

The complaint

Mr C complains that ReAssure Limited stopped taking payments his employer made into his pension plan.

What happened

Mr C had a pension with another company which he says was taken over by ReAssure in 2021. His employer paid monthly contributions into it. Mr C says he was told by his employer that ReAssure had stopped taking its contributions in July 2021. Mr C says his employer sent a cheque to cover the missed payments. Mr C tried to contact ReAssure to ensure he hadn't been financially disadvantaged, but he says he received no response for some time.

When ReAssure did respond, it asked Mr C to complete a pension eligibility form. ReAssure accepted that it had made a mistake when it stopped collecting the contributions for his pension. It said it would reactivate his pension policy once this completed form was received and offered £75 compensation for its error. Mr C complained to ReAssure that he still hadn't been provided with details of whether his payments had been backdated or not.

In total, Mr C believes that around nine months of payments weren't taken. He's concerned that the payments haven't been backdated to ensure he hasn't lost out financially as a result of the payments not being collected when they should've been. Given that he received no response from ReAssure, Mr C referred his complaint to our service.

One of our Investigators looked into the complaint. He asked for further information from ReAssure, including pension statements for the previous two years, but received no response. So, he proceeded with issuing his opinion on the complaint. Our Investigator said that ReAssure had accepted it had made a mistake but hadn't confirmed whether it had put right any financial loss it might've caused Mr C. He said ReAssure should reimburse Mr C for any loss of growth or bonuses and provide him with statements for the previous two years showing his contributions and the growth accrued.

Again, ReAssure didn't respond to our Investigator, so the complaint was referred to be reviewed by an Ombudsman. Following this, ReAssure did respond and agreed with our Investigator's opinion. However, once ReAssure provided Mr C with the information our Investigator had asked it to, Mr C remained concerned. This letter showed that his employer's contributions had stopped in April 2021 and, whilst a lump sum was applied in October 2021 (presumably the premiums that had been missed and were later paid by cheque by his employer), no further funds had been received since then. The letter provided no evidence that the missed contributions had either been backdated, or that premiums had been collected since.

Mr C received his annual statement in December 2022. This showed that premiums had been received monthly from the period of October 2021 until September 2022.

The complaint was passed to me to consider. I issued a provisional decision on 28 March 2023. In this, I said:

It's disappointing that ReAssure hasn't engaged at times with our Investigator and still hasn't provided us with all of the information I would like to decide this case. And, because of this, I can't determine whether Mr C has been financially disadvantaged or not. I'll explain why and what ReAssure needs to do to put things right.

When there is a lack of evidence, I have to make my decision on the balance of probabilities. That is, what's most likely to have happened given the evidence I do have.

ReAssure accepts that it was at fault for the initial error in cancelling the pension payments collections from Mr C's employers. It says it's now fixed this. However, I can't see that ReAssure has ever provided Mr C any documentation to demonstrate that the contributions have been applied and invested at the correct time.

Following our Investigator's opinion being sent, ReAssure wrote to Mr C on 16 August 2022 to provide him with what it said were his contributions over the previous two years. This shows that premiums were received monthly from September 2020 until March 2021. It also shows a credit of £307.68 applied in October 2021 – the equivalent of seven months of payments. This would seem to mean that the correct amount in monetary terms had been received up to October 2021. However, this had no details of any payments made since October 2021. And given that this was supposed to show all payments for the previous two years, and was issued in August 2022, it's unclear why there are no further payments showing from October 2021.

This letter does not confirm that payments have been backdated to when they should've been taken either. It shows all of the missed payments being credited as a lump sum. So, it's not possible for Mr C to know whether he's been put back in the position he should've been.

Mr C has recently been sent his annual statement covering the period of September 2021 to September 2022. This shows that payments have been received into Mr C's pension on the first of each month from October 2021. So, it does seem that the issue with ReAssure taking the payments has been resolved. However, this still doesn't resolve the issue set out above of whether Mr C has been put back in the position he should've been i.e. whether the payments - which had to be made as a lump sum - have been backdated as if they were received on time. So, I'm minded to tell ReAssure to put this right.

I can see that Mr C spent some time trying to rectify this matter including making a number of telephone calls and sending emails to ReAssure. It seems it took until December 2021 for the policy to be reinstated. Mr C also had to complete and send forms to ReAssure to have the policy reactivated when it was deactivated in error. This must've caused some distress to Mr C in knowing that his retirement savings were potentially being affected by a mistake that wasn't his. And ReAssure wrote to Mr C telling him he was in arrears on his pension payments. Whilst it did write out soon after confirming this letter had been sent in error, this would've caused further anxiety to Mr C. Furthermore, ReAssure still hasn't confirmed whether Mr C has been financially affected or not. So, I think ReAssure should pay compensation for distress and inconvenience this matter had caused. I can see it has offered £75, but I don't think this is sufficient given the amount of time this has gone on for and the impact all of this has had on Mr C.

I went on to set out what I thought ReAssure should do to put matters right which I'll repeat below. I invited both parties to respond to my provisional decision.

Mr C said he had nothing further to add. ReAssure responded saying it had applied all premiums to the policy so there was now an unbroken premium history. It said it was in the process of manually backdating the premiums to ensure Mr C hadn't suffered a financial loss and that it would produce a statement once this had been completed.

I'm now in a position to issue my 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.

The findings made within my provisional decision (set out above) should be taken as forming part of this final decision.

Given that Mr C has confirmed he has nothing further to add, and ReAssure has essentially started the process I suggested to put matters right, I see no reason to depart from my provisional decision findings.

So I'm going to uphold this complaint and tell ReAssure to put matters right as set out below.

Putting things right

ReAssure should put Mr C back into the position he should be in had the payments been applied to his pension when they should've been. So, I'm directing ReAssure to do the following to put matters right:

- Check the dates that each payment has been received and credited to Mr C's pension plan from January 2021 to date.
- It seems from the annual statement that the payments should be credited to the plan on the 1st of each month. If there are any payments not credited on the first of the month, such as the lump sum payment showing as credited in October 2021, it needs to back date these payments as if they were credited on the date they should've been received if not for ReAssure's error.
- ReAssure should then calculate the value of Mr C's pension as if his employer's contributions had been continuous – i.e. made monthly and not as a single lump sum as per the step above.
- This value should be compared to Mr C's plan's current value and, if it shows there has been a loss, ReAssure should adjust the value of Mr C's plan accordingly.
- ReAssure should write to Mr C in clear and simple terms providing details of any adjustments it has to make and the effect this has had on his pension plan.
- Once this is all done, ReAssure should provide Mr C with an accurate up to date statement from January 2021 to the present date showing the payments having been credited to his plan when they should've been. This is in addition to the explanation it needs to send detailed in the bullet point above.

ReAssure should increase the amount of compensation it's paid to Mr C to a total of £250.

My final decision

I uphold this complaint and require ReAssure Limited to put matters right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 May 2023.

Rob Deadman
Ombudsman