

The complaint

Mr S complains that ReAssure Limited has not responded to a number of questions he has asked about the pension he holds with it.

What happened

Mr S has a pension with ReAssure that was transferred from another provider under a bulk transfer scheme. He wrote to ReAssure in early 2021. In that letter he asked:

- Whether he could keep the funds invested but with draw 25% tax free cash (TFC);
- Whether he could drawdown further funds from his investments but keep the remaining money invested in the same funds;
- What the charges were for doing the above; and
- To stop the “lifestyle” model of his pension so that his investments remained as they were.

Mr S says he received a letter confirming the “lifestyle option” had been stopped but not answering the other questions. Mr S says he called ReAssure and said his other questions had not been answered. At this time, he also asked whether he could extend his retirement date and for further details on the death benefits of his policy. Mr S says he believed that his previous pension provider allowed him to use a drawdown facility and he had now been told he couldn't. He thought this was a change to the terms of his pension. Mr S says during this call he wasn't able to get answers to his questions but was told ReAssure would write to him with answers.

ReAssure wrote to Mr S a number of times after this call. But Mr S says these letters were generic responses and didn't give him the information he required. Mr S complained about this. ReAssure responded to Mr S' complaint and offered £100 compensation as it said it hadn't responded to his enquires in a timely manner. It said it would be shortly writing to Mr S to address his queries.

However, Mr S says the responses he received following this still didn't answer his questions. Unhappy with this, Mr S referred the complaint to our Service. One of our Investigators looked into the complaint and, after the complaint was referred to us, ReAssure offered a further £200 compensation. Our Investigator thought this was a fair amount of compensation. He said that ReAssure had now responded to Mr S' questions and he explained that pension providers weren't required to offer a drawdown facility. The Investigator noted that Mr S had asked two further questions which hadn't been answered by ReAssure. He explained that these had been asked after Mr S had first raised his complaint, so he didn't comment on these as part of the complaint other than to ask ReAssure to respond to Mr S regarding these.

Mr S didn't agree and responded to our Investigator in detail. He said, in summary, his questions still hadn't been answered fully, his previous provider offered a drawdown facility

and the number of units in some of his funds had decreased and he didn't know why. He also said that his retirement age had yet to be amended, despite his request. Mr S didn't agree with the amount of £300 as compensation.

Our Investigator considered things again, but didn't change his opinion. He explained that Mr S still could use a drawdown facility with ReAssure, he'd just need to change his pension to another product with ReAssure. The Investigator also explained that Mr S wasn't required to retire at the noted retirement age, so he hadn't been caused any detriment by this – he'd be able to decide when to retire at a later date. Lastly, our investigator directed Mr S to raise the complaint about the reduction in units to ReAssure as it hadn't yet had the chance to respond to that complaint point.

Mr S disagreed again and also raised the fact that his annual charges had increased this year for his pension. As agreement couldn't be reached, the complaint has been passed to me to review and make a final 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.

Mr S has raised a number of points and responded to our Investigator in detail. I want to reassure him that I've read and considered everything he's sent us. If I don't address a particular point, it's not because I haven't thought about it. It's simply due to the informal nature of this service as an alternative to the courts. Instead, I'll focus on what I consider the crux of this complaint to be. That is, the lack of responses to Mr S' initial questions, and that Mr S believes the drawdown facility was withdrawn following his pension being transferred to ReAssure. I'll address the points separately below.

Lack of responses to Mr S' questions

I've reviewed the responses that ReAssure sent to Mr S when he first raised his enquiries. I agree that a number of these responses do appear to be generic and don't specifically answer Mr S' questions.

I can see that ReAssure wrote to Mr S on 14 April 2021 to provide a breakdown of his fund holdings, to set out the annual management charge and to confirm that drawdown wasn't available with his current pension. But it did explain that he could transfer to another product with ReAssure if he wanted to utilise a drawdown facility. So, whilst some of the questions Mr S asked are broadly covered by the correspondence, not all were.

ReAssure wrote to Mr S again in July 2021 confirming that drawdown was not an option on his current pension and this time directed him to the Money Advisory Service. And in a separate letter confirmed again that he could switch to another pension product with ReAssure or seek independent advice if he wished to utilise the drawdown feature. I think, at this point, ReAssure had provided Mr S with sufficient information to be able to understand how his pension was working overall and what he could do if he did wish to use a drawdown facility. And it had pointed him to free advice services as well. However, it had still not responded to Mr S' question about the death benefits under his pension.

Overall, I think it would've been more helpful had ReAssure provided Mr S with more specific answers to his questions and responded to all of the questions. So, I think ReAssure's customer service wasn't as good as it should've been in this situation. ReAssure has offered £300 total compensation for this. It would've been stressful for Mr S to have to keep asking the same questions and only getting generic responses. But I think £300 is a fair amount of

compensation in the circumstances.

I note that ReAssure has since provided some further details to Mr S regarding the death benefits his policy has. But, if Mr S is still unclear about the death benefits under his pension, then he should let ReAssure know and it should explain in further detail these benefits.

The drawdown facility on Mr S' pension

Mr S says his previous pension provider offered a drawdown facility and ReAssure doesn't. It's unclear from the information we've been provided whether this is the case or not. Mr S has provided information which he says shows it was offered. I've reviewed this, and it's again unclear. I think Mr S may be confusing drawing down TFC with a "drawdown" facility. His previous pension provider referred in the terms and conditions to being able to drawdown 25% TFC, but this is different to a "drawdown" facility which would allow Mr S to withdraw the remaining sums as and when he pleased. The ability to "drawdown" in this manner was a new feature of pensions when the 'Pension Freedoms' legislation was introduced in 2015.

As our Investigator explained, pension providers aren't required to offer a drawdown facility. However, ReAssure has explained to Mr S that he can access a drawdown facility by transferring his pension to another product within its range. Based on this, I can't see this has caused Mr S any detriment.

New complaint points

Mr S is now unhappy about the reduction in units within some of his funds and, he's recently raised a concern with the increase in annual management fees. These points hadn't previously been raised with ReAssure, so I can't consider them as part of this complaint. ReAssure must be given the chance to respond to Mr S first. If Mr S remains unhappy once he has this response, he may refer this to us as a new complaint. So, I haven't considered this point further.

Mr S may have further questions following this complaint. But our role isn't to answer questions about how a pension works. Mr S will either need to contact ReAssure again, or seek the advice of a financial advisor. I understand Mr S doesn't wish to do this because of the cost involved, but I would remind him about the free service that ReAssure and our investigator have provided him with details of.

Putting things right

For the reasons set out above, ReAssure should pay £300 for the distress and inconvenience caused by its delays in providing information to Mr S. I'd remind ReAssure that it should also provide specific answers to any further questions Mr S has. Though some of Mr S' questions may need to be directed to a professional advisor.

My final decision

I understand Mr S will remain unhappy, but my final decision is that ReAssure Limited should pay Mr S £300 in total for the distress and inconvenience this matter has caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 10 February 2023.

Rob Deadman

Ombudsman