

The complaint

Mr D complains that Aviva Life & Pensions UK Limited did not accept a debit card payment to his pension account and failed to inform him of what he needed to do to make future contributions to his pension using his debit card.

What happened

Mr D was a member of a Group Personal Pension Scheme. In 2022 he sent a contribution payment to his pension by way of cheque. When he noticed that the cheque had not been encashed, he believed it may have got lost in the post. So, he stopped it. He informed Aviva accordingly but it did not note its records and subsequently presented the stopped cheque for payment.

Mr D then tried to make a payment online, using his debit card. He got a message stating that his payment had been unsuccessful as he had not passed the “standard checks.” He was asked to confirm his identity and he submitted his passport at the end of November 2022. Despite this Mr D says that Aviva has still refused to accept his debit card payments. He had to make the contribution by making a BACS payment, which Aviva accepted.

Mr D complained to Aviva. He thought Aviva should permit him to make a debit card payment. He said Aviva’s failure to accept debit card payments worried him because it suggested that Aviva might regard him as someone who was laundering funds.

Aviva investigated his complaint. It said that although it offered its customers the option to make payments by debit card this wasn’t something that had been included in the terms and conditions for Mr D’s policy. It said it was required to carry out checks before accepting payments. It acknowledged that where a debit card payment couldn’t be progressed because the standard checks hadn’t been successful, its website could’ve been clearer about the option to pay by BACS. Aviva said it had amended its website to make this clearer.

Aviva apologised for its extremely poor communication when it hadn’t noted its records after Mr D told it he had stopped the cheque payment. It also apologised for the issues he had experienced with its website. It offered to pay him £100 as a gesture of goodwill.

Mr D did not accept Aviva’s offer. He said that although it had apologised and amended its website, he thought he should be able to make contributions using his debit card and he wanted to know what “hoops” he needed to jump through to do so.

Aviva explained to Mr D that debit card payments required more detailed checks. It said it couldn’t tell him why the standard checks had not been successful in his case. But it said that it may potentially be because his personal details (e.g. his full name, date of birth, address or bank details) didn’t match what it held on its records. Aviva said he’d need to check that his details were up to date with his bank.

Mr D disagreed with what Aviva said. He complained to our service.

Our investigator looked into his complaint. He thought Aviva had offered alternative ways for Mr D to make contributions to his pension and had suggested that he double-check the information held by his bank and cross reference this to the details held by Aviva. He didn't think Aviva was able to provide Mr D with an explanation as to why his debit card payment was unable to progress. Aviva had admitted extremely poor communication and offered £100 by way of compensation. Our investigator thought this was fair in all the circumstances.

Because Mr D didn't agree with what our investigator said, his complaint was passed to me to decide. I issued a provisional decision in which I said.

What I've provisionally 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 crux of Mr D's complaint is that he should be able to make payments to his pension by debit card and he's concerned that Aviva may hold incorrect data about him on its records.

Aviva's "MyAviva" webpages state that it can accept contribution payments by cheque, by BACS transfer and by debit card. I've looked at the terms and conditions for the pension which Aviva has provided and these are silent about methods of payment. So, I think it's fair and reasonable for Mr D to say he thinks he should be allowed to make payments by debit card, when that's one of the options available on the MyAviva webpage.

Aviva's records confirm that Mr D attempted, on a number of occasions, during the period between 12 November 2022 and 16 February 2023 to make a payment to his account by debit card. Each attempt was unsuccessful.

When considering whether a business has acted fairly and reasonably we look at the particular circumstances that applied. We also take into account the law, codes and good practice.

I've looked firstly at the information Aviva provided to Mr D when he tried to make the payments. Aviva has provided screenshots of the information presented. Before the payment could proceed Mr D had to agree to certain statements including the following:

"We'll use the information you have provided to perform anti-money laundering and fraud checks. We check your identity electronically. To do this, we use a third-party company to carry out the check. It'll leave a footprint on your credit file, but since it's not a credit check, it won't affect your credit rating."

He was asked to provide details about himself and the proposed payment. And a further information notice was presented to him which stated:

*"When will my payment appear in my account?
We may need to conduct standard financial crime checks against the information you've given us in line with Government legislation. We should complete everything and have the funds showing in your pension account in up to 10 working days."*

So, having considered the information that was provided to Mr D, I'm persuaded Aviva did explain to him that before it could accept the payment it would ask a third party to carry out various checks. These checks are required to comply with legal and regulatory obligations. Aviva did not guarantee that the payment would be accepted.

Aviva has confirmed to our service that it uses automated decision making (ADM) to carry out the checks that are referred to. ADM is a process used to make a decision by automated means – without any human involvement. Aviva's Privacy Statement (available online) provides further information:

"Where we make an automated decision using Personal Information which has a legal or substantially similar effect, you have certain rights in relation to that decision. In particular, you have the right to receive meaningful information about the logic involved in relation to the decision, the right to human intervention and the right to obtain an explanation of the decision and challenge it."

(My underlining added for emphasis)

I've then looked at data protection legislation and the information on the Information Commissioner's Office (ICO) website. This also provides that individuals have certain rights where a decision made using ADM produces "an adverse legal effect or significantly affects the individual."

Although I can understand why Mr D was upset when he wasn't able to make a contribution to his pension account using a debit card, I'm not persuaded, on balance, that this produced an adverse legal effect or significantly affected him. I say that for mainly the following reasons:

- *Aviva told him he could still make a payment to his pension account by cheque or by BACS transfer.*
- *He was able to make a payment using BACS – and it was processed without any issues.*

So, Mr D wasn't prevented from exercising his right to make contributions to his pension.

Mr D told us he'd already referred this matter to the ICO. He's entitled to do that and if he's concerned that Aviva may have breached data protection legislation he can ask the ICO to investigate further.

Mr D has raised concerns about the information he thinks Aviva holds about him. He thinks it may have categorised him as a money launderer. I can understand why Mr D is concerned about these matters. But I've noted that when he made the payment by BACS the payment was accepted without any issues. Aviva says it uses manual checks in respect of BACS payments and it was satisfied, after making those checks, that the BACS payment could be accepted.

In its final response letter Aviva speculated about the reasons why the debit card payment may not have been accepted. It acknowledges that this was merely speculation. It now says it doesn't know the information that the third party company used to make the checks and, in any event, the data used was not Aviva's data. That would appear to be consistent with the fact that the BACS payment was successful.

As mentioned above, our role is to decide whether a business has acted fairly and reasonably in all the circumstances of the case.

Aviva apologised for what had happened. It said the issues Mr D was facing may have been caused by the navigation on its website being unclear. Aviva also sent Mr D a cheque for £100 by way of apology for its poor communication.

Having considered everything, I think the actions that Aviva offered to take here were fair and reasonable in all the circumstances. It accepted that the navigation of its website could've been better. It subsequently improved the navigation of its website so that when a debit card payment was unsuccessful, Mr D was diverted automatically to the BACS process. Mr D has acknowledged that the website has been updated. Mr D was able to make the contribution by BACS.

Aviva also offered to pay Mr D £100 by way of compensation for what happened. I think that's fair and reasonable. If Mr D wants to accept that offer he should contact Aviva. I don't expect it to have to do anything more.

My provisional decision

For the reasons given above my provisional decision is that I do not intend to uphold this complaint about Aviva Life & Pensions UK Limited.

Aviva responded to my provisional decision. It said it had no further information to add.

Mr D did not respond to my provisional decision.

So, I now have to make a final 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've considered the responses to my provisional decision.

I haven't received any new or further information that persuades me to change my view, as set out in my provisional decision.

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 D to accept or reject my decision before 1 December 2023.

Irene Martin
Ombudsman