

## The complaint

Mr C complains that ReAssure Limited delayed paying him a one-off withdrawal payment from his drawdown pension in April 2021.

## What happened

Mr C contacted ReAssure in February 2021 because he wanted to withdraw some money from his drawdown pension in the new tax year. He was informed that the withdrawal process would take 10-15 working days. He was issued with withdrawal forms on 22 February 2021, so he could make the one-off withdrawal.

In the new tax year, Mr C sent the forms back. ReAssure received the returned forms on 7 April 2021. Mr C chased up his withdrawal request on 16 April 2021.

On 21 April 2021, ReAssure acknowledged receipt of the forms and said its specialist team had sent him two further forms on 16 April 2021 to complete. The forms were – ‘Your Retirement Options’ form and ‘Pension Withdrawal’ form. Mr C only received one form, the ‘Your Retirement Options’ form on 21 April 2021.

Mr C phoned ReAssure on 21 April 2021 and was told that the forms sent in February 2021 were incorrect. He was also told that the forms were only valid for 30 days. This had not been explained to Mr C before. ReAssure also informed Mr C that unless the ‘Pension Withdrawal’ form was signed, it would not be able to process his withdrawal payment.

Mr C raised a formal complaint on 21 April 2021 regarding the delays in receiving his drawdown income. He told ReAssure he had financial commitments that he had to pay by the end of the month.

Mr C informed ReAssure again on 22 April that he had not received the ‘Pension Withdrawal’ form. On 23 April 2021, Mr C’s complaint was ‘escalated’ within ReAssure. He received a call from ReAssure saying that the payment would be made to him in 3 to 5 working days.

Mr C called ReAssure on 26 April 2021, he was told to ignore the ‘Pension Withdrawal’ form, if received and that the payment would be made in 3-5 working days. On the same day, Mr C received a call from ReAssure saying that the ‘Pension Withdrawal’ form would need to be signed and returned after all, before the payment could be made.

On 28 April 2021, Mr C received a notification that the ‘Pension Withdrawal’ form had been sent by email. Mr C didn’t receive the form.

Mr C complained to ReAssure about a possible data protection breach in relation to an email sent on 26 April 2021.

Mr C also told ReAssure that he had to borrow money to meet his financial commitments due to the delay.

ReAssure sent Mr C a final response on 4 May 2021, Mr C was offered £150 by ReAssure, in total, by way of an apology. This included £25 towards payment of interest. ReAssure confirmed on the same day that the 'Pension Withdrawal' form would need to be completed and returned still.

Mr C received a part completed 'Pension Withdrawal' form for the first time on 6 May 2021. He signed and returned the form on 7 May 2021.

ReAssure informed Mr C that the payment would take 15 working days. ReAssure sent Mr C a second final response on 27 May 2021. It apologised and confirmed the email address used in the correspondence. It offered Mr C a further £100 for his inconvenience.

On 28 May 2021, Mr C contacted ReAssure about the payment. He explained that he was told that the payment would be made a priority, however it was day 16 and still no payment had been received.

A withdrawal of £12,570 was made from Mr C's ReAssure pension on 1 June 2021 and payment received into his bank account on 6 June 2021.

Mr C did not accept ReAssure's offer of settlement and referred his complaint to our service.

Our investigator looked into Mr C's complaint. She was of the view that ReAssure had misinformed Mr C about the drawdown process numerous times. She concluded that Mr C had done all he could do to chase ReAssure to get his drawdown payment paid out in the new tax year in time to meet his financial commitment at the end of April 2021

Our investigator concluded that it was clearly important to Mr C to be able to meet his financial commitments and he was caused upset and embarrassment by being put in a situation where he had to borrow money to do so.

The investigator concluded Mr C had not been caused any financial detriment by the alleged data protection breach. The investigator also concluded that it would not be fair to require ReAssure to meet the costs of him switching pension provider because he had lost faith in the company due to these events.

The investigator recommended that ReAssure pay Mr C a further £150 compensation and pay interest at 8% on the delayed payment.

Neither Mr C nor ReAssure accepted our investigator's view. So, this complaint comes to me for a decision.

Mr C says in summary:

- ReAssure were aware that he was having to borrow money because of the delays and accepted that interest charges were payable by them.
- The withdrawal payment was £12,570.
- ReAssure's actions were a catalogue of 'egregious experiences'. ReAssure has demonstrated further incompetence in the way it has conducted itself since these events. He is therefore justified in asking for it to pay for him to switch pension provider.
- Mr C would like a copy of the email relating to the data protection breach.
- An extra £150 compensation is insufficient for all the trouble and grief caused.

ReAssure say, in summary:

- The compensation payment made of £250 is sufficient to compensate Mr C for a single (albeit large) payment delay.
- It understands from this service's guidelines, that the court rate of 8% is applied where the consumer has sought credit for the period of deprivation. ReAssure would not usually look to provide interest, unless there was evidence a credit charge had been incurred. ReAssure is of the view that Bank of England base rate + 1%, based on current market conditions, is a fair and reasonable rate of interest for both the customer and the business.

### **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.

Like our investigator, I think ReAssure did not serve its customer well here in terms of the information it gave him. Further, what it got wrong, had a direct impact on Mr C not receiving his drawdown payment in time to meet his financial commitments. This led to him having to take out loans until his drawdown payment of £12,570 was received.

I say this because:

- When the forms were issued in February 2021, he wasn't informed they would only be valid for 30 days. I agree, if he had been told that, I think he would have asked ReAssure to send him the forms in March 2021 to ensure they were still valid for a payment in April 2021.
- He was sent wrong forms in February 2021, in any event.
- When the forms issue came to light, only one of the new forms was sent on 16 April 2021, instead of the two required.
- After escalation, he was then told he would not be required to sign the two forms and payment could be made in 3-5 days. ReAssure then went back on this, requiring both forms to be signed.
- He was told his case would be treated as a priority when he sent the Pension Withdrawal form back. ReAssure instead took longer than the usual 10-15 days to make the payment to Mr C.
- ReAssure failed to keep Mr C properly informed, which meant he had to regularly contact it to ensure the paperwork was in order, so his drawdown payment could be made.

As ReAssure did something or some things wrong, I have gone on to consider what it needs to do to put matters right.

ReAssure's actions led to Mr C having to borrow money from his family to meet his financial commitments. He has said that he had to borrow around £4,000 between 19 March and 25 May 2021 in tranches as he was not certain when he would receive the monies from ReAssure. £1000 of this was borrowed on 19 March before he had sent the withdrawal forms to ReAssure. However, I agree with our investigator, having to keep asking family for extra money would have likely caused embarrassment. Mr C also pointed out some health conditions which made the miscommunication and lack of funds more difficult for him to handle.

Mr C says he had to pay £300 in interest to borrow this money.

Overall, I think £250 is insufficient to reflect the embarrassment and inconvenience Mr C was personally caused trying to arrange this drawdown payment. There were a series of shortcomings, over an extended period and Mr C had to contact ReAssure more times than were necessary to ensure the withdrawal payment was made. Taking into account Mr C's personal circumstances, but also the level of awards made by this service in situations like this, I consider the investigator's recommendation of a further £150 to compensate Mr C for ReAssure's shortcomings, is a fair and reasonable way to resolve this complaint.

In relation to the interest payable. ReAssure made a payment to Mr C representing interest of £25. Mr C said he had promised an interest payment of £300 to his relatives, for the short-term loans he received.

In this case, I see no reason to depart from this service's usual approach when awarding interest on a payment that has been received late. Our usual approach is to expect the business to make an interest payment of 8% simple interest (pro-rata) for the customer being deprived of the earlier use of their funds. So Mr C is aware, this is also the statutory basis for awarding interest in the courts.

Here, I am satisfied from what Mr C has said, that likely he had to pay his family back more than he borrowed, for providing him with the loans.

As a result of these events. Mr C says he has lost confidence in ReAssure. Mr C asks me to make an order for ReAssure to meet the costs of him changing to a different pension provider. He states that his independent financial adviser has informed him this would cost in the region of £750.

I have carefully considered Mr C's request; however, it does not necessary follow that just because ReAssure's level of service fell below the standard expected when dealing with this one-off drawdown payment, this will be repeated. This service would hope that businesses learn from earlier mistakes and seek to make improvements to ensure it doesn't happen again. I do not consider that I can reasonably or fairly make this order based on what I have seen and ReAssure's response to these events. Nor, can I fairly take into account other alleged shortcomings that Mr C has highlighted occurred afterwards. Those other alleged shortcomings are not part of the complaint I am considering here and so I can't fairly take that into account.

Mr C also complained about a data protection breach. When this service considers complaints about data-protection, we consider the impact the breach has had on the customer. I cannot see that the breach has caused Mr C any financial detriment. ReAssure was prompt to respond to Mr C's concerns. I do not consider therefore than any further compensatory award is appropriate in the circumstances. Mr C should ask ReAssure if he wants a copy of the email concerned. Our investigator has given Mr C the Information Commissioner's contact details if he wishes to complain about this further.

### **Putting things right**

ReAssure should pay Mr C a further £150 for his distress and inconvenience.

ReAssure should calculate the interest payment of 8% on £12,570 from 27 April 2021 to 6 June 2021. I have used these dates because 27 April 2021 is 15 working days from the date the first forms he received were signed and received back by ReAssure. Had ReAssure given Mr C correct information from the outset, I think he would have been receiving his drawdown payment on this date. He would then have been able to pay his

financial commitment at the end of that month, without having to take out any borrowing and incurring interest. 6 June 2021 has been selected as this is the date that Mr C finally received his drawdown payment into his bank account.

ReAssure has already paid Mr C a £25 interest payment. This can be deducted from the 8% interest payable.

Income tax may be payable on any interest paid. If ReAssure consider that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr C how much it's taken off. It should also give Mr C a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

For the reasons given, I uphold Mr C's complaint and order ReAssure Limited to put matters right as set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 October 2022.

Kim Parsons  
**Ombudsman**