

The complaint

Mrs P complains that ReAssure Limited delayed her monthly annuity payment.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my 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 the conclusion reached by the investigator for these reasons:

- Reassure made an error which meant Mrs P was deprived of the money she was due on 22 September 2020 until 5 October 2020.
- Reassure has paid Mrs P £300 for the distress and inconvenience she was caused when she found the payment hadn't been made on time, and by her efforts to resolve the issue. This is a fair and reasonable amount given the circumstances of the complaint.
- As she was deprived of the money, ReAssure needed to add interest to the amount she was due to cover the time she was without the funds. Reassure has said it added interest at the BoE rate + 1% and this was included in its first compensation payment to Mrs P. But the payment of £300 was for the distress and inconvenience they'd caused her, and the interest she was due shouldn't have been included in this amount.
- And for deprivation of funds, BoE rate + 1% isn't enough interest, as it doesn't follow our service's standard approach. The rate should be 8% simple. So on this basis I do not think ReAssure has done enough to resolve this complaint.

For these reasons, my decision is to uphold Mrs P's complaint.

Putting things right

I require ReAssure Limited to:

Pay interest on Mrs P's monthly annuity payment at a rate of 8% simple for the days she was deprived of the money.

My final decision

My final decision is that this complaint should be upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs p to accept or reject my decision before 2 June 2022.

Chris Riggs
Ombudsman