

The complaint

Ms M complains about the way ReAssure Ltd dealt with her application to cash in her pension plan held with them.

What happened

Ms M approached ReAssure in August 2020 to request the necessary forms to allow her to access her pension. ReAssure confirmed they'd received the completed forms in the first week of September 2020. Ms M had also enclosed an original deed poll to evidence her previous change of name. This was later returned, damaged.

ReAssure then wrote to Ms M at the beginning of October, but addressed it to her previous name, questioning whether the deed poll was sufficient evidence to prove her change of name. Ms M responded to say it was, and ReAssure then changed their mind, accepting the deed poll validity.

In the middle of October 2020, ReAssure then phoned Ms M to say that the National Insurance (NI) number she'd quoted on her application form didn't match their records. Ms M asked why this wasn't picked up on receipt of her form at the beginning of September, but no explanation was provided. Ms M provided the correct NI number.

On 25 October 2020, ReAssure wrote to Ms M to say they'd pay her £150 compensation for the delays she'd experienced, and would pay this into a bank account with 'T' bank. Ms M immediately contacted ReAssure to advise she'd never had an account with 'T' bank, and instead asked them to make the payment into the account she'd recorded on her application form. ReAssure then only paid £100 but wrote to apologise and said they'd be paying the £50 balance shortly - which they then did. And on 26 November 2020, ReAssure paid Ms M her pension as a lump sum (which had been calculated as at 23 October 2020) of £9,121.25.

Ms M contacted ReAssure to explain she wasn't happy with £150 compensation, as that wouldn't even be enough to replace her damaged deed poll. However, ReAssure felt £150 was a fair compensation for the delays experienced. So, Ms M brought her complaint to us, explaining she remained unhappy with the delays experienced and believes she may have lost out financially – as her pension may have been worth more had her application been processed more quickly.

One of our Investigators upheld Ms M's complaint. He said the £150 was fair compensation for the delays experienced up to the point the offer was made, and it covered the cost of replacing the damaged deed poll. But he felt Ms M has experienced further delays in receiving her pension payment – after the £150 offer was made by ReAssure – and she should be paid a further £100 compensation for this. He felt that, had ReAssure adhered to their internal processing standards (their 'SLA') – they'd told us they aim to process an application such as this within ten working days – Ms M would have received her pension payment up to three weeks earlier than she did.

ReAssure was unhappy with this outcome. They thought the £150 they'd already paid was sufficient compensation – so the complaint has been passed to me to consider and issue a 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.

I issued a provisional decision (PD) on this complaint on 5 September 2022, indicating I'd be upholding it. In that PD, I said as follows:

ReAssure have already accepted they caused delays and didn't process Ms M's application as quickly as they should have. They offered £150 compensation for delays and inconvenience caused by them and made that offer on 25 October 2020. So, I think it reasonably follows that offer was made to compensate for delays and inconvenience up to that date only. And, I think that offer represents fair compensation for the delays and inconvenience Ms M experienced up to 25 October 2020, together with covering the cost of the deed poll replacement.

But there were further delays in making the payment to Ms M after this date as well. ReAssure communicated the wrong bank account details, meaning Ms M had to contact ReAssure to point out the correct bank details which were already in their possession – on the original form she'd provided. Further exchanges took place, and in one ReAssure even advised Ms M they could find no sign of her policy. And Ms M was only paid her pension funds on 26 November 2020 – over a month after ReAssure had told Ms M they'd prioritise the transaction and offered the £150 compensation.

I think it's fair and reasonable for ReAssure to pay further compensation for the inconvenience caused by these further delays. And I agree the amount suggested by our Investigator, £100, represents fair compensation for these.

I also need to address whether Ms M lost out as a result of the delays in making the transfer, which is something our Investigator didn't consider. ReAssure received Ms M's completed forms on 7 September 2020. ReAssure have said they aim to process such transactions within their ten working days SLA – this is assuming all of the information provided is correct.

Here, the validity of the deed poll was initially questioned by ReAssure, but they later accepted it was sufficient proof of Ms M's change of name. These exchanges contributed to the delays in processing the application – which I think, given the deed poll was ultimately accepted, ReAssure were responsible for. There was also an issue with the NI number that Ms M provided, which was clarified in a subsequent phone call. I don't think this small delay was caused by ReAssure. So, factoring in the above – and mindful of ReAssure's ten-day SLA – I think Ms M's transfer should have taken place on 22 September 2020. This is 11 working days after the forms were received – I've allowed an extra day for the NI issue to be resolved by phone call here. And ReAssure have now told me the value of Ms M's plan on that day was £9,136.43.

However, ReAssure paid Ms M a slightly smaller sum - £9,121.25 - on 26 November 2020. So, I think Ms M lost out by a small amount - £15.18 (£9,136.43 less £9,121.25) - and was also paid nearly two months later than I think she should have been. In such circumstances, I think ReAssure should also pay Ms M a sum to make good on the losses she experienced as a result of the payment delay.

Whilst the amounts involved here are modest, I think it's only fair that Ms M is put back in the position she would have been in had the transfer been completed on 22 September 2020 – the date I think it reasonably should have been.

I then set out the redress that I felt ReAssure should pay Miss M.

Responses to my provisional decision

Ms M responded, and said she had nothing further to add. ReAssure have not responded. On that basis, I've no reason to depart for the above provisional outcome.

Putting things right

So I think ReAssure needs to do the following:

- Pay Ms M 8% simple interest on £9,121.25, for the period between 22 September 2020 (the date I think the sum should have been paid) and 26 November 2020 (the date the sum was paid).
- Pay Ms M a further £15.18, together with 8% simple interest on that sum for the period between 22 September 2020 and the date of payment.
- Pay Ms M a further £100 compensation for distress and inconvenience caused by delays after 25 October 2020.

My final decision

I uphold Miss M's complaint and require ReAssure Ltd to calculate and pay Miss M the amounts I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 27 October 2022.

Mark Evans
Ombudsman