

## **The complaint**

Mr C complains that Aviva Life & Pensions UK Limited has failed to correctly apply some pension contributions to his pension plan. And he says that Aviva agreed to not deduct any administration charges from those payments following its errors.

## **What happened**

Mr C holds pension savings with Aviva. He made personal contributions to his pension plan between April 2015 and March 2017. And Mr C's employer has made regular and one-off contributions to his pension plan since March 2015.

Mr C's employer made a large one-off pension contribution in March 2022. However Aviva failed to add that contribution to Mr C's pension plan. It later discovered that the payment had been added to another pension plan in error. And Aviva's investigations around the missing payment identified that another payment, made by Mr C's employer in March 2015 had also failed to be correctly applied.

Mr C discussed the errors with Aviva during a phone call. Aviva assured Mr C that the payments would be applied to his pension plan, and backdated to ensure that he didn't miss out on any investment growth. And it told him that he wouldn't pay any charges on the payments in respect of the remediation activities that Aviva needed to undertake.

Aviva corrected Mr C's pension account and provided him with details of the additional units that had been purchased with the missing payments. And it paid Mr C £500 for the inconvenience he'd been caused – I understand the cheque for that compensation was initially returned unpaid to Mr C's bank, but was subsequently reissued to him in May 2023. But Mr C wasn't satisfied that Aviva had correctly applied the missing payments. And he said his understanding was that Aviva had said it would waive its normal administration charges for the misapplied payments. So he brought his complaint to us.

Mr C's complaint has been assessed by one of our investigators. She thought that the information Aviva had provided was sufficient to show that the missing payments had been corrected. And having listened to the relevant phone call she didn't think that Aviva had agreed to waive any administration charges for the payments – it just said that Mr C wouldn't pay any further charges for the remediation work. The investigator thought that the £500 Aviva had paid to Mr C for his inconvenience was sufficient. So she didn't think that Mr C's complaint should be upheld.

Mr C didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

## **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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr C and by Aviva. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

I have looked at the steps Aviva has taken to add the missing payments to Mr C's pension plan. It seems to me that its actions have been appropriate – determining the number of investment units those contributions would have purchased at the relevant date, and adding those to Mr C's pension investments. So I am satisfied that Aviva's corrective actions mean Mr C hasn't been directly disadvantaged as a result of its errors.

But there is no doubt that errors of this nature will be concerning for Mr C. He had failed to identify that the payment in 2015 had gone astray. So if nothing had gone wrong with the later payment it is possible that the earlier error would never have been identified. That is a serious failing, and no doubt something that Aviva will take steps to identify the root cause of and take action to prevent any future reoccurrence. But that is a matter for Aviva and its regulator to resolve. I am satisfied that in terms of this complaint Mr C's pension plan now correctly reflects the contributions he has said have been made by him and his employer.

I have listened carefully to a recording of the phone conversation Mr C had with Aviva when the missing payments and rectification activities were discussed. Mr C says that during that call Aviva agreed to waive its normal administration charges in relation to the missing payments.

I am sorry to tell Mr C that I don't agree with his recollections of the call. The assurance that Aviva gave to Mr C during the call was that he wouldn't incur any administration charges as a result of its rectification activities. And I've not seen anything to suggest that Aviva's rectification activities have caused Mr C to be charged more than he would have been had nothing gone wrong.

Mr C has said that he doesn't think he should pay Aviva for administering his pension contributions when it has so clearly failed to correctly undertake that work. But had nothing gone wrong, Aviva would have deducted those charges before adding Mr C's pension contributions. Here, Aviva's rectification activities have effectively placed Mr C back into the position he would have been had nothing gone wrong. So for the same reasons I think it reasonable that Aviva should collect the administration charges that would otherwise have been due.

Mr C has explained that he has needed to spend a significant amount of time dealing with these errors. He says that the £500 that Aviva has paid to him is insufficient to compensate him for the time he has needed to spend, and the lost income as a result. I have thought carefully about what Mr C has said. And I have borne in mind what I would usually consider to be reasonable compensation for inconvenience in situations such as these.

As our investigator has explained, it isn't unusual for consumers to need to spend some time making their complaint, and if needed, referring it to us. It isn't generally appropriate to ask businesses to provide compensation for the time that has been spent by a consumer on

making their complaint. And it would be very unusual to require a business to pay compensation based on the professional charging rates of a consumer in their normal employment.

I appreciate that my conclusions will be disappointing for Mr C, but I think the compensation he has already been paid by Aviva is fair and reasonable in the circumstances of this complaint. I think the work Aviva has done to reallocate the two missing payments has put Mr C back into the exact position he would have been if nothing had gone wrong. And I don't think it unreasonable that Aviva collects its normal administration charges from Mr C's pension investments.

### **My final decision**

For the reasons given above, I don't uphold the complaint or make any award against Aviva Life & Pensions UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 September 2023.

Paul Reilly  
**Ombudsman**