

## **The complaint**

Mr M complains that ReAssure Limited (ReAssure) mismanaged his contributions into his personal pension. And that it still hasn't corrected its mistakes. He wants his personal pension to be put back into the correct financial position. And compensation for the stress and inconvenience the issues have caused him.

## **What happened**

Mr M has a personal pension with ReAssure. The original maturity date (also referred to as "selected retirement date") on the pension was in May 2021.

ReAssure wrote to Mr M in March 2021 to tell him that his cover would cease in May 2021. The letter said, under a section headed "*Can I pay in?*":

*"You can usually continue to pay into your ReAssure Ltd pension until you're 75. We'll stop collecting contributions on your selected retirement date, so if you want to make payments past then (and you're under age 75) you'll need to let us know".*

Mr M didn't let ReAssure know that he still wanted to contribute into his pension after May 2021. So ReAssure stopped taking contributions from him in May 2021, in line with the statement in the March 2021 letter.

Mr M hadn't wanted his pension contributions to stop. In November 2021, he told ReAssure he wanted to reinstate his policy. He wanted to contribute £240 each month with effect from 1 December 2021.

On 16 November 2021, Mr M sent ReAssure a cheque for £240 for the 1 December 2021 payment. He also sent a completed reinstatement eligibility form.

Mr M was unhappy that ReAssure had stopped taking his contributions without telling him. So he complained.

ReAssure responded to this complaint in its 3 December 2021 final response letter. It didn't uphold the complaint. It said it had written to Mr M in March 2021 to tell him that his cover would cease in May 2021. And that it then didn't hear from him until November 2021, when he said he wanted the policy to be reinstated. It said it'd then sent out the relevant forms to reinstate the policy.

ReAssure said Mr M contacted it in February 2022 as the backdated contributions hadn't yet been applied to his pension. It said it told him that the contributions couldn't be applied straight away. But that it would be applied and backdated so that Mr M would have no financial loss.

ReAssure wrote to Mr M in March 2022 to tell him that it would take the next payment of £480 (in respect of the March 2022 and April 2022 contributions) from his bank account on or around 1 April 2022. And that it would then continue to collect his contributions of £240 each month by direct debit as normal from 1 May 2022

In July 2022, ReAssure wrote to Mr M again about his pension contributions. It said that in order to apply his contributions, it needed him to complete and return a "Relief at Source Declaration". It said that if this wasn't received within 14 days, it would arrange to refund the payments of £1,440 to Mr M.

Mr M completed and returned the form ReAssure said it needed on 13 July 2022. He also told ReAssure that it couldn't do anything with the unallocated amount until he'd received its final response to his complaint. And that it needed to include a proposal for allocating the outstanding amount and an offer of compensation in that response.

ReAssure issued its final response to the complaint on 22 August 2022. It upheld the complaint. It said Mr M had made a payment to cover the missed contributions in March 2022. But that the payment hadn't initially been allocated as instructed. It had instead been treated as a single premium payment. ReAssure said Mr M had also been asked to unnecessarily complete forms. It said it should've offered him the option of paying the missed contributions much sooner than it had. ReAssure also acknowledged that it had taken a long time to backdate the payments and correctly allocate them to Mr M's pension.

ReAssure also said that Mr M's direct debit for contributions stopped being taken without instruction from him after the September 2022 payment. It said it shouldn't have happened, and offered Mr M the chance to make a payment to cover the missed direct debits and reinstate it for future contributions.

ReAssure also acknowledged the effort Mr M had had to make to try to correct the situation. And said it would work to put his policy back to the correct position. It also said it would arrange for £400 to be sent to him as compensation.

Mr M replied to ReAssure. He didn't think the £400 compensation offered was enough under the circumstances. He said he'd had to make around 25 calls to sort out the issue. And that he'd had to complete unnecessary forms. He also said ReAssure had failed to return calls within a reasonable time frame and had shown a lack of professionalism and expertise.

ReAssure replied to Mr M on 17 October 2022. It said it would reply further once it had made the contribution correction, at which time it would revise its compensation offer.

Mr M contacted ReAssure again in December 2022. He'd noticed that ReAssure had last taken a direct debit from him on 1 September 2022 and said he hadn't given any instructions for contributions to stop.

Mr M wrote to ReAssure again on 9 January 2023. He said his pension still hadn't been corrected. And that his account had been blocked on its platform while the work on the correction continued. He still didn't agree with the compensation offered. He said that the correction still hadn't been made. And he'd experienced significant inconvenience and wasted time and call costs.

ReAssure replied on 16 January 2023. It said that Mr M's pension contribution direct debit was last collected on 1 September 2022, due to its administrative error. It asked Mr M to confirm that he still wanted to pay in the missing premiums from October 2022 to January 2023, before it corrected the error. Or if he instead wanted to take a premium holiday.

Mr M was unhappy that ReAssure still hadn't resolved the issues. He raised a further complaint. And asked for an update on when the existing complaint would be resolved. He also asked for more appropriate compensation under the circumstances.

Mr M brought his complaint to this service in January 2023. He felt ReAssure had

mismanaged his pension contributions. And that it still hadn't fixed its errors over more than 20 months. He also felt that the original error of stopping his contributions had been compounded by the administrative error ReAssure made when it had stopped taking his direct debits after the September 2022 contribution.

ReAssure said it wrote to Mr M on 17 February 2023 with the options available to him.

ReAssure told this service that it had reviewed the series of events since its August 2022 final response letter. It felt that given that the pension still wasn't in the correct position, a further £300 compensation payment would be fair and reasonable for the poor customer journey Mr M had received. So its total compensation offer was £700. ReAssure also said that it wouldn't be an easy process to put the pension back to the correct position, but that it had escalated the issue to the team dealing with premium servicing to fix it. It also said that if there were any further delays outside of its control, it might consider further compensation.

ReAssure also said that Mr M wouldn't lose out financially as it would put the plan back into the correct position as if the contributions had been collected and applied with no issues. It also said it could provide further information to Mr M once the pension was fixed.

ReAssure wrote to Mr M on 24 March 2023, after having written to him earlier the same month but not hearing back from him. It said it was still trying to resolve the issues with his pension. And asked him to confirm whether he wanted to backdate his contributions from October 2022 to February 2023. Or if he wanted to take a premium holiday for the missed months and restart his contributions at a time of his choice.

Mr M replied to ReAssure. He repeated his complaint. And confirmed that he did want to make backdated payments into his account for the period from October 2022 to April 2023 as a lump sum. He also asked for regular monthly direct debit contributions to resume from 1 May 2023. He asked for a full explanation and breakdown of how the backdated contributions had been applied to his pension so that he could be satisfied that he'd not been short changed.

ReAssure acknowledged Mr M's request and told him that it would need to have received the payment for the missed contributions before the end of the tax year.

Our investigator considered whether ReAssure's new offer did enough to put things right. He felt that the offer to correct the mistake was fair, and in line with what he would've told it to do in the absence of its offer. He also felt that the compensation it had offered was reasonable under the circumstances of the complaint.

Our investigator acknowledged that Mr M had also raised concerns about ReAssure's complaint handling. He said that as this part of the complaint didn't include an activity regulated by the Financial Conduct Authority, he couldn't comment on this aspect of the complaint.

Mr M didn't agree with our investigator. He made the following points to explain why he felt the settlement offer was too low:

- He didn't trust Reassure to put his account into the correct position, as it had failed to do so after very nearly two years.
- He didn't consider the compensation offered was sufficient for all of the calls he'd had to make and emails he'd had to write in trying to resolve his complaint. He felt he'd wasted around 100 hours of his time.

- Mr M said the complaint had caused him stress and frustration.
- He felt that to put things right, the financial settlement should consist of:
  - i) the maximum possible compensation for financial/opportunity losses
  - ii) a payment for 100 hours of his time, which he felt should be based on between 12.5 and 14.25 working days.
  - iii) a reasonable payment for the serious stress and frustration over a very protracted period.

As agreement couldn't be reached, the complaint has come to me for a review.

### **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 going to uphold it. I agree with our investigator that ReAssure's proposal for redress is reasonable under the circumstances of the complaint. I know this will be disappointing to Mr M. I'll explain the reasons for my decision.

Where a business has made an offer to settle a complaint – as ReAssure has done – what

I have to decide is whether, in all the circumstances, that offer is fair and reasonable.

In this case, the evidence shows that the contributions originally stopped because Mr M reached his selected retirement age without telling ReAssure that he wanted to continue his contributions. However, despite Mr M sending ReAssure £1,440 in respect of the six monthly contributions that had been missed between June 2021 and November 2021, ReAssure still hadn't applied the backdated contributions to his account before his complaint to this service. ReAssure then made further errors, including failing to take further contributions from Mr M's direct debit after the September 2022 payment.

ReAssure has acknowledged that it has caused Mr M further distress and inconvenience with the additional errors and the length of time it has taken to put Mr M's pension back to the position it should be in but for the error. It said that this was because it wasn't an easy process. ReAssure has also said that if there are any further delays outside of its control, it might consider further compensation.

As our investigator noted, backdating the delayed contributions to the date they should've been received into Mr M's pension is what this service would normally recommend. Therefore, I'm satisfied that ReAssure's offer on this point is fair and reasonable.

I acknowledge that Mr M doesn't trust ReAssure to put his account back into the correct position, given what has happened. But I'm satisfied that it will be able to successfully reinstate his pension. And I note that ReAssure has offered to provide Mr M with further information once the correction has been completed.

I next considered whether the £700 total compensation ReAssure has offered for distress and inconvenience is fair and reasonable under the circumstances of the complaint.

Mr M doesn't consider £700 is enough given the amount of time and effort he's spent on the phone and writing emails to ReAssure to resolve his complaint. I understand why he feels

this way, given how long he's spent on this issue. And the fact that Mr M's pension is still not back to where it should be. I can also see that the situation must have caused Mr M considerable frustration.

In its August 2022 complaint response, ReAssure acknowledged the effort Mr M had made to try to correct the situation. And said it would arrange for £400 to be sent to him as compensation.

After the complaint came to this service, ReAssure said that as the pension still wasn't in the correct position, a further £300 compensation payment would be fair and reasonable for the poor customer journey Mr M had received. And that it would consider further compensation if there were more delays.

I know Mr M has worked out the amount of time he's spent on the complaint. And feels that the compensation should reflect that time. But this service doesn't base what we consider fair compensation simply on the time spent to resolve the situation. Instead, it looks at the impact of the business' mistake on the complainant.

This service considers compensation of £700 to be fair where the impact of a business's mistake has caused significant inconvenience and disruption that needs a lot of extra effort over a period of months to sort out. This has clearly been the case here, where Mr M has been significantly inconvenienced and had to make a lot of effort for several months.

Overall, I'm satisfied that ReAssure's offer of £700 compensation for the distress and inconveniences it has caused, and its willingness to consider further compensation if there are further delays to the full resolution of this complaint, is reasonable under the circumstances.

In summary, I consider that ReAssure's settlement offer is fair and reasonable under the circumstances of the complaint. And that it will put Mr M's personal pension back into the correct financial position. And, although I uphold the complaint, I don't require ReAssure to change their settlement offer.

### **Putting things right**

ReAssure Limited must ensure that Mr M's pension is put back into the position it would've been in if the contributions had continued to be paid into the pension each month at the usual time. It should also provide Mr M with a clear explanation of how it has ensured that his pension is now back to the correct position.

ReAssure Limited must also pay Mr M a total of £700 compensation for the distress and inconvenience its error caused. If it has already paid Mr M the initial £400 compensation it offered him, ReAssure can deduct that from the payment.

### **My final decision**

For the reasons I've given above, I uphold this complaint. ReAssure Limited must take the actions detailed in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 June 2023.

Jo Occleshaw  
**Ombudsman**