

Letter to the Financial Times  
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### **AVIVA's behaviour is irredeemable**

Sir, Individual shareholders are deeply upset and appalled at the reckless and cavalier announcements by Aviva about the possible repayment of irredeemable preference shares (200 million issued by Aviva and 250 million by General Accident). Not only did the Aviva preference share price drop from 170p to 120p, but the whole asset class suffered a 25% fall as a consequence of the announcement.

To suggest that it is acceptable to use an obscure loophole to repay irredeemable high-coupon securities at or near their par value is highly immoral, and to make such an announcement in the full knowledge of the likely market impact is completely irresponsible.

The news that the FCA are investigating is welcome. But the issue is wider. The Board of Aviva need to explain themselves. A Parliamentary Select Committee should investigate. This type of behaviour should not be allowed to sully the high esteem in which most of our UK institutions are held.

It is the clearly established principles that are the foundations of the wonderful reputation of the London Stock Exchange. They make it pre-eminent in the world. Investors and shareholders need to feel that can sleep safely in their beds in the knowledge that their rights will not be stolen for the convenience of others. Both institutional and individual investors need to shun institutions that are prepared to behave in such a disingenuous manner.

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