

The complaint

Mrs S complains about the service received by ReAssure Limited ("ReAssure"). She says the issues she is complaining about have led to ReAssure not acting fairly when it encashed her portfolio bond.

What happened

Mrs S bought a portfolio bond from a third party. ReAssure took over responsibility for managing the bond in September 2020. In September 2020 Mrs S applied to ReAssure to have access online to manage and monitor her bond. She says ReAssure notified her that her application was successful, and that it would contact her about activation, but she heard no more about this.

On 21 January 2021 Mrs S wrote to ReAssure and requested that it fully encash the bond. ReAssure has told our service that this letter was received by it on 22 January 2021. ReAssure then contacted Mrs S on 28 January 2021 and asked her for some further information that it says it needed before it could go ahead and encash the bond. Mrs S gave it the information it required. It then informed her that the indicative value of the bond as of the end of the previous day, was £316,415.76.

Mrs S says she then received a letter on 13 February 2021 from ReAssure, notifying her of the final encashed value of the bond, this being £314,129.10. This amount was then paid into Mrs S's account on 17 February 2021.

Mrs S has made several complaint points to ReAssure and then to our service. These are that ReAssure:

- Failed to provide online access to allow her to monitor the account and decide when was the best time to encash the bond and then didn't respond to her complaint about this.
- Failed to encash the bond timely on receipt of her written request. This resulted in Mrs S receiving less when the bond was encashed. Mrs S requested information from ReAssure about this, including a daily valuation of the bond. And it hasn't provided this.
- Added interest to the final payment but has not made any attempt to understand her potential loss or answer any questions about this. She says ReAssure has not responded to her complaint properly.

ReAssure says it needed further information from Mrs S before it could encash her bond and this is why it contacted her on 28 January 2021. It says it encashed the bond on the same day and then at a later date sent her a letter informing her of the value of the encashment. It responded to Mrs S and offered her a payment of £250 due to the amount of time it took to pay the encashed amount to her. It apologised and said it took longer than it should have because of very high customer demand and in some cases, it has taken longer than normal

to respond to requests. It then said that it added an interest payment of £142 for the additional time it took to pay the encashed amount to Mrs S's account.

Mrs S was not happy with ReAssure's response. So, an investigator from our service looked into her complaint. He sent his view to both parties and didn't think ReAssure had acted fairly. He made the following findings:

- He acknowledged that ReAssure had offered £250 and an apology for the time taken for it to pay the encashed amount to Mrs S.
- He recommended ReAssure pay a further £100 for the lack of online access for Mrs S and not responding to her complaint about this.
- He then said a product guide given for the bond states that the value for the encashment will be calculated on the second working day after receipt of a letter. And that the unit price is calculated on that day.
- He went on to conclude that ReAssure should have encashed the bond by 26 January 2021 at the latest as it received the letter from Mrs S on 22 January 2021. He said to put things right, ReAssure should calculate the encashment on 26 January rather than 28 January. It should then pay Mrs S the difference (if it is a higher amount) and add interest on this from the encashment date to the present.

ReAssure responded and said it had already apologised for the delay in paying the encashed amount to Mrs S and offered £250 along with an interest payment. It says this was a generous offer as it was only one working day over the time frame it would normally work to. It has latterly also said it had already included compensation for the lack of online access in its offer of £250.

It then went on to say that the product guide states that Mrs S would have needed to write to it to encash her bond and also include a schedule. Something it says, she didn't do. It says that although it also didn't ask for a schedule from Mrs S, it did need to seek further information from her before it could carry out her instructions, something that it did on 28 January when it called her. ReAssure did not agree with the investigator's findings and felt it had already done enough to resolve Mrs S's complaint.

As the parties are not in agreement, Mrs S's complaint has been passed to me, an ombudsman, to look into.

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.

ReAssure has paid Mrs S £250 and apologised to her. It said initially that this was because of the time it took to pay her the encashed amount. It also added interest to the proceeds for the amount of additional time this took. The investigator felt this was reasonable. I also don't have anything further to add or say regarding this part of Mrs S's complaint.

There are two points though to Mrs S's complaint that are left unresolved. Mrs S says ReAssure failed to provide online access to allow her to monitor her account. She says it also didn't respond to her complaint about this. And then secondly, she says it failed to encash the bond in a timely manner, and this has meant she has potentially incurred a loss. So, I have looked into these two issues further.

Online access

Mrs S says she applied for online access to her account. Then, on 27 November 2020 ReAssure sent a letter to Mrs S where it notified her that she had been successful but that it would contact her again when it was ready to activate her online account. Mrs S said she then heard no more from ReAssure about this and did not receive a response when she made a complaint about this. She said she was unable to monitor her account and decide when the best time to encash her bond was. She went on to put in a request to encash the bond anyway on 21 January 2021.

ReAssure did not address this part of Mrs S's complaint when it responded to her. It more recently has told our service that it has already paid £250 to Mrs S in respect of issues surrounding her online access. But it didn't make this clear within its response to her. In any case, I agree with the investigator, that an additional £100 payment is fair in the circumstances of this complaint, in addition to the £250 already paid by ReAssure. I think £100 is fair compensation for the frustration that Mrs S would have felt in not being able to resolve this issue with ReAssure, or having a response to her complaint and also for not being able to access her account online.

Encashment of the bond

Mrs S wrote to ReAssure on 21 January 2021 to request that the bond be encashed. Mrs S has provided our service with a couple of pages from the product guide for the bond. It says within these pages, that the encashment value will be calculated on the second working day after receipt of receiving a letter and a schedule. I can't see that any revised documentation was sent out by ReAssure when it took over management of the bond, and neither party has provided anything within the documentation that they have submitted to our service. So, in the absence of anything else, I think the pages provided from the product guide gives me the best idea as to what Mrs S would have expected ReAssure to do when she looked to encash her bond, and what ReAssure ought to have done when it received instructions to do so.

ReAssure says it received Mrs S's letter on 22 January 2021. It then says it contacted Mrs S, 5 working days later on 28 January 2021 to clarify some points with her before it went ahead and followed her instructions. It says this is because it received forms from Mrs S, but these were incomplete. It called her on 28 January 2021 to obtain the missing requirements over the phone. It then encashed Mrs S's bond on that day after it had done this. It says Mrs S did not follow the requirements on the product guide, that states that someone needs to write in and also add their schedule. It says she didn't add her schedule. Albeit, it admits it didn't then ask her about this when it contacted her.

I have looked at the product guide carefully. I can see that it does state that someone would need to write in and add their schedule if they want to encash their bond. So, I acknowledge the point ReAssure are making here. But it didn't ask Mrs S for this and the missing Schedule document wasn't the reason for its call on the 28 January 2021 or the reason for the delay. ReAssure didn't attempt to or make contact with Mrs S within the two working days that the product guide states it should take to encash a bond. I would have expected ReAssure to do this and make contact with Mrs S within two working days to either request the schedule as stated in the product guide or to ask Mrs S for what it says were missing requirements that it needed to have, to encash the bond.

ReAssure instead took four working days to contact Mrs S rather than two working days stated within the product guide. I think it should have encashed Mrs S's bond by the latest 26 January 2021 or have made contact with Mrs S by this date to request the additional information, but it did neither. So, it follows that I agree with the investigator, that ReAssure

should put things right here and put Mrs S in the position she would have been in if the bond had been encashed on the 26 January 2021, as she would have reasonably expected it to.

In conclusion, I uphold Mrs S's complaint about ReAssure and it's now time for it to put things right.

Putting things right

ReAssure has already paid Mrs S £250 that it says is for the time taken for it to pay her the proceeds of the encashment. It has also apologised for this and added interest for the additional time taken for this amount to be paid into her bank account.

For the reasons given above, in addition ReAssure needs to:

- Pay Mrs S £100 for the frustrations caused by not dealing with her complaint about not being able to gain access online to her account.
- Find out how much the surrender value of the bond would have been if it had been encashed on 26 January 2021. If this is a higher amount than her actual encashment figure from 28 January 2021, ReAssure should pay her the difference. If there is an amount for ReAssure to repay, it should add interest at 8% simple from 26 January 2021 to the day it repays the amount back to Mrs S.

My final decision

My decision is that I uphold Mrs S's complaint about ReAssure Limited and direct it to put things right, as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 24 August 2022.

Mark Richardson
Ombudsman