inconvenience would be more acceptable to him.

Aviva said it would agree to pay an additional £200 (£400 in total) by way of compensation for distress and inconvenience. But, it said that after reviewing the matter again, it did not accept it had done anything wrong when it had requested clarification about the name on Mr S's policy. It said it had still paid the funds into the receiving scheme's bank account within its normal ten day service standard. It said it wouldn't pay any further compensation because it didn't think Mr S had incurred any financial loss.

Our investigator considered what Aviva had said. She changed her view as a result. She thought Aviva had shown it had a valid reason to request clarification about the name on the OTS request. The fact it hadn't done that for the other two policies didn't mean it had acted incorrectly regarding the third policy. Aviva had completed the transfer within a reasonable timescale.

Because Mr S didn't agree, the complaint has been passed to me to decide.

### **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.

Mr S asked Aviva to transfer three pension policies. As he's pointed out, all three policies had the same details – name, address, national insurance number. And the requests for the policies to be transferred were all submitted at the same time. So, I can understand why he thinks Aviva should've treated all three policies in the same way and made the transfers within the same timeframes.

Aviva's explanation for why it treated one of the policies differently is that it noticed Mr S's name on the OTS application didn't exactly match the name it held on its records. And, although the same issue applied to the other two policies, it says that doesn't mean it acted wrongly when it sought clarification about the name on the third policy.

When it wrote to Mr S in May 2022 Aviva said it should've been aware of the other two policies, treated them all the same and not caused a delay with the third policy. Aviva has subsequently changed its position regarding this. It now says it would always have taken longer to process this transfer request because of the queries about Mr S's name. It says it requested the information from the receiving scheme on 1 December 2020 and received a response on 8 December 2020. After receipt of the information it transferred the funds within its normal ten day service standard.

So, I've thought carefully about what both parties have said. Having done so, although I know this will disappoint Mr S, I'm not persuaded, on balance, that Aviva has acted unfairly or unreasonably when completing the pension transfer. I'll explain why.

### ***The request for confirmation of Mr S's name***

It is important when transferring a pension that checks are carried out to ensure that the funds are being transferred both to and from the correct account.

When Aviva received the OTS application, it identified that the name on the application differed from the name it held on its records. I can see that Mr S's first name on the

application was recorded differently to the first name which Aviva held for him on its systems. That's why Aviva sought clarification.

The fact that this check does not appear to have been carried out on Mr S's two other policies does not mean that Aviva acted incorrectly when it requested additional information about the third policy. That remains the case – despite the fact that the other two policies were correctly transferred without the additional check having been completed.

So, although I can understand why Mr S has complained about the delay that occurred as a result of this check being made, I'm satisfied that Aviva did act fairly and reasonably when it requested confirmation that the name on the application was the same as the name on its records. It requested this information on 1 December 2020 and received a response on 8 December 2020.

#### *The time taken to process the transfer*

When considering whether a business has acted fairly and reasonably we take into account the law, codes and good practice. The Association of British Insurers (ABI) published a statement of good practice relating to pension transfers in 2006. It said that requests relating to transfers of pensions should be completed within ten working days. That doesn't mean it will always take ten days to complete a transfer – some transfers will be completed quicker than that and some will take longer. It will depend on the particular circumstances of each case.

I've looked at the timeline of events that applied here. Aviva received the application on 27 November 2020. It identified that the name on the application differed from the name it held on its records. It sought clarification from the receiving scheme on 2 December 2020 and received a response on 8 December 2020.

Mr S has pointed out that even after it received the information it sought, Aviva took longer to make the transfer than had been the case with his other two policies. However, having looked at the timeline, I'm satisfied, on balance that after Aviva received the confirmation it had requested, it progressed the transfer, and made the payment to the receiving scheme, in line with its usual service standards. To ensure that the payment was made within the ten day period, Aviva says it transferred the funds using telegraphic transfer rather than BACs. I think that was fair and reasonable.

Although overall the process, from application date to payment date, took longer than ten working days to complete, I'm satisfied, on balance, Aviva completed the transfer within a timescale which was fair and reasonable. When reaching that view I've taken into account the time taken by the receiving scheme to respond to the request for information. And I've also noted that Aviva paid credit interest on the amount it transferred because of the additional time taken to complete the transfer process.

#### *The amount transferred*

Mr S says Aviva should not have disinvested the pension until the date it was ready to make the transfer. Instead, he says Aviva disinvested the pension as soon as it received the OTS request and he's experienced financial loss as a result.

I'd just comment that it's not unusual, when a transfer application is received through OTS, for the transferor pension provider to disinvest the funds as soon as it receives the request. That's also in line with what the customer might reasonably have expected when the transfer request was made.

We asked Aviva for its further comments about the date it disinvested the pension in this case. It told us that the information it required here was a "confirmation only" of Mr S's name.

It believed that the query could be answered without the need for anything further other than a quick response from the receiving scheme. It says that's why it went ahead and disinvested the pension whilst at the same time requesting the confirmation it required.

Having thought about what Aviva has said, I'm persuaded it was fair and reasonable to progress the OTS request in the way that happened here. The query about Mr S's name was raised by Aviva at the start of the process - which meant that the transfer could progress in the usual way as soon as the confirmation had been received. I don't think it's fair and reasonable to say that Aviva should be liable for the time taken to get a response to the query it raised.

So, I'm satisfied, on balance, Aviva didn't do anything wrong when it went ahead and disinvested the pension when it did. That means, I'm also satisfied that the correct amount was transferred to the new provider.

#### *Distress and Inconvenience*

Aviva has acknowledged that Mr S experienced distress and inconvenience as a result of what happened and it has now offered to pay him £400 (in total) by way of compensation.

Because I've decided that Aviva didn't unreasonably delay the transfer here, I can't require it to pay this amount to Mr S. But if it has not done so already, I would hope that it honours the offer it has made to pay Mr S £400 (in total).

#### **My final decision**

For the reasons given above I do not uphold this complaint about Aviva Life & Pensions UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 July 2023.

Irene Martin  
**Ombudsman**