

The complaint

Mr H complains that the pension plan he held with Aviva Life & Pensions UK Limited (Aviva) fell in value. He believes that this is due to the policy being mis-managed.

What happened

In late 2022, Mr H contacted Aviva. He was unhappy that the pension plan held with Aviva had fallen in value. He wanted to withdraw the full amount and complained about the fall in value. He asked Aviva to reimburse the amount it had fallen in value.

Aviva responded to Mr H's complaint. It said that market volatility due to external factors had meant this had been a challenging time for financial markets and explained in more detail why his pension had fallen in value. It explained to Mr H that, whilst it was responsible for administering his pension plan, it wasn't responsible for how it was invested and that if Mr H was unhappy with the investment funds, he'd need to seek financial advice.

Mr H wasn't happy with this response and withdrew the full amount of his pension. And he referred his complaint to our Service. One of our Investigators looked into the complaint but didn't think Aviva had made a mistake so didn't recommend the complaint be upheld. Mr H didn't accept this and asked for the complaint to be passed to an Ombudsman. So this is complaint is now with me to review and 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.

Having done so, I agree with our Investigator, and for the same reasons.

Whilst I understand why Mr H is upset that his pension has fallen in value, I've seen nothing to suggest this is due to mismanagement by Aviva. As our Investigator explained, a number of worldwide events have led to stock markets being significantly impacted over the period that Mr H's pension fell in value.

Mr H has said that he thought his pension was invested in low-risk funds. I've seen the fund factsheet, and the majority of this fund is invested in bonds and gilts, with a smaller portion invested in equities and cash. Typically, bonds and gilts are considered lower risk. However, in times like this, they can still fall in value. This doesn't mean that the fund has been mismanaged. And many funds like Mr H's have fallen in value over the same time frame.

Whilst Aviva was responsible for administering the pension plan, it was solely the provider. I've seen nothing to suggest it provided advice as to how Mr H should invest his pension. Any concerns Mr H had that the funds were too high risk for him, would've needed to be considered through seeking financial advice.

Mr H has also said that he was frustrated with the customer service when trying to access some of his pension, so he ended up encashing the full amount. Aviva's notes show that

Mr H did have some difficulty in contacting it including one phone call that cut out. The call notes suggest that Aviva tried to call him back but was unsuccessful. I can also see that Mr H didn't receive the first retirement options pack, so this had to be resent. However, the pension was withdrawn less than two months after Mr H first got in touch. I don't think this is an unreasonable time frame overall.

My final decision

Whilst I understand that Mr H will be disappointed, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 November 2023.

Rob Deadman
Ombudsman