

## **The complaint**

Ms P complains that ReAssure Limited delayed in transferring her pension to another provider. She also feels it's given her unclear information about the transfer value and whether all of her contributions had been taken into account.

## **What happened**

Ms P was a member of a group personal pension. The policy had been subject to a premium holiday. In early 2020, Ms P asked ReAssure if she could reinstate payments. She then started making payments of £200 a month from around February 2020. By May 2021 the value of the plan was £11,298.01. Ms P made a further pension contribution of £200 on 1 June 2021.

ReAssure was asked to transfer Ms P's pension to a new provider on 9 June 2021. In a letter to the new provider dated 15 June 2021, ReAssure confirmed that the value of the fund was £10,937.41.

There was a delay in ReAssure transferring Ms P's pension to the new provider, so she complained. In its response ReAssure said that since Ms P reinstated the policy around February 2020 there had been issues in automatically allocating premiums to it. In turn, it said this caused a delay when dealing with Ms P's transfer request. ReAssure acknowledged that the transfer request should have been dealt with within its normal service standard of ten working days. So, it said that once it had transferred the fund to the new provider it would work out whether Ms P had suffered a financial loss. It also paid Ms P compensation of £175 in respect of the inconvenience she'd suffered as a result of its delays. As there were then further delays, ReAssure paid Ms P another £75 compensation. According to information that ReAssure provided, the pension transfer was eventually completed with effect from 9 November 2021. It seems that the amount transferred to the new provider was £11,305.52.

Ms P complained to our Service and, amongst other things, she said she was still unclear how ReAssure had arrived at the transfer value for her pension fund. As, even allowing for market fluctuations, she expected the fund value to increase by more than about £7 between the valuation she was given in May 2021 and what was eventually transferred, bearing in mind that she'd made another payment of £200 in the meantime. She said she also wanted proof that all of her payments had been included in the transfer value and reassurance that she hadn't been negatively impacted by the transfer delay – such as the value of the fund having reduced as a consequence.

In a further response ReAssure said that as a payment had since been paid to the new provider, it could work out whether Ms P had suffered a financial loss. Whilst it indicated it was satisfied all contributions had been taken into account in calculating the transfer value, it said this wasn't something that it could share with Ms P.

ReAssure later carried out an assessment and determined that Ms P had suffered a financial loss of £23.58 as a result of its delays. It agreed to round that amount up and make a payment of £50 to Ms P.

As Ms P wasn't happy with ReAssure's responses one of our investigators looked into the complaint and noted ReAssure's acceptance of its delays. She worked out that, given what ReAssure had said about its service standards for completing pension transfers, the process

should have been completed by 23 June 2021. So, the investigator said that ReAssure should work out the extent of any loss by comparing the value of Ms P's pension with the new provider versus what it would have been worth had it been transferred on 23 June 2021. If there was a shortfall, the investigator said that amount should be paid into Ms P's pension where possible. The investigator was satisfied that ReAssure had paid reasonable compensation in respect of the inconvenience caused by its delays.

Ms P didn't think that ReAssure had taken responsibility for its mistakes - not least because it had given conflicting answers, including about the transfer value, and hadn't given her a copy of its calculations. Our investigator asked ReAssure for a copy of its calculations, but it didn't provide them. Again, it said it was satisfied that all premiums were taken into account when it manually calculated the transfer value.

As the matter wasn't resolved, the complaint was referred to an Ombudsman to consider.

ReAssure responded to our Service in the meantime. It said it felt its original outcome was fair and explained the methodology it used when working out the loss that it felt Ms P suffered. ReAssure still didn't provide a copy of its calculations or a breakdown showing that all premiums were included in the transfer value.

As agreement couldn't be reached overall, the matter was 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.

ReAssure accepts that it caused a delay. And it has acknowledged that it should have completed the pension transfer within its own service standard of ten days. Whilst I can't see that it has specified from what date it feels the ten days should have started, it doesn't appear to have disputed our investigator's assessment (which I agree with) that based on the information it had, it should have completed the transfer by 23 June 2021. In any event, ReAssure has already paid £250 compensation in respect of the inconvenience its delay caused. I'm satisfied that payment fairly reflects the impact that the delay had on Ms P.

That leaves me to decide what else, if anything, ReAssure needs to do to put things right. It's evident that Ms P has been given different figures along the way regarding the transfer value. And whilst she appears to accept that the value was subject to market fluctuations, even allowing for those fluctuations, she's unclear why the value only increased by about £7 when she'd made an additional payment of £200. And, as there had been other problems allocating premiums automatically to the policy following its reinstatement, I can understand why Ms P questioned whether all of her payments had been included before the policy was transferred.

In those circumstances I can see why she might have been looking for further assurances that everything was in order. But ReAssure doesn't appear to have given her the kind of breakdown that she's seeking. And whilst it appears to be satisfied that it took account of all premiums, it hasn't given Ms P a breakdown. It seems to be suggesting that this was something to do with having to complete manual calculations. I'm not persuaded that ReAssure's response here is reasonable. Whether it calculated the transfer value manually or automatically, in order to be satisfied that it took account of all premiums, it must have had information it could rely on. That being the case, I can't see why it's been unable to share that information with Ms P.

Similarly, Ms P wants to understand how ReAssure determined she'd suffered a financial loss of around £23. Again, I don't think that's unreasonable. And whilst ReAssure has gone to certain lengths to explain its methodology to this Service, it's so far been unable to give either Ms P, or us, a copy of its calculations. I don't think ReAssure's actions go far enough.

I have no reason to doubt that ReAssure has completed some form of calculation. But I don't think it's reasonable for it to simply expect Ms P to accept its explanations, especially given the problems along the way, without being able to check them for herself. And whilst I appreciate the loss calculation may have been completed via the system, I don't think that's a good enough reason not to be able to show Ms P how the figure was arrived at.

In any event, I'm also not persuaded that ReAssure has based its loss calculation on the right information. ReAssure's methodology appears to have been to assume that Ms P's pension would have remained invested in her original fund throughout the period of delay. So, it's apparently compared the earlier value of the fund had there not been a delay with the amount that was eventually paid to the new provider. But, I think that's only part of the consideration. I have to bear in mind that had all things been equal, Ms P would have transferred her plan to the new provider with effect from 23 June 2021. So, it would have been transferred at whatever its value was at that time. But on top of that, it would then have been invested in the new provider's funds, so, throughout the period of delay and beyond, it would have been subject to whatever investment growth (or loss) was relevant to those funds. So far, I can't see that ReAssure has taken that additional factor into consideration.

Taking those things together, I uphold Ms P's complaint. I've set out below what ReAssure now needs to do to put things right.

### **Putting things right**

To fully and fairly resolve this complaint, ReAssure Limited needs to:

- Give Ms P a full breakdown showing that all of her pension contributions were taken into account when calculating the transfer value of her policy. If any contributions are found to be missing, ReAssure should include those missing contributions in the loss calculation below.
- Contact Ms P's new pension provider to ascertain the notional value of her policy on the date of my final decision had the correct value been transferred to them on 23 June 2021. It should assume Ms P made the same investments as she did when the funds were actually transferred on 9 November 2021 (the effective date of the transfer). If the value is higher than Ms P's actual fund on the date of my final decision, the difference is the loss that Ms P has suffered. ReAssure needs to pay that amount into Ms P's pension.
- If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Ms P as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.
- As Ms P would be entitled to take tax-free cash, 25% of the loss would be tax-free and 75% would have been taxed according to her likely income tax rate in retirement – presumed to be 20%. So, making a notional reduction of 15% overall from the loss adequately reflects this.

### **My final decision**

I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 6 January 2023.

Amanda Scott  
**Ombudsman**