

The complaint

Ms G complains about the charge that ReAssure Limited will apply if she transfers her pension to another provider. She says it appears that ReAssure Limited has already taken the charge. Ms G also thinks the recorded retirement date on her pension of 60 is incorrect. And Ms G is unhappy with the amount of time it has taken ReAssure Limited to respond to her queries.

What happened

In brief, Ms G took out her personal pension in 1989 through an Independent Financial Adviser (IFA). At that time it was held with another well-known pension provider.

When Ms G took out the pension plan legislation allowed her to take benefits from it age 50. However that subsequently changed, and the earliest age that she is able to take benefits from it is 55.

Ms G provided copies of the original application form that was completed when she took the plan out. This recorded a retirement age of 60. Ms G subsequently became unhappy with the plan and wanted to switch it to another provider. However ReAssure told her that there would be a charge if she switched her pension before age 60.

Ms G wasn't happy about this and complained to ReAssure. She subsequently referred the matter to us. One of our investigators considered her complaint. He explained that although Ms G was now able to take the benefits from age 55, her pension was still subject to its original terms and conditions. He said when Ms G originally applied for the plan she was asked at what age she wanted to take the benefits. And the application form had been completed to say age 60. So the pension had been set up with a selected retirement age of 60.

The investigator said this was relevant because if Ms G wanted to transfer to another pension provider before aged 60 she would have to pay the relevant charge. The investigator referred to the screenshots of Ms G's pension value that she had provided. He said ReAssure had confirmed that the two figures provided showed the full value of the pension and its value if it was transferred. And that if Ms G stayed with ReAssure until age 60 there wouldn't be a charge applied and she would receive the higher value.

The investigator acknowledged that the wording that went with the values wasn't clear; it said, *"Your current value included the amount deducted from your policy for taking the money early."* But he said ReAssure had confirmed to him that no charge had been applied to the plan; it would only be charged if Ms G transferred from the plan before age 60. And the charge was limited to a 1% maximum.

The investigator referred to the plan's term and conditions. These included:

"...if benefit becomes payable before your pension date for any other reason (including a transfer out in accordance with section 1 of 'benefit before payment of pension' on page 13), the amount calculated as described above will be subject to the following adjustments:

(i) The bid price of any initial units then credited will be reduced in accordance with the relevant table of adjustment factors published by [the pension provider] from time to time'
(ii) If the original basis of allocation of units was dependant on contributions being left in the scheme for a given period, a reduction may be made where that period has not been completed."

The investigator said whilst he understood Ms G's frustration that she would be charged if she wanted to transfer her pension before aged 60, he didn't think ReAssure was doing anything wrong by applying the original terms and conditions of the plan.

The investigator explained that the pension had been taken out through an IFA. So it was the IFA that was responsible for the advice given, and ReAssure merely processed the application as it was received from the IFA. He said although the pension had originally been held with another pension provider its business had subsequently been transferred to ReAssure. However he said the pension was essentially still the same plan, and subject to the same terms and conditions as applied from the outset.

The investigator said that ReAssure had offered to pay Ms G £200 for the distress and inconvenience caused by the delays it was responsible for. The investigator said he thought ReAssure were slow in responding to Ms G's queries about the transfer charge and confirming whether it had already been deducted. However he thought overall the £200 ReAssure had offered was fair and in line with awards made by the Ombudsman Service.

Ms G didn't accept the investigator's assessment. She said, in summary, that she had been badly let down by the people she trusted and who she'd paid to deal with her pension. She said she'd wanted to take out a pension with another pension provider, but the adviser got more commission from the pension provider selected. She said she got passed to five different companies who all got paid commission to look after her pension, but none of them did.

Ms G said the pension paperwork had been completed incorrectly by an unknown person when it was set up. And she had now been told that if she wanted to move the pension away from a company that she never asked it to go to, she must pay to transfer it. She said although the retirement age had been changed by the government she still couldn't access her money until age 60.

Ms G said all the problems and errors had made her ill and ReAssure were aware of how badly she'd been treated. She had made lots of phone calls and sent lots of e-mails. ReAssure had also sent her letters which she hadn't received. Ms G said she had heard a lot of worrying stories about ReAssure. And that it had taken some members with pensions from the same original pension provider months and even years to access their money. Ms G said she was very worried that if she left the pension with ReAssure they wouldn't let her have the money at age 60. She said she didn't want compensation – she just wanted to move her pension without charge.

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've come to the same conclusions as the investigator, and for the same reasons.

It seems to me that Ms G has got some concerns that go back several years both at the time

that she took out the plan and also the lack of service/advice she had from then on, despite paying commission to firms for it. However those issues aren't the responsibility of ReAssure, but rather are with the IFA and the firms that Ms G was subsequently passed on to.

I think the main issue with ReAssure is the charge applied if Ms G transfers away from the plan before aged 60. Like the investigator, I'm satisfied that the terms and conditions of the plan provide for ReAssure to apply a charge. In my experience this type of charge isn't unusual for this type of pension taken out in the late 1980s. So whilst every plan is different, Ms G may have had to pay a similar charge if she'd taken out a plan with a different pension provider. The charge was £646 in April 2022, and is limited to a maximum of 1% of the value of the plan.

Ms G has said that she can't access her money until aged 60. However my understanding is that Ms G can take her pension anytime after aged 55 – albeit she will likely still have to pay a charge for taking it if that's before age 60. Ms G is also worried about the problems she might have when she takes the pension at age 60. Whilst clearly I cannot know what will happen at that time, the majority of people don't have problems when taking their pension – obviously this doesn't get publicity because it is as it should be.

As noted by the investigator, ReAssure has taken some time responding to Ms G's queries. But Ms G's main concern appears to be about the charge applying if she wants to transfer her pension. And for the reasons explained by the investigator and above, I'm satisfied it's legitimately able to apply that charge if Ms G transfers away from ReAssure before aged 60. So I don't think it's done anything wrong in that regard.

my final decision

ReAssure Limited has offered £200 for the distress and inconvenience it caused to Ms G. I think that is fair in the particular circumstances. I therefore order ReAssure Limited to pay Ms G £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 28 March 2023.

David Ashley
Ombudsman