

The complaint

Mrs S complains about the delay she says ReAssure Limited (ReAssure) caused to the transfer of her pension plan which she says meant she suffered a financial loss. ReAssure has calculated how much it thinks she has lost as a result, but Mrs S doesn't think that figure is correct.

What happened

Mrs S held a pension through ReAssure. On 5 October 2020 she wanted to sell some of her assets from the pension. So she made an online request for a telephone number so that she could obtain the unit prices before selling.

On 12 October 2020 Mrs S called ReAssure and asked to switch all her funds into a cash fund. She then wanted to transfer the proceeds to her self-invested personal pension (SIPP) – which was requested by its provider on 7 November 2020. Mrs S's SIPP provider said it expected the funds from ReAssure on 19 November 2020, but as they weren't received Mrs S chased up the transfer on three occasions until they were eventually received on 4 December 2020. So she complained about the financial loss she said she suffered from being "uninvested" for the extra period of time.

In January 2021 ReAssure confirmed it had begun an investigation into the matter. It then contacted Mrs S in March 2021 and accepted that the transfer had been completed outside of its service standard timescale. It sent Mrs S a cheque for £50 for the delay and said it would undertake a loss assessment to see if she had been financially disadvantaged. Mrs S responded setting out that she thought the losses amounted to around £17,697.

In September 2021, ReAssure told Mrs S it was still waiting for information from her SIPP provider. It said it could continue to wait – which would incur a further delay, or, using a different way of calculating the loss, it could make a cash compensation payment of £414. Mrs S didn't accept the offer and said she wanted ReAssure to continue with its request for information from the SIPP provider.

She hadn't heard anything by March 2022 and wrote to ReAssure – also advising it of a change of address. Five months later she called for an update but was told her complaint had been closed and her change of address hadn't been updated.

ReAssure said it would reopen the complaint and eventually it wrote to Mrs S in November 2022. After carrying out a loss assessment calculation, it offered redress of £10,893.09. Mrs S wanted ReAssure to confirm why it had used unit prices from the date it assessed her claim and not the date the loss had originally occurred. After further delays ReAssure confirmed its position in a letter dated 23 December 2022. It said it should have released the funds to the SIPP provider within its 10 day turnaround time – so 23 November 2020. It had worked out the cost of the unit prices on the day it should have released the funds compared with when it did and arrived at the loss figure it had previously set out.

But, as she thought the redress was significantly less than she herself had calculated, Mrs S brought her complaint to us. One of our investigators looked into the matter and said the complaint should be upheld because ReAssure hadn't carried out the calculation in line with how we'd expect to see it done. She set out the recommended methodology for any redress arising from the delay and also said ReAssure should pay £250 for the distress and inconvenience caused by the delay.

Mrs S thought a simple calculation of the unit price difference between 29 November and 7 December 2020 would have been more appropriate. She also thought we hadn't fully considered the distress she'd suffered over a period of two years as she didn't think ReAssure would have paid anything without her determination to achieve a positive outcome.

ReAssure said that, during the time the delay occurred, it was actually operating a 15 day turnaround time – due to staff working from home because of the global pandemic. So its first calculation showed just a one day delay to service standards which was reflected by its first compensation offer. But, when Mrs S contacted it again, ReAssure agreed to review the calculation based on its standard service agreement of 10 days which resulted in compensation of over £10,000. So it thought it had carried out the calculation correctly and had paid an appropriate level of compensation for the inconvenience caused.

The investigator was persuaded to change her view of things to reflect ReAssure's position and felt its payments were fair and reasonable in the circumstances. But Mrs S didn't accept the change in outcome. She believed her loss had been crystallised on 7 December 2020 – which was the date the delayed funds were paid to her SIPP provider. She still believed the price difference of the units between this date and the date the funds should have been received was the simplest way to calculate any investment loss. She said she had calculated this to be £17,697.07. She again referred to the severe stress this matter had caused her – and the time taken to chase up ReAssure, over a period of two years.

She asked for her complaint be considered by an ombudsman – so it was passed to me to review.

My provisional decision

In my provisional decision I said I thought ReAssure's redress calculation and payment was probably fair and reasonable in the circumstances, but I thought it ought to pay more compensation. I made the following points in support of my findings:

- There was no dispute that ReAssure had delayed the transfer. The matter to resolve was whether ReAssure's eventual offer of £10,893.09, which was based on its usual 10 day turnaround times, was reasonable.
- I thought it was reasonable – as it compared the position Mrs S ought to be in now against her actual position. This was done by calculating the loss as of October 2022 and bringing that loss up to date.
- I had considered Mrs S's position with regard to her calculation using the difference in unit prices – but I thought ReAssure's offer was fair and reasonable.
- I thought Mrs S would have been impacted by ReAssure's lack of communication with her during the complaint process – as well as its decision to close her complaint for five months without any justification. So I thought ReAssure ought to pay Mrs S an additional £350 for the distress and inconvenience its actions caused her.

Responses to the provisional decision

ReAssure accepted the provisional decision and said it would pay the additional compensation. But Mrs S was unhappy with the outcome. Initially she said she accepted my findings and understood I'd told ReAssure to pay £6,804 – which was the difference between what it had paid her and the amount she had claimed. However, she didn't think the recommended compensatory payment of £350 was sufficient for the amount of stress she'd suffered. She thought it was unreasonable for ReAssure to accept liability for its error but then to drag out the outcome for over two years and she didn't think I'd fully taken the impact of that into account.

But I then explained that, while I had said ReAssure's payment for the financial loss was fair and reasonable, I had upheld the complaint in respect of the additional payment I thought ReAssure should pay for the distress and inconvenience it had caused.

Mrs S said her understanding now was that I'd agreed that ReAssure could manipulate the compensation payable by choosing the date of the calculation to coincide with falls in the markets. She thought that if ReAssure had been made to carry out its calculation in a timelier manner – when the markets were higher, then she would have received greater redress. She also thought I hadn't accounted for the investment returns she could have achieved from the £17,697 that she calculated she would have received if the redress had been calculated when the proceeds were eventually transferred to the new provider.

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.

And having done so I see no reason to depart from my provisional findings. I can understand Mrs S's continued frustration here – and I've carefully considered her response. But I think ReAssure's redress payment is fair and reasonable in the circumstances although I believe it needs to pay more compensation for the impact of its delay in responding to and resolving the complaint.

ReAssure's redress calculation and payment

All parties have agreed that ReAssure did delay the transfer of Mrs S's SIPP.

ReAssure, after around two years, carried out a second redress calculation and paid Mrs S £10,893.09. It said the calculation was based on a 10 day turnaround time service standard, as opposed to the 15 days it operated within during the pandemic – which was when the delay occurred. So what I have to decide is whether the redress calculation is fair and reasonable.

I've based my consideration on our objective of ensuring that any redress should put Mrs S back as closely as possible into the position she would now be but for ReAssure's error which led to the delay. So, as the delay in this case was four working days, ReAssure needed to compare the position of Mrs S's SIPP with what it would have been had the four day delay not occurred. I've looked carefully at the calculation, and I'm satisfied that the figures which have been input are in line with the position the SIPP should have been in.

Mrs S says that because ReAssure carried out the calculation when it did it was able to use a date which reflected lower unit prices, and that it has manipulated the amount of compensation for that reason. She says that an earlier calculation date would have meant markets were more in her favour and she would have received more. She doesn't think

that's fair.

But I don't think ReAssure has used incorrect dates. Obviously it had to carry out the calculation on a certain date – which it reflected in its methodology. But the actual redress workings simply reflected the pension's value on that date - had the transfer occurred four days earlier. The date the calculation took place was only relevant in terms of crystallising the loss and bringing it up to date to ensure Mrs S is put back as closely as possible into the position she ought to *now* be in. Mrs S also said we hadn't taken into account the investment growth she could have achieved if the calculation had been carried out earlier, but by bringing the loss up to date using the actual returns of her pension funds does, I believe, take that into account.

Overall I think ReAssure's redress methodology is fair and reasonable in this case, and in line with what I'd expect to see. I'm also mindful of the fact that the outcome of the earlier calculation using the 15 day "pandemic" turnaround service standards only led to a financial loss of £414 – which I don't think was unreasonable given the situation at the time. So I think ReAssure's decision to undertake another calculation based on its usual historical service standards is a fair and reasonable position.

But ReAssure did take over two years to conclude its investigation and to make a payment to Mrs S. So I've also looked at how Mrs S should be compensated for the impact of the time it took for ReAssure to resolve the matter.

The impact on Mrs S and the distress and inconvenience she suffered

Initially ReAssure answered Mrs S's complaint within two months – although this was only to confirm it accepted responsibility for the delay and that it would carry out a loss assessment to work out the effect. It also paid her £50 at that time for the delay in its response. But ReAssure didn't contact Mrs S again for six months, and then it made an alternative offer to her as it said it was still waiting for the SIPP provider to provide relevant information. I'm mindful that ReAssure isn't solely responsible for a situation where it's waiting for information from a third party, but I don't think it was fair for ReAssure not to update Mrs S for six months.

However, when Mrs S contacted ReAssure for an update and to provide her new address, it was a further five months before she was informed that her complaint had been closed and that her change of address hadn't been updated. ReAssure didn't explain why Mrs S's complaint was closed, especially as in September 2021 she told ReAssure she wanted it to continue to try and obtain the information from the SIPP provider.

Looking at these factors I think this period of almost a year without resolution would have had an impact on Mrs S. I think she would have assumed that her complaint was being dealt with over that extended period and I think she would have been hugely concerned that she wasn't going to get an outcome when she discovered the matter had been closed. Because ReAssure didn't communicate with Mrs S it raised her expectations that the matter was being investigated and that it was her SIPP provider that was causing the delay, so I can only imagine the frustration Mrs S would have felt when she discovered no progress had been made to resolve things.

Mrs S says that she's suffered a significant amount of stress over an extended period of time and the only reason that she got some kind of resolution from ReAssure was because of her perseverance.

And I do accept that Mrs S was impacted for an unnecessarily long time and inconvenienced by having to chase up ReAssure until November 2021 – some two years after the event. So,

looking at the situation overall, I think ReAssure should pay Mrs S an additional £350 as compensation for the impact its errors and delays would have had on her.

Putting things right

ReAssure's redress payment for Mrs S's investment loss is fair and reasonable in my opinion. I'm satisfied that the payment puts Mrs S back as close to the position she would now be in had there not been a delay in transferring her pension.

But I think ReAssure caused Mrs S significant levels of distress and inconvenience by delaying its loss assessment calculation, failing to keep her updated, and raising her expectations that the complaint was being investigated when in fact ReAssure had closed it without Mrs S's permission.

I think payment of an additional £350 is fair and reasonable in all the circumstances of Mrs S's complaint and within the range of what I'd expect to see in similar circumstances.

My final decision

For the reasons I've given I uphold Mrs S's complaint against ReAssure Limited.

ReAssure Limited should make an additional compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 17 July 2023.

Keith Lawrence
Ombudsman