

The complaint

Mr B complains that ReAssure Limited (Reassure) caused a delay in the switching of his pension to another provider and that he wasn't able to access his online account with it during this time, causing him a financial loss.

What happened

On 16 December 2021, ReAssure received a request to switch Mr B's pension to another provider, which I'll call the receiving scheme. And the next day it started the transfer process, with a transfer value of £358,127.04 that was effective as of 16 December 2021.

On 27 January 2022, after asking ReAssure for an update on a few occasions, Mr B raised his complaint with it, unhappy with the time the switch was taking. He asked what had happened to his pension and why he hadn't been able to access it online since making his request. The next day, on 28 January 2022, ReAssure released the £358,127.04 transfer payment. Mr B's receiving scheme received this on 2 February 2022 and he went on to invest this in a range of funds between February 2022 and April 2022.

In March 2022, ReAssure sent Mr B its final response letter. It said, in summary, that a payment system error caused the delay. And that it would carry out a calculation to see if this had caused Mr B a financial loss. ReAssure also apologised and offered Mr B £175 compensation for the inconvenience caused to him.

In June 2022, as Mr B hadn't heard anything further from ReAssure, he brought his complaint to our Service. He said this pension is a significant proportion of his savings and he couldn't check if this was still there as he'd been denied access to his account. And that ReAssure couldn't provide a satisfactory answer about what happened. Mr B said his fund wasn't able to benefit from growth during this time and that he'd like adequate compensation for the distress caused. He said he'd like accountability, that he's concerned about deliberate wrongdoing and that this should serve as a deterrent for ReAssure.

Since doing so, ReAssure carried out a redress calculation and said Mr B hadn't experienced a financial loss as a result of the delay.

One of our Investigators looked into it and said that further explanation about what led to the delay wasn't necessary, as ReAssure doesn't dispute that it caused this. And that ReAssure carried out a calculation in the way we'd expect and using relevant dates, which shows Mr B hasn't experienced a financial loss. She said it was fair for ReAssure to take into account what Mr B went on to invest in following the switch when doing so. And that the £175 in compensation it has offered him is fair and reasonable in the circumstances.

Mr B didn't agree adding, in summary, that ReAssure's explanation that a system error caused the delay is meaningless and it should provide details of the cause, who was responsible and actions taken to prevent recurrence. Mr B said that, as the transfer value secured on 16 December 2021 was the same as that paid to his receiving scheme on 28 January 2022, this means his fund wasn't invested during this time and that he's lost out

on growth. And that he'd like details of our methodology used to say ReAssure's offer of £175 is fair, as he thinks this amount is derisory.

So the complaint's been passed to me for a 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.

Having done so, I'm not asking ReAssure to do any more than it has offered, for largely the same reasons as our Investigator.

ReAssure's said a payment system error caused the delay in switching Mr B's pension. I appreciate Mr B would like to know the nature and cause of this, but the role of our Service is to provide an informal resolution service as an alternative to the courts. And I don't think those explanations are necessary for me to reach a fair and reasonable outcome on his complaint, given ReAssure has accepted responsibility for the delay. Instead I've focused on what I consider to be the outstanding issue of whether ReAssure has done enough to put things right.

In doing so, I'd expect ReAssure to place Mr B, as far as possible, in the position he would likely have been if the delay hadn't occurred. I think this would mean ReAssure considering if Mr B's experienced a financial loss to his pension as a result of the delays. But I'm satisfied it has already done this in the way I would expect, for the following reasons.

ReAssure has told us it had all the requirements it needed to start the transfer process on 16 December 2021 and that it did so the next day. And that, as it has a service standard of processing transfers within ten working days, this means it ought to have made the payment to Mr B's receiving scheme by 31 December 2021 instead of 28 January 2022. These are turnaround timeframes I'd expect to see in a case such as this and, overall, I think this is fair here.

ReAssure has shown that the transfer value of Mr B's fund wasn't impacted by the payment being delayed to 28 January 2022 though, as it still achieved the value it should have effective as of 16 December 2021. This means Mr B hasn't lost out in respect of this as a result of ReAssure's delay.

Mr B's frustrated he couldn't access his online account to be able to change investments during this time. But ReAssure has explained that Mr B wouldn't have been able to do so while his switch request was being actioned. And I wouldn't expect Mr B to have been able to change his investments while the switch was ongoing, as it appears to have been a cash transfer – as opposed to an 'in species' transfer where funds remain invested – which involves selling down investments in order for this to be transferred.

Mr B's also concerned he's lost out on growth on his fund value during the period of delay. And I appreciate that if it hadn't been for this he would have been able to re-invest his fund in the way he wanted with his receiving scheme sooner than he did. But, as I've said above, I think ReAssure has already fairly considered this. I can see it obtained information from Mr B's receiving scheme which showed how and when he invested his fund following the switch, along with the units achieved. It then compared this to the position Mr B would have been in had he made these investments in the same timescales he did following the transfer, but from 31 December 2021 instead in the way he would have been able to if everything had happened as it should have. And this shows Mr B hasn't incurred a financial loss.

I think ReAssure acted fairly by taking into account what Mr B invested in following the switch for the purposes of its calculation. While Mr B's said ReAssure has no way of knowing what investment decisions he'd have made if there hadn't been a delay, the delay period was just under a month and I think that what Mr B did go on to invest in following the switch is a fair and reasonable indication of what he's likely to have done in that case. And I note Mr B hasn't actually said, or provided evidence showing, he would have acted differently.

Mr B would like ReAssure to be held accountable for its error, but we're not here to regulate or punish the business – that's the role of the regulator (the Financial Conduct Authority). I've considered what I think is a fair and reasonable compensation, overall, in all the circumstances of this complaint, rather than by reference to a specific methodology. When doing so, I've taken into account that ReAssure made an error, causing just under a month's delay as well as worry and frustration for Mr B. And that it could have provided Mr B with better customer service at times, as he had to chase it on a few occasions. That being said, ReAssure has already recognised this, apologised to Mr B and offered him compensation. And I think the £175 it has offered is a fair and reasonable amount in all the circumstances to make up for what's happened.

For the reasons I've given, I'm not asking ReAssure to do anything more.

My final decision

ReAssure Limited has already made an offer to pay Mr B £175 in compensation to settle the complaint and I think this is fair in all the circumstances. So, for the reasons I've given, my final decision is that it should pay Mr B this, if it hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 May 2023.

Holly Jackson
Ombudsman