

The complaint

Miss M complained ReAssure Limited provided her with inadequate service.

What happened

On 15 and 23 November 2020 Miss M contacted ReAssure as she wanted to increase her direct debit paying the monthly premiums to her personal pension plan (PPP) from £36 to £86 a month. She said she also wanted to make a one- off payment until her direct debit was increased.

Miss M then tried to make two single one- off contributions of £50 and £90 respectively, to her PPP. This was around the middle of December 2020 and start of January 2021. The phrase 'tried to' is used because these contributions were not applied to her PPP until sometime later and could not be found by ReAssure for a period of time.

On 18 December 2020 ReAssure say they wrote to Miss M. A copy of the letter they say was sent, has been provided and this sets out that before they could complete her request about changing her monthly pension premiums, they needed her to complete and return as attached Tax Relief Declaration form. Miss M says she did not receive this letter.

On 3 February 2021 Miss M contacted ReAssure via their online portal to ask about her two one- off contributions which had not yet been credited to her PPP.

Miss M says she received a message from ReAssure on 8 February 2021 letting her know her request was being dealt with by a specialist team. On 11 February 2021 Miss M contacted ReAssure to complain. She was unhappy she hadn't received a proper answer to her previous message

On 15 February 2021 Miss M contacted ReAssure. She was concerned as her February premium hadn't been collected by direct debit as usual from her bank; and her one- off contributions had still not been applied. She asked for this to be prioritised as this might have a detrimental impact on her and she requested a call back.

On 20 February 2021 Miss M complained to ReAssure. She explained she was unhappy that neither of her additional one-off payments had been applied to her account. She explained she was unhappy that every time she contacted ReAssure, she was told it was being dealt with, but nothing happened.

In particular she was unhappy that on 18 February 2021 she had been told her earlier one-off contribution was being held in ReAssure's suspense account due to the wrong reference number being used. Miss M said she'd checked with her bank and this was wrong.

In any event she couldn't understand why ReAssure would have kept it in their suspense account for around 10 weeks without contacting her or acting further. In addition she noted her February 2021 direct debit premium (£36) had not been collected.

Miss M said she was told the premium wouldn't be collected until the missing payments had

been dealt with and so two premiums might be collected in March. Miss M felt this was unacceptable.

Overall Miss M was very unhappy. She said her messages on the portal had either gone unanswered or the answers were vague or missed the point. And when she spoke to people on the phone, she was promised progress or call backs, but nothing happened.

On 8 March 2021 ReAssure wrote to Miss M. The letter said that in order to apply the single one- off contributions, ReAssure needed Miss M to complete the attached tax relief declaration (a hard copy was required) and they still awaited her instruction for any investments she wanted to choose or adding the contributions to her current funds.

They went on to apologise for delay in replying to her request, in addition they confirmed they had collected £36 for March, but this had been applied to February 2021. And that to ensure her plan was paid to date, £72 would be collected at the start of April, to cover her March and April contributions. Monthly premiums would then resume at £36 from May.

On 22 March 2021 Miss M contacted ReAssure as she could not view her plan information online. She was told they were applying some updates to her plan. There was a reference to 'SP' being received, and this was being added. I have assumed SP stands for single premium.

On 24 March 2021 ReAssure wrote to Miss M to tell her they were still waiting for information before they could apply the payments. They asked her to confirm her chosen funds and proportions and let her know they would otherwise apply the contributions to her existing funds and proportions by default. They also said they needed her completed relief at source declaration form. ReAssure said if they didn't get what they needed within 14 days, the payment would be refunded. Miss M contacted ReAssure and complained again.

On 28 March 2020 Miss M returned the form and sent a cover letter. In this she expressed frustration that she had tried to contact ReAssure in various ways on numerous occasions. But she said she hadn't been told on any occasion she needed to confirm information. So she felt upset that she was only being asked at the start of March, despite having made payments in December.

Miss M also stressed that a letter sent on 8 March 2020 said that if she didn't confirm the specific funds for investment, the contributions would be applied to her existing funds and this was why she hadn't felt the need to reply (as she was happy for this to happen).

Miss M confirmed she wanted all outstanding and future payments to be applied to her existing funds. She was also unhappy her letter of 24 March suggested funds would be returned to her. She didn't think ReAssure were right to say this as she felt they were providing her with conflicting information. She stressed she wanted her payments added to her PPP.

In April 2021 ReAssure replied to Miss M's complaint. They apologised and offered her £125 to reflect the inconvenience and impact of the delays and service failings.

Miss M didn't accept ReAssure's offer. She acknowledged the apologies, but felt the offer was wholly unsatisfactory and she said she hadn't been given any explanations. She went on to note she didn't agree that she would not be left with any financial loss as she said her entitlement to carer's allowance had been and/ or would be impacted if she could not demonstrate her pension contributions. At the time she replied in April 2021, her one-off contributions were still not showing.

Miss M thought ReAssure had a duty to contact a customer if they identified a problem. She also expressed she'd been unhappy when she was unable to access her plan online for at least two weeks. When she'd called to ask about this, she had been told the ReAssure team were working on her account. It is not entirely clear to this service when this happened.

On 29 April 2021 Miss M contacted ReAssure's online portal to complain her one-off payments continued to fail to show.

Miss M complained to this service. As part of her complaint she let us know that the delays had impacted her ability to make a claim for carer's allowance, in respect of care provided to her child. Miss M told us that to claim she needed to show how much she was paying into her pension arrangements; this being part of the calculations in respect of income for eligibility for the allowance.

Miss M initially told us that because the payments weren't applied to her account, she couldn't claim the allowance between February to July 2021. The allowance being just under £68 a week. Miss M went on to say this allowance allowed for three months of backdating, and she sent in further information about an earlier claim made at the start of December 2020. Miss M also told us the double direct debit payment taken in April 2021 had caused her financial problems as it interfered with her monthly budget. Her finances having already been made more difficult as she was unable to claim the allowance.

Miss M sent us a letter from the Department for Work and Pensions (DWP) that confirmed her eligibility for carer's allowance from August 2021. This set out that she hadn't been entitled to the allowance for an earlier period from July 2021 due to her income exceeding the required level.

Miss M said that as consequence of everything that went wrong with ReAssure, she had moved to a new provider. She sent us a copy of her pension statement which she said showed her contribution of £156 a month and a £39 top up from HMRC.

She said ReAssure's delays and service problems had prevented her from making further additional contributions between February and July 2021. She didn't think they would have been credited to her account within the same month, and so she ended up being over the earning limit for being able to claim carer's allowance, and it appears she didn't make a claim during this period.

Miss M thinks she was deprived of claiming £67.60 weekly carer's allowance between February and July 2021 and also prevented from contributing to her pension every month, which meant a loss to her PPP and a loss of tax top ups for 6 months.

Miss M thinks she had a loss of £195 a month from her PPP fund totalling £1,170 and an approximate loss of 26 weeks of carer's allowance totalling £1,757.60. In her view this demonstrated the inadequacy of the offer made, without even considering the impact and inconvenience of repeat communications, telephone calls and emails etc.

Miss M said that even if her payments could have been shown by ReAssure, the carer's allowance could only be backdated by three months so she would have still lost out.

She told us she'd intended to claim carer's allowance from December 2020 but had miscalculated the amount of pension contributions she needed to pay which was why she made a second increased one-off contribution amount. Miss M didn't feel it was fair for us to ask for more information about the losses she claimed around carer's allowance, as she felt like she was under scrutiny.

ReAssure told us the one-off contributions had been applied to Miss M's policy on 23 June 2021 and their screen shot showed, these had been backdated to the time when she had made the payment.

ReAssure told us they didn't understand why Miss M's carer's allowance could be linked or impacted to the one-off payments. In any event they noted the one-off contributions were made in December 2020 and January 2021, and so were outside the time frame of February 2021 to July 2021.

Investigator's views

The investigator issued several views in this case. Ultimately, he concluded ReAssure had failed Miss M, and he recommended they ought to pay Miss M an additional £100 and reimburse her the carer's allowance payments, he thought she had lost out on from April to June 2021. As part of his thinking, he accepted Miss M had received the letter dated 18 December 2020, and as such he didn't think ReAssure had been able to do anything else until she returned the required form, as further requested in March 2021. But he did think ReAssure's delay thereafter needed to be reflected in a further loss sum.

Additional comments provided by Miss M

Miss M did not agree with some of the investigator's thinking. She sent proof of her earlier carer's allowance claim. She told us that because she was not able to send pension statements showing her payments, the DWP were unable to proceed with her claim. Miss M says she has claimed carer's allowance on and off since 2017.

She also referred to an email she sent to ReAssure on 12 April 2021 informing them that she ought to be entitled to claim carer's allowance; she says she sent this hoping it would speed up her missing payments being allocated to her PPP. Miss M commented that her new provider applies contributions to her PPP within 12 working days and her previous provider (prior to ReAssure) had also worked to a similar timeframe.

Miss M also told us she'd reviewed her account online with ReAssure more recently, and this did not show any correspondence from December 2020. She says she wasn't made aware that Reassure needed further information. And she commented that as there was a lot of communication after this date, she doesn't understand why she was never asked if she had sent this information nor informed that she needed to.

Miss M says she would not have wasted her time continuing to chase ReAssure, spending hours on the phone and emailing them, had she known they required information from her. Miss M suggested no correspondence after this date mentioned it, albeit elsewhere I think she had noted the request was contained in correspondence from March 2021.

ReAssure's comments

ReAssure provided further information and comments. However it does not appear they responded to the investigator's last view and recommendation.

ReAssure confirmed the backdated application of Miss M's one-off contributions to her PPP. They also said they called Miss M regarding the one-off premium applications on 18 May 2021. ReAssure say it was during this call Miss M advised that she didn't wish to proceed with increasing her regular monthly premiums at this time, and so her direct debit did not change. ReAssure also confirmed a £125 compensation payment was made by cheque to Miss M on 17 April 2021.

Provisional decision

On 11 August 2022 I issued a provisional decision. In this I indicated I was intending to uphold the complaint, but change the approach to redress, and I explained why. Parties were given the opportunity to respond to my provisional decision.

Miss M wasn't happy with my provisional decision. She noted she had received different recommendations prior to the provisional decision and she did not follow the logic. Miss M was also unhappy that the overall sums recommended had decreased. Miss M doesn't feel the award made upholding her complaint, puts her in the position she ought to be in, if ReAssure had done what they ought to have done.

ReAssure accepted the provisional 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 haven't changed my thinking from that set out in my provisional decision. I am upholding Miss M's complaint. I am sorry the award I am making disappoints Miss M. I accept she has been failed and the poor service she received clearly had a significant impact upon her.

In general terms the timeline of events is agreed. ReAssure accept they failed in how they dealt with Miss M's one-off contributions and this caused delay in these sums being identified, and then applied and backdated.

I also think ReAssure accept they failed in their overall service provided to Miss M, including in respect of information provided and failures to arrange promised call backs.

Whilst ReAssure accepted and apologised for failing to provide the service they ought to have done, I am not persuaded this reflected the full extent of the failures; or that the payment of £125 was sufficient in the particular circumstances of this case. ReAssure failed to understand the substantial impact on Miss M.

In late 2020 Miss M contacted ReAssure as she wanted to increase the monthly contributions to her pension plan from £36 to £86. Miss M was preparing to make an application for carer's allowance. There is an income threshold involved in this benefit, and so it appears she needed to reduce her income to ensure she did not exceed the threshold. This is a benefit that can be back dated for three months.

Miss M appears to have understood the change in monthly contributions was not going to be actioned for December 2020 as she had first requested, and so took further action. Miss M tried to make two one-off contributions to her pension plan.

ReAssure didn't ever arrange the increase to the monthly contributions as a time was reached when Miss M instructed this request to be cancelled; in May 2021.

Miss M demonstrated she made an application for carer's allowance in December 2020. From at least February 2021 Miss M was clearly making regular contact with ReAssure to try and find out why her two one-off payments hadn't been credited to her pension plan, and then, in addition, why her regular monthly contribution for February 2021 wasn't taken. This will have been worrying and frustrating.

ReAssure say they couldn't do anything until Miss M returned information they had requested in December 2020. Miss M says she didn't receive this letter and request.

The letter was correctly addressed, and on balance, I accept it was sent to Miss M. In general terms this service's experience is that mail correctly addressed is usually received.

Balanced against this, I have seen that Miss M was clearly demonstrating an active interest in ensuring her instructions were completed by ReAssure, so it might seem strange she didn't respond to a request.

However, I don't think I need to make a finding about whether Miss M received this letter in December 2020 and failed to act. As in at least February 2021, if not before, I think it's reasonable to have expected ReAssure to have responded to Miss M's repeated chases about her one-off payments by letting her know they couldn't do anything until she provided the information they'd requested, if that was the reason.

By 8 March 2021, ReAssure did let Miss M know they needed further information, in particular the information for tax purposes. I accept the information provided by ReAssure about whether Miss M needed to confirm the intended fund selection for the one-off contributions is somewhat inconsistent.

It seems to me it would not have been unreasonable to have expected the one-off contributions to have been applied to the PPP successfully by mid-January 2021. On what I've seen I haven't been persuaded there had been an error in the reference used on one payment. The information ReAssure requested was in respect of changing her direct debit according to the letter of 18 December 2020.

In any event, I don't think it would have been unreasonable here, for ReAssure to have identified that two contributions could not be applied if they needed more information and to have contacted Miss M about this. Again I don't consider this ought to have taken until the end of January 2021. Even if I accept, due to the particular circumstances involving the impact of the health pandemic, there was some reasonable delay, and I don't necessarily accept this, I would have expected Miss M to have been informed by ReAssure when she contacted them in February. I am also surprised to see how long it took for the one-off contributions to be applied and backdated to the PPP.

I have considered everything provided thus far and consider ReAssure failed in the service provided to Miss M. This was due to extended and repeated delays in dealing with her one-off contributions and unreasonable delay around her missed monthly contribution.

I also note that it doesn't appear Miss M was given accurate information when she managed to make contact, nor did she receive the two call backs she was promised.

I have gone on to consider the impact on Miss M and whether ReAssure have offered enough. In reaching my intended decision on what's a fair sum here, I have taken everything into account.

I don't consider it appropriate here to propose ReAssure should refund carer's allowance payments that Miss M might or might not have received. Whilst I have no doubt Miss M believes she would have received these payments, I think this is too speculative. There would have been a criteria to be satisfied, and I am not in a position to conclude this. In addition, I don't consider we are in a position to make any finding about back-dating.

I don't think it's right to say Miss M lost out because she didn't make contributions to her pension for a period of time, since she was still able to have the benefit of her funds

personally. I accept she may not have received the benefit that can accompany a pension contribution, but there isn't enough for me here, nor is there anything that persuades me, she could not have made these contributions within a comparatively short time later. Albeit I can understand she may have felt reluctant to apply them until her previous contributions were applied. I have taken all of the circumstances into account overall when reaching my outcome.

As part of my considerations as to whether ReAssure have offered enough I considered the impact on Miss M.

Miss M was failed by ReAssure for an unreasonable and very extended period of time and these failures had a significant impact upon her. ReAssure had been made sufficiently aware of Miss M's circumstances, to understand she would experience an increased impact with ongoing delay. It is clear to me Miss M was making an active and concerted effort to speed things up.

Miss M was particularly vulnerable, she was acting to prepare her application for carer's allowance for her child, and she was living on a careful and planned budget.

ReAssure were informed not only that the delays were having a particularly detrimental impact on her but that the missed regular collection of premium and ReAssure's intention to take two premiums the next month caused her real worry as she was in a position of needing to carefully budget. It's reasonable to expect ReAssure ought to have understood that not knowing where her two one-off contributions were and when they might be found and applied would have a particularly severe impact on Miss M. There was sufficient information for ReAssure to understand she was a customer for whom any unexpected financial uncertainty and outgoings might be particularly worrying. So there are reasonable grounds to consider there was real impact here, on someone in a vulnerable position.

I've gone on to consider whether Miss M acted reasonably and whether she took steps to minimise the impact on her. I think she did.

Miss M didn't provide information as soon as she arguably could have done. If I were persuaded it was this delay that caused ReAssure's delays, I might have reduced my overall award. But I am not persuaded that is what happened.

The correspondence on 8 March 2021, informed Miss M she needed to complete a form, and it appears to me, she overlooked this request, until the second letter on 24 March 2021. So I accept Miss M contributed to some delay here. Otherwise I find it hard to identify any reasonable further additional steps I might have expected Miss M to take.

ReAssure failed to tally the one-off premiums to Miss M with due expedition and failed to effectively assist Miss M when she was chasing information about the contributions (and then direct debit payments).

In reaching a sum I consider reasonable, I have understood that ReAssure, like many businesses, will no doubt have been impacted by the Covid pandemic and the ways in which they and their staff were able to work.

Overall I don't consider the £125 paid to Miss M was sufficient here to recognise her distress and inconvenience and the impact of what went wrong overall. Taking everything into account, ReAssure must pay Miss M an additional £450. This will mean ReAssure will have been required to pay Miss M £575 overall.

In reaching my thinking, it might assist parties to understand I think this is a case where the

failures of ReAssure have caused Miss M a significant amount of distress, upset and worry, and where she has been required to be repeatedly inconvenienced in trying to sort the problems out. Overall it took some months to sort everything out.

I've seen what Miss M says about this award. There is more information available about when we make such awards and what we take into account on our website, and this might assist with further understanding about where I think this award sits. I am sorry Miss M is disappointed that I changed the approach for redress from that ultimately recommended by the investigator. As I have explained I don't think there is enough to persuade me specific consequential financial loss can be sufficiently identified here, but I do accept Miss M was caused considerable distress, worry and upset and significant inconvenience, over errors that took a lot of extra effort to sort out.

Putting things right

ReAssure must pay Miss M £450 within 28 days of this decision.

My final decision

For the reasons given I uphold Miss M's complaint about ReAssure Limited. ReAssure must pay Miss M the sum of £450 within 28 days of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 5 October 2022.

Louise Wilson
Ombudsman