

The complaint

Mr L complains that ReAssure Limited have provided a poor service, which caused delays that prevented him from completing his pension transfer.

What happened

Mr L has two pension policies with ReAssure.

Mr L explains that he initially instructed an independent financial adviser (IFA) to correspond with ReAssure to obtain information about his ReAssure pensions in July 2020. He explains that met with little success and he appointed a different IFA in November 2020 to try to move things along.

Mr L explains that he wanted information on the value of his pensions so that he could transfer to an alternative pension scheme.

Mr L's IFA – Firm H – sent ReAssure an email on 3 November 2020 that included a letter of authority signed by Mr L, and a request for pension information and transfer documentation.

ReAssure wrote to Mr L on 16 November 2020 to explain that the Financial Conduct Authority (FCA) had placed special requirements on Firm H. It let Mr L know that it would not provide information to Firm H without confirmation from it that it was complying with the FCA requirements for any advice Mr L was acting on.

Firm H continued to chase ReAssure for the information it had requested through November and December. And on 29 December 2020 ReAssure wrote to Mr L explaining that it would be unable to communicate directly with Firm H, for the reasons it had outlined on 16 November 2020.

Mr L complained to ReAssure about the service he'd received and the obstacles that he thought it had put in his way to prevent his transfer. ReAssure considered Mr L's complaint and agreed that it hadn't delivered the service that it should. It apologised and offered Mr L £75 in compensation.

Mr L remained unhappy with ReAssure's response, and still hadn't been able to transfer his pension in the manner that he wanted to. He referred his complaint to us. Our investigator looked into what had happened and agreed that ReAssure had caused some unnecessary delays in communicating with Mr L. And suggested that ReAssure pay Mr L £400 in compensation for the distress and inconvenience he'd been caused.

Mr L didn't agree with our investigator's view and this case has been referred for an ombudsman's 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 looked at everything that has taken place in this case, I'm going to uphold Mr L's complaint for similar reasons to those given by our investigator.

I should start out by clarifying the extent to which I'm considering Mr L's issues. Mr L brought us the complaint that he made to ReAssure about its failure to provide him with the information he and his IFA needed to decide on a transfer of his pension fund. And, like our investigator has explained, it is this complaint that I'm deciding on.

I make this point because I'm aware that Mr L still hasn't transferred his ReAssure pensions. The current sticking point seems to be Mr L's refusal to accept the current transfer valuation, which he says is significantly lower than the one initially quoted to him. I understand Mr L's frustration that his complaint is still unresolved. And I don't think it's fair to drag this complaint out when Mr L's transfer remains unresolved. As our investigator explained, issues occurring after our investigator issued her view will be new complaint points that should first be raised with ReAssure to enable them to investigate and try to resolve. I cannot see that this has been done. As and when that happens, Mr L will then be able to refer that complaint to us if he is unsatisfied with ReAssure's final response to it.

Mr L has expressed his frustration that no progress was made regarding his transfer with the IFA he had from July 2020 until November 2020. I've seen no specific evidence regarding what happened in that period. Neither ReAssure or Mr L have provided correspondence from that period. I can't offer any explanation for what may have held things up in that period. But it certainly doesn't appear that ReAssure were given a direction to transfer.

What is documented is what appears to have happened after Mr L appointed Firm H as his IFA. Firm H contacted ReAssure requesting information on Mr L's policies and transfer discharge paperwork. Instead ReAssure wrote to Mr L, 13 days later, to explain it had identified a concern with Firm H.

ReAssure was Mr L's pension provider. And it had regulatory rules and guidance that it had to follow. At the time that Firm H was requesting this information ReAssure were expected to follow guidance that was in place to safeguard consumers from potential fraud risks. It meant that a level of due diligence was required of ReAssure.

I think the due diligence checks should have included checking whether the IFA was regulated by the FCA. In this case it was, but the FCA database indicated that Firm H was subject to a requirement under section 55L of the Financial Services and Markets Act 2000. ReAssure explained this to Mr L, setting out the requirements. This included that Firm H had to appoint an independent third party compliance consultant to conduct pre-sales monitoring for compliance with regulatory requirements for pension transfer advice.

Being in possession of this information, I think it was reasonable of ReAssure to positively respond to it. In its letter to Mr L it explained that it would need to see evidence from Firm H that it was complying with the requirement.

I can't see that ReAssure ever responded to Firm H though to explain why it wasn't responding to its request for information. Firm H continued to press ReAssure for the transfer information it wanted. So I have to infer that, it's more likely than not that Mr L didn't contact Firm H to inform it what it needed to do either during that period.

ReAssure did however write to Mr L again at the end of December 2020. That letter made its position regarding Firm H even clearer. It explained that it wasn't prepared to communicate with Firm H directly. It is apparent that this decision had the effect of causing a delay as Mr L was relying on Firm H to pursue the information that it needed. But I think ReAssure's decision not to communicate with Firm H directly was reasonable in the circumstances.

So, even though I can see that Firm H continued to email ReAssure, I don't think ReAssure did anything wrong in not responding to those requests. Not without first receiving the assurances that it asked for. Or the restrictions on Firm H were removed.

Nonetheless, ReAssure were slow to send Mr L the information that he requested. He lived overseas. And written correspondence to him was sent via normal post. Which meant that he didn't receive letters for over four weeks at times. Which caused delay and a considerable amount of annoyance for Mr L.

ReAssure sent Mr L three risk questionnaires to complete. The first in May 2021. Then a second one at the beginning of July 2021 for transferring to a Qualifying Overseas Pension Scheme. Which wasn't what Mr L was asking to do. Then a third one later in July 2021, to replace the first one. I can understand how this caused further annoyance to Mr L. I can see from the initial form completed that there was an inconsistency in two of the answers relating to whether or not financial advice had been provided. But sending the wrong form the second time again caused an unnecessary delay.

These questionnaires were necessary for ReAssure to be able to carry out the due diligence that was expected of it. The regulatory rules and guidance placed a responsibility on ReAssure to identify if there were any risks with Mr L's proposed transfer. And to highlight and act on those if there were. But, in order to treat Mr L fairly, ReAssure needed to carry these things out in a timely way.

It hasn't demonstrated to us that it did. It appears that Mr L sent ReAssure the request to transfer towards the end of December 2021 with transfer release forms. And he'd already completed the risk assessment questionnaire. ReAssure took almost two months to respond. Only to highlight a discrepancy with the questionnaire it'd had for a long time. I don't think that this was reasonable. It highlights poor customer service and a lack of urgency to help Mr L action what seems a straightforward request.

This delay pushed the transfer back, by which time the FCA had issued a notice against Mr L's intended receiving SIPP. The FCA restrictions on the SIPP in early March 2022 indicated a problem with the financial viability of Mr L's intended receiving SIPP. But the SIPP was restricted from receiving new business. I understand that Mr L argues that ReAssure should have completed the transfer anyway. But I think that ReAssure's position, which is that transferring his pensions was new business, was not unreasonable. Ultimately, it was a decision intended to protect Mr L from potential harm.

All things considered though, I agree that the service ReAssure provided was poor. I've highlighted some of the failings that I think delayed matters for Mr L. Chief of which was ReAssure's insistence on mailing communication to him, when I can see he asked for emails.

This impacted Mr L because his pensions didn't have a simple transfer value. His pensions had historically been transferred from occupational pensions schemes (OPSs) that had defined benefits. And, at some point previously, the pensions had been subject to the Pension Review. And as a result Mr L's pensions had a Pension Review Guarantee. It meant that a review would be done at the time of taking the benefits – inline with regulatory guidance – in order that Mr L's pension provided benefits equivalent to those that have been guaranteed in his OPSs. These calculations are admittedly complex and are undertaken by actuaries. It takes weeks to get the quote, and that is only valid for three months. So losing over a month of that whilst the letter is in transit is unfair. It removed some of the time that Mr L had to decide what to do with the offer.

I've considered the impact on Mr L from the delays. For various reasons he has been unable

to transfer in the way that he wanted to. But he was always in a position to take his tax free cash straight away if he'd wished. He had his retirement options in January 2021 which set that out for him clearly. He would still have had the option of transferring the remaining part of his fund.

The presence of the Pension Review Guarantee meant that the value of his pension wasn't quite dependant on investment performance of his fund. In this case his fund value was in the region of £90,000. But the valuation after the Pension Review calculations were done were somewhere around £500,000. The protection he had from the Pension Review Guarantee remained in place the whole time. So the delay didn't adversely affect that. Meaning he retained benefits equivalent to at least those he ought to have had from his OPS.

But Mr L was caused far more inconvenience than should have been normal for a transfer request. And over a much longer time than was reasonable. Taking too long to provide requested information, or to email him that information so that it was received promptly meant that ReAssure failed to act in his best interests. ReAssure should pay Mr L £400 for the distress and inconvenience these failings caused him.

My final decision

I uphold Mr L's complaint.

ReAssure Limited must pay Mr L £400 for the distress and inconvenience he has suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 21 March 2023.

Gary Lane
Ombudsman