

## The complaint

Mr W has complained about the delays caused by ReAssure Limited when he was taking the benefits from his pension.

## What happened

I issued my provisional decision on this complaint on 3 May 2023. The background and circumstances to the complaint and the reasons why I was provisionally minded to uphold it were set out in that decision. I've copied the relevant parts of the decision below, and it forms part of this final decision.

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*Mr W's complaint was considered by one of our investigators. She sent her assessment of it to the parties on 15 November 2022. The background and circumstances to the complaint were set out in that assessment. But to summarise, Mr W had said that he started the process to withdraw funds from his pension with ReAssure in October 2019. As he was having trouble contacting it he instructed his representative to act on his behalf. A letter of authority was provided to ReAssure in September 2020. The representative said it took over the process, and in a phone call on 19 April 2021 ReAssure agreed to send it all the relevant paperwork.*

*A Retirement Options pack was sent out to the representative on 2 June 2021. This said the fund value was £25,338. The representative said that he didn't receive the paperwork until 3 September 2021. In the meantime, the representative said he'd contacted ReAssure on a number of occasions chasing up the paperwork.*

*On 8 December 2021 ReAssure provided details of the value and benefits payable from the plan. On 9 December 2021 Mr W wrote to ReAssure to say that he wanted to proceed to take the whole fund under "Trivial Pension Pot" rules.*

*Mr W was paid a lump sum of £25,595 on 18 January 2022.*

*Our investigator didn't think that ReAssure had processed the transaction in a timely manner. She said given the standard timescales that it worked to and given the particular circumstances, she thought it should have returned the relevant paperwork to Mr W's representative by 3 May 2021. ReAssure had confirmed its turnaround time for processing this would be at most 15 working days (after factoring in delays caused by Covid). The investigator said if the delays hadn't occurred Mr W should have received his fund withdrawal at the latest on 24 May 2021. The investigator went on to say that ReAssure should calculate whether the value of Mr W's pension would have been higher on 24 May 2021 than what was paid on 18 January 2022. And if it was, then ReAssure should pay the difference to Mr W along with 8% simple interest per annum.*

*The investigator also said due to the length of time it had taken to process the transaction that ReAssure should also pay Mr W £300 (inclusive of any payments already made to him) for the distress and inconvenience caused.*

*The investigator also noted that Mr W's representative had requested that his fees should be refunded. However the investigator said it was Mr W's choice to use the services of a financial adviser and he could have proceeded himself without incurring those costs. So she said she didn't think ReAssure was required to refund any fees.*

*Mr W didn't accept the investigator's recommendations and his complaint was passed to me to consider.*

### **What I've provisionally 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've come to the same conclusions as the investigator that ReAssure was responsible for some delays, and for the same reasons. However I think fair compensation should be calculated slightly differently.*

*I accept that Mr W originally contacted ReAssure in 2019, however this appears to be asking for information about the pension – at least initially. For the reasons set out by the investigator, I think if ReAssure had acted in a timely manner Mr W would have received the lump sum on 24 May 2021. And so calculating appropriate compensation should be based on that date. However given that Mr W didn't receive that sum until 18 January 2022, he didn't have use of that money over that period. So I think that also needs to be taken into account when deciding on fair compensation, as I've set out in more detail below.*

*Given the length of time involved and the numerous occasions that ReAssure was chased about the matter, I also think £500 is fair compensation for the degree of distress and inconvenience caused.*

*I'm mindful that the representative has said that ReAssure had agreed it would compensate the representative for his time and costs when acting for Mr W in the matter. And that this decision doesn't make provision for compensation to the representative.*

*The complainant here is Mr W; he is the 'eligible complainant' as provided for in the rules that we have to follow – the Dispute Resolution Rules (DISP) set out in the Financial Conduct Authority's Handbook. I can only make an award for costs incurred by the eligible complainant, and Mr W didn't incur these costs in the particular circumstances here, as confirmed by the representative. So I don't think it's appropriate to make an award for costs. And as explained by the investigator, it was Mr W's choice to engage the services of the representative to help in the matter. I accept the representative spent time and incurred costs, but I don't think it needed technical expertise that Mr W wasn't able to proceed without, rather than the time spent chasing ReAssure which I acknowledge would have been very frustrating for both Mr W and the representative.*

*Whilst I accept that ReAssure may have told the representative it would reimburse his costs, that is a matter between ReAssure and the representative.*

*I also realise the representative is unhappy ReAssure hasn't provided recordings of its phone calls. ReAssure has provided its call notes from some calls. And I don't think recordings themselves would change the outcome of the complaint – it has been decided that ReAssure failed to act in a timely manner and that the lump sum should have been paid a lot earlier. Compensation has been awarded on that basis – as I've set out below. As I say, I can only make an award for Mr W's costs. So any calls about ReAssure agreeing to reimburse the representative aren't material to the outcome of the complaint anyway.*

Accordingly, I said my provisional decision was to uphold Mr W's complaint. I went on to outline how I intended for ReAssure to calculate and pay compensation to Mr W.

I asked Mr W and ReAssure to let me have any further evidence or arguments that they wanted me to take into account before I made my final decision.

Mr W's representative didn't agree with my provisional decision. He said, in summary, that ReAssure claimed it recorded calls but hadn't provided us with those calls. He said the calls were a clear way of establishing the true facts. He said Mr W had to wait over three years for a simple process to take place. As he wasn't getting answers in 2019 he had asked the representative to step in. He said compensation should therefore start from 2019. The representative also provided further copies of correspondence with ReAssure.

Mr W said he was disappointed with the provisional decision and concurred with the response from his representative.

The representative asked for clarification of how ReAssure had acted with integrity, with due skill, care and diligence, pay due regard to the interests of customers and treat them fairly as well as observe proper standards of market conduct? He said the FCA Code of Conduct Rules, which were blatantly ignored. And he didn't think £500 compensation was acceptable for Mr W's three year wait to get his pension.

The representative also said it was ReAssure who initially suggested it would look at offering compensation (to the representative).

ReAssure said, in summary, that it agreed with my provisional decision. However it said although it had paid the lump sum to Mr W on 18 January 2022, it was calculated using the values as at 11 October 2021. It said it didn't appear it had paid any interest for the intervening period between those dates - which would be £439 – which it would now pay.

It said when it calculated the value as at 24 May 2021 it would therefore only calculate interest to 11 October 2021, as anything after this would have been taken into account in the above calculation. If there was a shortfall between the value of 24 May 2021 and 11 October 2021 it would pay this to Mr W and apply interest at 8%.

### **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've seen no reason to depart from my provisional decision to uphold the complaint.

I appreciate that Mr W and his representative are frustrated that ReAssure hasn't provided recordings of the telephone calls it had with Mr W and the representative. As I said in my provisional decision, it has provided notes of some calls, and I don't think having recordings of the 2021 calls would change the outcome of the complaint – it has already been decided that ReAssure failed to act in a timely manner and that the lump sum should have been paid a lot earlier. And even if it was ReAssure who first talked about compensation for the representative, for the reasons I've already explained, that is a matter between the representative and ReAssure; calls about that aren't material to the outcome of this decision.

Mr W and his representative have said Mr W was trying to take the benefits from his pension from 2019 and so compensation should be based from then. ReAssure has said it doesn't

have records of Mr W calling it in 2019. It does have records of some contact in 2020.

- There is an e-mail from Mr W to ReAssure dated 9 March 2020 asking what ReAssure required for his financial adviser to handle his pension on his behalf.
- A letter dated 23 March 2020 from ReAssure to Mr W providing a letter of authority for him to complete and return.
- An e-mail from Mr W to ReAssure dated 20 July 2020 with him providing the completed letter of authority form.
- A letter from ReAssure to Mr W dated 30 July 2020 saying it had received a request for information from the representative.
- A letter from ReAssure to the representative dated 31 July 2020 saying it had received the letter of authority from Mr W.
- A letter from Mr W to ReAssure dated 1 September 2020 thanking ReAssure for its correspondence (referring to the content of the 30 July 2020 letter), and asking it to provide then information to the representative.
- A letter from ReAssure to Mr W alerting him that it had provided policy information to his representative.

And then two calls with the representative in September 2020 asking for policy values before the call in April 2021 with the representative asking if the plan could be taken as a lump sum - which I have found ought to have been paid to Mr W by 24 May 2021.

Whilst there is evidence of contact between Mr W and ReAssure between March and September 2020, I don't think this shows ReAssure acted in an untimely manner during that period. It appears to show that Mr W was in the process of arranging for his representative to act on his behalf, but the timings wouldn't suggest the matter was urgent to him. I realise there may have been other contact, and that Mr W has said he started the process in 2019 and only involved his representative because he was getting nowhere with ReAssure.

As I've said, I understand it will be very frustrating if Mr W contacted ReAssure to take his pension in 2019 and on other occasions, but there is no record of it. However my role here is to decide on the merits of Mr W's complaint. I have to make a decision on the balance of probabilities in the context of the evidence that is available. We aren't the industry regulator, and I have no powers to fine or punish ReAssure.

Taking all the circumstances into account and for the reasons explained above and in my provisional decision, I don't think ReAssure met its regulatory obligations and the standards required of it. In my opinion ReAssure ought reasonably to have arranged payment of the lump sum to Mr W by 24 May 2021, rather than the 18 January 2022 date that it was actually paid.

### **My final decision**

Accordingly, my final decision is that I uphold Mr W's complaint.

ReAssure has said that it should have paid interest of £439 to Mr W for the period 11 October 2021 to 18 January 2021. In effect this is money owed to Mr W. So ReAssure Limited should pay Mr W the £439, plus interest on the £439 at the rate of 8% simple per annum from 18 January 2021 to settlement date.

This means (for the purposes of this calculation) that Mr W effectively received an additional £439 as at 18 January 2021. ReAssure should therefore assume the higher figure was received when carrying out the following calculation.

ReAssure Limited should calculate whether Mr W suffered a financial loss and pay compensation by:

- calculating what lump sum would have been paid to Mr W on 24 May 2021.
- calculating the equivalent of 8% simple interest per annum on that amount from 24 May 2021 to 18 January 2022 - I will call this amount A. This is for loss of use of those monies for that period.
- if the value of the lump sum at 18 January 2022 was higher than would have been payable at 24 May 2021, it should deduct the difference from A. I will call the resulting figure B. This is to offset any gain made as a result of the delay against the interest for loss of use.
- ReAssure should then add 8% simple interest to B (i.e the loss as calculated above as at 18 January 2022) from that date to date of settlement. This is the amount that should be paid in compensation if the lump sum payable on 18 January 2022 was higher than that which would have been payable on 24 May 2021.
- if the value as at 24 May 2021 was higher than the 18 January 2022, then Mr W lost out on that difference. The difference should be paid to Mr W along with 8% simple interest per annum on the whole amount from 24 May 2021 to 18 January 2022. I will call this value C as at 18 January 2022. 8% simple interest per annum should then be added to C from 18 January 2022 to settlement date. This is the amount that should be paid in compensation if the lump sum payable on 24 May 2021 was higher than that paid on 18 January 2022.
- Compensation should be paid direct to Mr W. Income tax may be payable on any interest paid. If ReAssure Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr W how much it's taken off. And give Mr W a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.
- ReAssure Limited should also pay Mr W £500 (in total, and taking into account any payments it has already made to Mr W) for the distress and inconvenience caused by the matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 16 June 2023.

David Ashley  
**Ombudsman**