

The complaint

Mrs A complains that ReAssure Limited's online portal showed her pension policy as terminated despite her belief it retained a value of around £60,000. Mrs A eventually transferred out her policy as she didn't feel it was safe with ReAssure.

What happened

Mrs A had a number of personal pension policies with ReAssure. Mrs A made a withdrawal of around £3,000 from policy 1 (the policy subject to this complaint) in April 2021.

After the withdrawal was made, the policy was shown as terminated on the portal. In actual fact the policy should've shown a value of approximately £65,000 at the time.

Mrs A complained to ReAssure because of her inability to see the policy on the portal. She complained on 10 May 2021, quoting the correct policy number, for policy 1. In a message dated 25 May 2021, Mrs A used the reference for policy 2 (not the subject of the complaint) with ReAssure. Mrs A said she had to use this reference as its online portal wouldn't allow her to select the correct policy.

Mrs A said she had spent lots of time chasing up an answer to this issue. She spoke to a member of ReAssure's staff on the phone who said she couldn't get her a value but she would contact the reinstatement team and also ask for a current value to be sent to Mrs A. But then Mrs A received a response to her complaint only referencing policy 2 – which Mrs A didn't want to complain about. It said that the policy wasn't visible on the portal as it had been terminated after Mrs A withdrew the full value. Mrs A contacted us and said she was at her wits end with worry. She asked us to help her get the policy reinstated as she was very worried about whether her money was safe.

Mrs A also told us her and her husband were having sleepless nights and considering getting legal help as they were worried about the value of their policy – as it was a lot of money to them.

When we requested that ReAssure provide us with a file to investigate, they only sent us information about the incorrect policy, policy 2. Our investigator informed ReAssure that the complaint information we had sent them clearly stated the complaint was about policy 1 – but it continued to delay matters and refer back to policy 2. The investigator eventually issued a recommendation based on the information he had – although ReAssure believed it should have time to investigate it itself before we looked into it. The investigator pointed out it had already had that time and more.

The investigator looked into matters and concluded that ReAssure had caused Mrs A a lot of unnecessary trouble and upset and awarded £500.

Whilst the case was awaiting an ombudsman's decision, ReAssure issued its final response to Mrs A – and apologised for its errors and sent her a cheque for £300.

By this time Mrs A had been able to transfer out the value of policy 1 to another provider. She instigated the transfer as her policy was still shown as terminated, worried about this she decided with the help of the receiving provider, to attempt to transfer the policy. Mrs A said the transfer went through quickly, without issue.

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.

Mrs A was able to transfer her policy away and the transfer went through quickly, so it doesn't appear the termination issue caused any delay or financial loss. And ReAssure have accepted it's errors, so it isn't necessary for me to set out in detail my reasoning for why it was at fault. What is left to decide is a suitable amount of compensation for the trouble and upset caused to Mrs A.

Despite the investigator recommending £500, ReAssure sent Mrs A a cheque for £300. ReAssure hasn't engaged with us about this complaint, other than to say it was about a different policy. I think it is clear what Mrs A's complaint was and what policy it was about when she submitted the complaint to us – and regardless ReAssure had much longer than the 8 weeks it is permitted from that point to look into it. So it should've engaged with the investigator rather than separately doing its own investigation and writing directly to the customer.

As the investigator awarded £500 and ReAssure only paid £300, I have to consider what is a fair level of compensation for the trouble and upset that ReAssure's failures caused Mrs A.

Before the policy was transferred away, which Mrs A did because she had lost all trust in ReAssure, Mrs A had told us in a number of communications how worried she was about her money. She questioned whether she needed to seek legal representation, told us about her and her husband's sleepless nights worrying if she'd be able to access the money which was in excess of £60,000. It's clear this money was extremely important to them and ReAssure's continued poor customer service (which went on for nearly a year) was causing a lot of stress and inconvenience.

ReAssure had incorrectly terminated the policy on its online portal. Mrs A made a number of attempts at contact with ReAssure through different methods – but for nearly a year the policy showed as terminated. Mrs A on one of these bits of communication used an incorrect policy number – leading ReAssure to only respond about that policy and continue to say that policy was terminated (that was correct for that particular policy). However, I don't think given all the communication Mrs A had made to ReAssure with the correct policy number on it, it was a reasonable conclusion to respond only about the incorrect policy. This led to further confusion and worry that in fact Mrs A's policy had in fact been terminated.

However, this error wasn't corrected and Mrs A became ever more worried about the value of her policy. So she asked ReAssure to send her weekly statements. The evidence sent by ReAssure suggests it sent two statements following this showing the current value and transfer value. So it doesn't look like it was sent as Mrs A requested. I appreciate sending weekly statements was likely not an appropriate solution to this problem, but ReAssure should have communicated this to Mrs A. And it should've explained what it was doing to fix the issue with Mrs A's policy on the portal. But it didn't. And after nearly a year, ReAssure still hadn't provided an explanation as to what it was going to do about the problem, and Mrs A's policy was still showing as terminated on its policy.

Considering the award for trouble and upset, I've taken into account that ReAssure's initial error of terminating the policy on the portal would've caused initial shock to Mrs A. This strikes me as what should've been a very simple issue for it to resolve. But a year later it had not been resolved. Mrs A went to great efforts to try and get the issue resolved – yet ReAssure's customer service here was severely lacking, causing her further stress and worry about her policy.

Eventually Mrs A decided she had to take the step of transferring her policy and this was an unnecessary inconvenience that wouldn't have occurred if ReAssure had sorted the problem at outset. It's clear from the early communications before the policy was transferred that this issue caused Mrs A a lot of distress and worry – and this went on for a year until it was transferred. Whilst eventually, ReAssure answered the complaint and apologised sending Mrs A a cheque for £300, I think in the circumstances ReAssure should make up the difference between the investigator's recommendation, so award Mrs A an additional £200. This issue went on for far too long, increasing Mrs A's worry and distress, so I think £500 is fair and reasonable in the circumstances.

Putting things right

ReAssure Limited should pay Mrs A an additional £200 to bring her overall award up to £500.

My final decision

I uphold this complaint and require ReAssure Limited to pay Mrs A £500 as compensation for the trouble and upset caused. On the understanding that ReAssure has already paid Mrs A £300, following Mrs A's acceptance of this decision, it should pay an additional £200 to bring matters to a close.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 26 October 2022.

Simon Hollingshead
Ombudsman