

The complaint

Miss D complains that ReAssure Limited failed to apply her monthly contributions to her personal pension. She also complains about ReAssure's customer service.

What happened

Miss D paid £20 per month to ReAssure with the expectation that the contributions would be paid into her personal pension.

In May 2022, ReAssure apparently advised Miss D that her total contributions of £220 had not been paid into her pension. Miss D was unhappy about this, and also pointed out that she had paid £300 in total. After further correspondence between the parties, ReAssure later accepted its letter ought to have said £300.

ReAssure applied the £300 to Miss D's pension, and offered her £150 for any inconvenience caused by its errors. Unhappy with this, Miss D brought a complaint to this service.

Our investigator initially recommended the complaint be upheld. Whilst he noted that ReAssure had paid the £300 into Miss D's policy, he didn't think this was an appropriate outcome. Our investigator recommended that ReAssure should calculate how many extra units each contribution would have bought at the time Miss D had paid her monthly contribution, and then increase the policy by the same amount of units. However, he thought the £150 compensation offered by ReAssure for the inconvenience caused to Miss D was reasonable.

ReAssure responded to explain the premiums had already been backdated as of the date they should have been applied to the policy, to ensure that Miss D's wasn't financially disadvantaged. It agreed to send a letter to Miss D with full details of this. Our investigator confirmed this to Miss D.

Miss D didn't accept our investigator's recommendations in respect of the compensation, as she thought ReAssure ought to pay her £800.

The matter has therefore been passed to me to decide.

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.

When a financial business makes an error, the aim of this service is to place a consumer back in the position they would have been in, if not for the error (as far as possible).

ReAssure's first error was failing to pay Miss D's contributions into her pension. Although we asked ReAssure for more information about why this happened, it did not provide this. Nevertheless, ReAssure has accepted that it was at fault here.

ReAssure has confirmed that it has applied the premiums to the pension as of the date they should have been paid, so that Miss D has not been financially disadvantaged. I'm therefore satisfied that ReAssure had put right this error.

The second error was that ReAssure incorrectly advised Miss D it held £220, when she had paid it £300. I see that Miss D did have to speak with ReAssure a number of times about this, and provide it with her bank statements. It's apparent that she was caused unnecessary inconvenience by this matter. However, ReAssure paid Miss D £150 compensation for this, which I think was fair in all the circumstances.

My final decision

My final decision is that I don't uphold this complaint, as I'm satisfied ReAssure Limited has taken steps to put the matter right, and has paid Miss D appropriate compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 3 March 2023.

Chantelle Hurn-Ryan
Ombudsman