

The complaint

Mrs T complains that ReAssure Life Limited ('ReAssure') failed to apply a single contribution she made to her pension in a timely manner. Mrs T says ReAssure's delays in sorting things out, including giving her online access to her policy, has caused a great deal of distress and inconvenience, which she wants compensating for.

What happened

The facts and circumstances leading up to this complaint are known by both parties and aren't disputed. So briefly:

In February 2022 Mrs T made a one-off contribution of £47,000 to her pension. Despite being initially told that her existing policy would accept the payment, ReAssure then said that the monies would have to be applied to a separate top-up policy because her existing policy couldn't accept single payments.

In March 2022 Mrs T complained to ReAssure because the funds still hadn't been applied to her new policy.

In May 2022 ReAssure acknowledged that it had made a mistake. It said it was in the process of removing the money from Mrs T's existing policy to a new one, but that it was taking longer than expected. It said the payment would nevertheless be added at the date it was received to ensure Mrs T would lose out financially. It offered Mrs T £250 by way of an apology for the inconvenience caused.

Because things still hadn't been sorted out, in June 2022 Mrs T brought her complaint to our service.

One of our investigator's looked at all of this and they said that ReAssure's proposal to backdate the payment when it was applied to her new policy was the right thing to do to ensure Mrs T didn't lose out. But they acknowledged that the lack of certainty and clarity prior to ReAssure responding to her complaint caused distress and inconvenience, and that things were taking longer to sort out than was appropriate. They said in the circumstances ReAssure's offer of £250 compensation to recognise this was fair.

In October 2022 ReAssure said that Mrs T's contribution was paid into her policy and on 8 November 2022 it sent Mrs T a letter providing her with an up-to-date fund value.

Because Mrs T said she still hadn't been granted on-line access to her pension account, she asked for an ombudsman to review things.

In an attempt to resolve things informally, I asked ReAssure to increase its offer of compensation to £500, which I believe is a fair way to settle matters. And ReAssure agreed. But Mrs T didn't agree – she believes £750 is fair. It's therefore necessary for me to issue 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.

Because ReAssure has now correctly applied Mrs T's pension contribution backdating it to the date she made the payment, and I understand that Mrs T also now has online access to her pension account, the only issue for me to decide here is the level of compensation to fairly reflect the distress and inconvenience ReAssure's delays and mistakes in this matter have caused Mrs T.

It's clear to me that Mrs T has suffered a considerable amount of distress and inconvenience here and it has taken ReAssure an unreasonable amount of time to put things right. Mrs T was given incorrect information by ReAssure from the outset about how her payment would be applied. She then spent time and effort trying to resolve things prior to her bringing the matter to our attention. And given the considerable sum of money Mrs T entrusted ReAssure with, it's clear this was a frustrating and distressing time. And while ReAssure's letter of May 2022 acknowledged its mistake and its proposal to put things right would've likely given Mrs T some reassurance that she wouldn't lose out financially as far as her pension contribution went, it took ReAssure several months before it finally applied Mrs T's pension payment correctly. And before doing so it sent Mrs T an incorrect letter saying her pension value was zero. I'm mindful too that it wasn't until sometime after November 2022 that ReAssure provided Mrs T with online access to her account.

So taking all of this into account, and to recognise the considerable distress and inconvenience caused, I think an award of £500 is fair in all the circumstances. I can see that Mrs T feels that £750 would be more appropriate and has referred to ReAssure's failure to communicate effectively with her and the significant stress and anxiety caused during this time. But I'm satisfied that, taking account of the impact this matter has had on Mrs T, as well as being mindful that Mrs T's complaint was with us for a period of the delay, £500 is fair in all the circumstances.

Putting things right

ReAssure should pay Mrs T £500 in recognition of the distress and inconvenience this matter has caused.

My final decision

For the reasons above, I've decided to uphold this complaint and I direct ReAssure Life Limited to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 19 April 2023.

Paul Featherstone
Ombudsman