

The complaint

Mr P complains that ReAssure Limited has failed to deal with his request to transfer pension benefits to another provider in an efficient or timely manner.

What happened

Mr P holds pension savings with ReAssure. Those pension savings are held in a Personal Retirement Plan – often known as a Section 226 plan. Mr P made regular contributions to his pension plan that entitled him to receive a guaranteed annuity amount at retirement. That guaranteed annuity could be supplemented by the addition of annual bonuses.

On 27 August 2021 ReAssure received a transfer request for Mr P's pension savings from another provider. But, since Mr P's pension plan offered him what are known as safeguarded benefits, it first needed to provide him with details of the benefits he could receive from his ReAssure pension plan. It sent that information to Mr P on 23 September 2021. ReAssure says that it was obliged to allow two weeks to elapse before it started processing Mr P's transfer request. But the transfer value that ReAssure quoted to Mr P at that time was much lower than a value it had provided to Mr P in July 2021.

Mr P's financial advisor made a number of telephone calls to ReAssure to chase the progress of the transfer request. On 12 October 2021 ReAssure told the financial advisor that, since the value of Mr P's safeguarded benefits exceeded £30,000, he was required to receive regulated advice before the transfer could proceed.

The financial advisor then wrote to Mr P to inform him that it was not authorised to provide him with financial advice of that nature. It apologised to Mr P that it hadn't identified the nature of his pension benefits from the information ReAssure had previously sent. It told him that it could pass his information to another firm that could provide the necessary regulated advice.

Mr P then complained to ReAssure about the delays in the transfer of his pension benefits. ReAssure told Mr P that it didn't think it had been responsible for any delays on the transfer – it pointed out that it was still awaiting confirmation that Mr P had received regulated advice on the transfer. But it thought it should have been clearer about the steps Mr P needed to take when he first requested the transfer. So it sent him a cheque for £50 for the inconvenience he'd been caused. Mr P didn't accept that cheque and returned it to ReAssure.

Mr P continued to discuss his complaint with ReAssure. And the new advisor firm made a number of requests to ReAssure for information on the pension policy, although it does appear that some of those requests were not as clear as they might have been. ReAssure issued information about the pension policy to the new provider in January, February, and April 2022. But it doesn't appear that Mr P has yet received the financial advice that would be needed before he can transfer his pension savings.

Mr P's complaint has been assessed by one of our investigators. She was satisfied that the transfer value ReAssure provided to Mr P in September 2021 was correct – and that it was

the July 2021 value that was in error. She noted that Mr P had still not returned the confirmation that he had received regulated advice about the transfer. So she didn't think that any earlier delays in sending the necessary form to the original financial advisor had caused any impact on the timing of the transfer. But the investigator did conclude that ReAssure hadn't always provided information to Mr P or his financial advisor in as timely manner as it should have. So the investigator asked ReAssure to pay a total of £250 compensation to Mr P (inclusive of the £50 it had already offered) in respect of the inconvenience he'd been caused.

ReAssure accepted that assessment and said it would pay the compensation to Mr P. But Mr P didn't agree. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

Whilst the case has been awaiting allocation to an ombudsman, Mr P has raised a further matter with us. ReAssure had sent him a letter in July 2022 regarding the addition of regular bonuses to his pension plan. But, in November 2022, it had written to Mr P to confirm that the information it had provided in that letter was incorrect. Since then ReAssure has confirmed to us that all the information provided to Mr P since October 2022 has been manually calculated and is correct. It accepts that some earlier information might not have included all the bonuses Mr P had earned. Although I will comment more generally in this decision about the valuations provided to Mr P, I don't intend to deal specifically with the letter that was issued in July 2022. That didn't form part of the complaint Mr P referred to us, and that ReAssure responded to, and so isn't something I should deal with here.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr P and by ReAssure. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

The matters that form this complaint have involved three regulated firms. ReAssure, Mr P's first financial advisor, and the firm he used once it became clear that regulated advice was needed on the transfer. But the complaint only relates to the actions of ReAssure, so my findings will be limited to that firm alone. Should Mr P have any concerns about the way in which his financial advisors have dealt with his requests, he would need to make additional complaints to those firms.

I will first deal with the differences between the valuations provided to Mr P in July and September 2021.

Mr P's pension plan provides him with guaranteed benefits. By making the agreed contributions Mr P is guaranteed to receive a specified annuity when he retires. And that

annuity amount has been supplemented by further guaranteed bonuses that have been added over the years.

But, given that the relevant legislation allows Mr P to transfer those pension benefits to another provider, ReAssure is required to provide Mr P with an equivalent cash value of his pension savings. Deriving that value is far more complex than if Mr P simply held normal pension investments whose value could be determined from market valuations. Instead ReAssure needs to calculate the equivalent cost, on the open market, of providing the guaranteed annuity to Mr P. That means that the transfer value of his pension savings won't always move in line with investment performance – instead it will be influenced by the cost of purchasing annuities.

There was a significant difference between valuations that were provided to Mr P in July and September 2021. I can understand why that difference would lead him to question ReAssure and ask for reassurance that his pension benefits had been fairly assessed. And I share our investigator's disappointment that ReAssure doesn't appear to have provided a timely answer to Mr P's understandable questions. And I have no doubts that more recent matters have caused Mr P further concerns about ReAssure's ability to fairly assess his pension transfer value.

ReAssure has provided us with comparative valuations of Mr P's pension savings over a number of months. From those it is clear that the valuation it provided in July 2021 is out of line. And so I accept ReAssure's assertion that the July 2021 information was provided in error. Although I have no way of performing any independent analysis of the correct value of Mr P's pension benefits, I am satisfied that, given the greater scrutiny applied by ReAssure, it is likely that the more recent valuations provided to Mr P are correct.

There is no doubt that Mr P would have been disappointed to learn, in September 2021, the true transfer value of his pension savings. But given he was not at that time in any position to proceed with the transfer, I haven't seen anything that makes me think he had taken any irrevocable decisions based on the incorrect information. So I don't think that the incorrect information sent to Mr P in July 2021 has caused him any financial loss.

I am satisfied that Mr P's pension savings meet the regulatory definition of safeguarded benefits. Specifically, in the language of the regulations, they provide a promised level of income (or guaranteed minimum level of income) calculated by reference to the contributions or premiums paid by or in respect of the member. So, before transferring his pension savings to another provider, Section 48 of the Pension Schemes Act 2015 and regulations made under it require Mr P to take appropriate independent advice from an FCA authorised Adviser, since his safeguarded benefits exceed £30,000.

It would likely have been disappointing for Mr P that his original financial advisor failed to identify that requirement before it started to assist him with the proposed transfer. Had it done so, Mr P might have been able to seek regulated advice from the other firm a little sooner. But I don't think that was the fault of ReAssure. I think that the information it sent out clearly defined the form of the benefits that it would pay to Mr P when he retired. It was for the professional financial advisor to seek additional information about the policy if it was unclear about the benefits that were being paid.

Since Mr P has made his complaint his new financial advisor has continued to request, and receive, information from ReAssure. To date, that information doesn't appear to have led to Mr P being provided with the necessary regulated advice that would allow him to proceed with his transfer request. So I cannot reasonably conclude that Mr P has been delayed in transferring his pension benefits by any shortcomings in the timeliness of ReAssure's responses.

But, Mr P and his financial advisor, do have a reasonable expectation that ReAssure will respond promptly and accurately to their requests. ReAssure has said that its aim is to provide any information that is requested within ten working days. It seems to me, from the timeline that ReAssure has produced, that target was not met on the majority of occasions that information was requested.

So overall, I'm not persuaded that any failings by ReAssure have caused the transfer of Mr P's pension benefits to be delayed. But I am satisfied that some information could have been provided more quickly, and with greater accuracy. It is likely that those problems will have caused some inconvenience to Mr P. So I'm directing, like our investigator, that ReAssure should pay Mr P the sum of £250 for the inconvenience he's been caused.

My final decision

My final decision is that I uphold a part of Mr P's complaint and direct ReAssure Limited to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 20 March 2023.

Paul Reilly
Ombudsman