

The complaint

Ms H wanted to take funds from her personal pension but says ReAssure Limited's poor handling and service over an extended period frustrated her wishes.

What happened

Ms H initially contacted ReAssure on 12 October 2020 seeking to withdraw £15,000 from her personal pension. She wanted to use the funds to support her daughter. Because of delays in actioning her request, by December 2020 she'd decided to wait until the following tax year to take the funds and only draw £10,000. After experiencing further problems, Ms H started to explore switching her pension to another provider around July 2021.

I've not seen any significant disagreement between the parties about the series of issues that unfolded in Ms H's journey with ReAssure in trying to access her funds. This included a failure to deliver what it told her it would do, such as sending her necessary forms for completion. And sending her the wrong forms on more than one occasion. It told her about timelines it was working to, for example in relation to the release of her fund, which it didn't adhere to. It appears to have not understood the type of pension Ms H had and the implications for what her options were for accessing her benefits. There was a significant discontinuity of service provided to Ms H, and this was reactive and highly variable in quality.

By the time Ms H had involved an independent financial adviser in trying to access her funds it was 10 months after her initial request. That firm was similarly frustrated by ReAssure, so that even after a year she'd still not been able to carry out her wishes in relation to her pension.

Ultimately Ms H told us that she had to cash-in her premium bonds and borrow money from her son in order to assist her daughter because she wasn't able to access her pension benefits.

After Ms H complained, ReAssure accepted its failures, apologised and appears to have made three separate awards to her at various points in her journey. But she didn't feel this made up for all the trouble and upset she'd been put through.

An Investigator looked into Ms H's case and upheld it. He thought that ReAssure should increase the compensation it had agreed to pay by a further £300. It disagreed noting that she hadn't suffered any financial loss and that it had already paid her £325 in recognition of its errors and that was fair.

As both parties couldn't agree on the outcome reached by the Investigator, Ms H's complaint has been passed to me to review afresh and to provide 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.

Where there's conflicting information about what happened and gaps in what we know, my role is to weigh the evidence we do have and to decide, on the balance of probabilities, what's most likely to have happened.

I've not provided a detailed response to all the points raised in this case. That's deliberate; ours is an informal service for resolving disputes between financial businesses and their customers. While I've taken into account all submissions, I've concentrated my findings on what I think is relevant and at the heart of this complaint.

I'm upholding Ms H's complaint. I'll explain why I've arrived at my conclusion.

I've considered the extensive regulation around transactions like those performed by ReAssure for Ms H. The FCA Handbook contains eleven Principles for businesses, which it says are fundamental obligations firms must adhere to (PRIN 1.1.2 G in the FCA Handbook). These include:

- Principle 2, which requires a firm to conduct its business with due skill, care and diligence.
- Principle 6, which requires a firm to pay due regard to the interests of its customers.
- Principle 7, which requires a firm to have due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.

So, the Principles are relevant and form part of the regulatory framework that existed at the relevant time. As such, I need to have regard to them in deciding Ms H's complaint.

There's little value in rehearsing what happened in this case. That's because its largely agreed the service ReAssure provided Ms H was poor, littered with mistakes and set expectations which subsequently weren't met. The debate is about the level of compensation it should provide.

When I'm considering a complaint like Ms H's I think about whether it's fair to award compensation for distress and inconvenience. This isn't intended to fine or punish a business – which is the job of the regulator. But when something's gone wrong, recognition of the emotional and practical impact can make a real difference.

We're all inconvenienced at times in our day-to-day lives – and in our dealings with other people, businesses and organisations. When thinking about compensation, I need to decide that the impact of ReAssure's actions was greater than just a minor inconvenience or upset. It's clear to me that this was the case here.

Putting things right

There was a practical impact on Ms H of ReAssure's failings. She had to make alternative arrangements for supporting her daughter.

I agree with the Investigator when he found that in hindsight the actions she was forced into more likely than not didn't give rise to a financial loss. As he identified, her pension pot enjoyed a reasonable return during the period of delay in question. And I've not seen any evidence to suggest these would've been outstripped by costs associated with the arrangements she adopted.

Nevertheless, the fact that Ms H had to find other ways to help her daughter and the impact of having to do this on her and her close family can't be overlooked. It's also clear that ReAssure's failings caused her significant inconvenience and disruption over an extended period that needed a lot of extra effort to sort out.

So, I've concluded ReAssure Limited should pay Ms H an extra £300 for the distress and inconvenience caused by its failings. And this should be in addition to the £325 it says it's already paid her (which it needs to honour if it hasn't already done so).

My final decision

For the reasons I've set out, I'm upholding Ms H's complaint and ReAssure Limited now needs to put things right in the way I've directed..

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 17 November 2022.

Kevin Williamson

Ombudsman