

The complaint

Mr P complains that ReAssure Life Limited delayed transferring his pension and caused him financial loss. He also complains about poor service.

What happened

Mr P had a Buyout Bond (pension) with Old Mutual Wealth Life Assurance Limited (Old Mutual). Old Mutual is now the responsibility of ReAssure and I will refer to it throughout this decision.

Mr P asked ReAssure to transfer his pension to another provider. He completed a Transfer Payment Release Form which ReAssure confirmed it received on 7 March 2022. ReAssure disinvested the pension the next day.

Mr P says his adviser contacted ReAssure on 21 March to query why the receiving scheme had not received the funds. He was told that ReAssure needed Mr P's national insurance number before it could proceed. This was provided to ReAssure on that date. Mr P says that despite this the funds were not transferred to the receiving scheme until 13 April and were not available to be invested by the receiving scheme until 21 April.

Mr P complained to ReAssure. He said his funds had been too long out of the market and he'd lost out as a result.

ReAssure investigated his complaint. It said it had received his transfer request through the Origo Transfer Service (OTS). OTS is described as "an electronic pipework that lets connected businesses swiftly and easily transfer customer funds from one platform to another." The OTS request had not included Mr P's national insurance number and as a result the transfer payment couldn't be made until that information had been received. ReAssure said it sent an email on 8 March requesting this information but hadn't received the missing information until 21 March.

ReAssure acknowledged that due to "high demands" on its service, the pension transfer (after it had received the national insurance number) had been delayed. It said it should have taken no longer than ten working days from the date it received the missing information. ReAssure apologised for this and sent Mr P a cheque for £200 to compensate him for the delays and errors.

ReAssure subsequently investigated whether Mr P had suffered any financial loss as a result of what happened. It concluded that he had not suffered any financial loss. ReAssure also sent Mr P a further cheque for £125 because it said it had taken it too long to complete its assessment of whether he'd incurred any financial loss.

Mr P was not satisfied with what ReAssure said. He complained to our service. He also said:

- His adviser had provided ReAssure with his national insurance number on 19 February 2022;
- If ReAssure didn't have the national insurance number why did it go ahead and disinvest the pension on 8 March 2022?

Our investigator looked into Mr P's complaint. He thought there was insufficient evidence to show that ReAssure had requested the national insurance number on 8 March. It hadn't been able to provide a copy of the email showing to whom it was sent nor the date and time.

Mr P said his advisers had searched their systems and there was no record of the email ReAssure said it had sent.

Our investigator said it shouldn't have taken more than two days to resolve the national insurance number query. If that had happened he said the transfer date would've been 16 March 2022 and the funds should have arrived with the receiving scheme on 21 March and been invested by 22 March. He thought ReAssure should rework its financial loss calculation using 22 March as the date of investment. Our investigator also thought ReAssure should increase the amount of compensation it had paid to Mr P for distress and inconvenience from £325 to £500 (in total).

Mr P didn't agree. By way of summary, he said

- ReAssure should not have disinvested the funds until it had received his national insurance number – which was 21 March;
- the method ReAssure had used to calculate his financial loss was incorrect. It was not reasonable to assess loss using the change in value of the new funds which were not invested on the same risk basis as the funds had been with ReAssure; and
- £500 was not enough compensation for the poor customer service he'd experienced.

ReAssure also didn't agree. It said, by way of summary:

- It had valued Mr P's policy following receipt of the OTS request - in line with its normal procedures;
- It had attempted to get the national insurance number on 8 March and there was no reason to doubt that the email had been sent. It had also attempted to make telephone contact;
- The documentation about the national insurance number had not been provided until 21 March;
- The funds should have been released on 4 April 2022 (ten business days after 21 March). Mr P hadn't suffered any financial loss as a result of this delay; and
- It had paid Mr P £325 for trouble and upset which it thought was fair.

Because the parties did not agree, the complaint was passed to me to decide. I issued a provisional decision in which I said:

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.

The transfer value

I've read the Policy conditions provided by ReAssure. Condition 10 deals with Transfers. It provides as follows:

"The Policy's transfer value will be determined by multiplying the number of units allocated to the Policy by the unit price following receipt of your written request and the last of our requirements at our Head Office."

The requirements referred to in this Condition had been outlined in ReAssure's letter dated 8 February 2022 addressed to Mr P's advisor. It said:

"Because the value of the policy moves up and down in line with the stock market, the current value is not guaranteed and we will re-calculate it on the day after we receive all the documents we've requested."

There was then a section entitled – "What do I need to do?" ReAssure said that before it could transfer Mr P's pension he would have to complete and return the enclosed form. Section one of the form included a space for Mr P to insert his national insurance number – it was blank on the form. The guidance stated that if any information was incorrect or missing Mr P should amend the form. Having looked at the completed form, I can see that the national insurance number was not filled in on the form.

When ReAssure received the application to transfer, it went ahead and calculated the transfer value – even though it says there was missing information. The pension was disinvested on 8 March. So, I've considered whether ReAssure acted fairly and reasonably when it did that – rather than wait until it received documentation about Mr P's national insurance number.

Mr P says ReAssure already had his national insurance number. His adviser included it on correspondence dated 19 February – a copy of which has been provided to our service. So, Mr P disputes that there was missing information - and on that basis he thought the transfer could have proceeded without any delay.

ReAssure received the transfer request through OTS. As mentioned above that system is designed to facilitate the swift and easy transfer of funds. It also means that transfers can reasonably be expected to be completed within ten business days. ReAssure says that its approach, when it receives an OTS request is to calculate the final value as soon as it receives the transfer request. The reason why it takes that approach is because it says that is the date the customer wants the transfer process to start. It treats all its customers in the same way.

The industry guidance indicates that the transfer process should take no more than ten business days. It says that businesses should proactively seek any missing information during this period – so that overall the ten day period is not exceeded.

Having considered everything, I've provisionally decided, on balance, it's fair and reasonable to say that ReAssure used the correct transfer value here. I say that because the transfer value was obtained at the start of the OTS process - that's in line with ReAssure's normal procedures. It's also in line with what Mr P might reasonably have expected to happen when he made the application to transfer.

And, Mr P says ReAssure had everything it needed to start the process at that date (including his national insurance number).

I'm also persuaded that had Mr P been aware of the requirement to send documentation about his national insurance number he would have provided it straightaway – which was what he did do on 21 March. So, I think it's fair and reasonable to say that, in any event, ReAssure could've received the missing information within the ten day period.

ReAssure received the OTS application on 7 March. In line with its usual process the pension was disinvested the next day – and that's the amount that was transferred to the new provider.

Having considered everything here, I'm satisfied, on balance, that ReAssure acted fairly and reasonably when it transferred £386,389.18 to the new pension provider.

What date should the transfer have been completed?

ReAssure has provided copies of its internal records which indicate that it tried to telephone the receiving scheme on 8 March to request the national insurance number – but when that was unsuccessful its records show it sent an email to the receiving scheme. Unfortunately the records don't show what address the email was sent to and Mr P's advisers say there's no record of receipt of any such email. There's also no record of any proactive steps having been taken by ReAssure to follow up for receipt of the information.

Mr P's advisers contacted ReAssure on 21 March to find out why there was a delay and it was only then that they became aware of the missing information and provided it straightaway.

Having considered everything I'm not persuaded, on balance, ReAssure has provided sufficient evidence to show the address it sent the email of 8 March to. There's also no evidence of any proactive follow up by ReAssure in the period after 8 March 2022 seeking the missing information. I've noted that once Mr P's advisers became aware of the issue on 21 March, they provided the missing information immediately. I've no reason to believe that the position would have been different if they'd received the email of 8 March that's been referred to.

So, I'm currently persuaded, on balance it's fair and reasonable to say that 7 March 2022 (the date of receipt of Mr P's application) should be taken as the date when the ten day period, referred to in the industry guidance, could reasonably have started.

I've no reason to believe, given the fact that OTS was being used here, that the transfer wouldn't have been completed within ten business days. And, even if as ReAssure says it needed more documentation about the national insurance number, I think it could have been more proactive when trying to obtain that. So, I think it's fair and reasonable to say that the transfer process could've been completed within the ten day period. That means, I think the transfer should've reasonably been completed by 21 March 2022.

Financial Loss

ReAssure acknowledges there was a delay here and has carried out a calculation to assess whether Mr P incurred any financial loss as a result.

ReAssure says it's reasonable to have expected the transfer to have been completed ten days after 21 March 2022 (the date it received the national insurance documentation) – which was 4 April.

For the reasons set out above I think the transfer should reasonably have concluded ten business days after 7 March 2022, which was 21 March 2022.

It's likely that the new investments would have been made within the same timescales as actually happened – which was four business days after the date of receipt of the funds. So I think that the calculation of loss should assume the new investments were made on 25 March 2022.

I've also noted that ReAssure has based its calculations on the transfer value - £386,389.18.

For the reasons set out above, I'm satisfied that that value should be used in the calculation of loss.

Putting things right

In order to put things right I think ReAssure should treat 21 March 2022 as the date when the transfer should have completed. If that had happened it's reasonable to expect that the funds would've been invested in the same way ('the new investments'), as happened when they were actually received and within the same timeframes (four business days after receipt).

Mr P says that when assessing his loss, it's not reasonable to compare one provider's funds against another. He says the new investments were lower risk than the funds he held with ReAssure. So, he thinks that's not a fair and reasonable basis on which to calculate his loss.

When considering how to put things right here, I've thought about what needs to be done to put Mr P, so far as is possible, back into the position he would've been in if the transfer had been made within the 10 day timescale. For that reason, I think it's fair and reasonable when calculating Mr P's loss to assume that he would still have made the new investments - but to assume that he would have made those investments at the earlier date.

I've noted that after the transfer value was received the new investments were made on 21 April 2022 (4 business days after the date of receipt). It's reasonable to assume that if the transfer had been received on 21 March 2022 the new investments would've been made within the same timeframes (25 March 2022).

For the reasons set out above, I've provisionally decided that ReAssure should rework its loss calculations based on the transfer value of £386,389.18. It should assess what the change in value of the new investments would have been if the new investments had started on 25 March 2022 rather than 21 April 2022.

If the number of units in the new investments that could have been purchased on 25 March 2022 is higher, ReAssure should make arrangements with Mr P's advisors to pay for these additional units to be added to his new investments. If the number of units that could have been purchased is less, Mr P would not have suffered any financial loss and ReAssure does not need to take any further action.

It is the case that what happened here caused distress and inconvenience to Mr P. ReAssure has acknowledged that. It says it has already paid him £325 (in total) by way of compensation. Our investigator didn't think that was enough given the lengthy delays. He thought ReAssure should pay Mr P £500 (in total) for the distress and inconvenience he experienced. Having considered everything I agree with what our investigator said. I don't think £325 is enough compensation for what happened here. I think ReAssure should pay Mr P an additional £175 (£500 in total) for distress and inconvenience.

My provisional decision

For the reasons given above, my provisional decision is that I intend to uphold this complaint about ReAssure Life Limited. I intend to require it to take the following actions:

- *ReAssure Life Limited should re-work its assessment of loss calculation on the basis that the transfer value was £386,389.18 and the new investments were purchased on 25 March 2022.*
 - o If the number of units in the new investments that could have been purchased on 25 March 2022 is higher than the number of units that were purchased on 21 April 2022, ReAssure Life Limited should make arrangements with Mr P's advisors to pay for these additional units to be added to his new investments.*
 - o If the number of units that could have been purchased is less, ReAssure Life Limited does not need to take any further action.*

and

- *Pay Mr P an additional £175 (£500 in total) by way of compensation for distress and inconvenience he experienced as a result of what happened.*

ReAssure responded to my provisional decision. It said it had noted some confusion in relation to the email dated 8 March 2022 and the address it was sent to. It provided further evidence which showed the address that the email had been sent to. It didn't make any further comments.

Mr P also responded to my provisional decision. He said, by way of summary:

- ReAssure's own policies and procedures stated that it would value the policy on the day after it received all the documents. It had acted outside of this policy and procedure. He felt this important point had been ignored.
- ReAssure should not have disinvested his pension until 21 March.
- ReAssure did have the national insurance number since it was sent to it on 19 February.
- It was "strange" that despite numerous requests ReAssure had only now provided a copy of the email of 8 March. The email appeared to have been sent to an incorrect address at the receiving scheme. The receiving scheme had confirmed it hadn't received the email.
- ReAssure never admitted to him that it had delayed the transfer.

- He'd spent considerable periods of time trying to get the issue resolved. The compensation offered was not enough.

So, I now have to make a 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.

ReAssure has now provided a copy of the email it says it sent to the new provider on 8 March. I'd just comment that this document should've been provided to our service much earlier in the process. Nevertheless, it does show that ReAssure did request information about Mr P's national insurance number on 8 March 2022. The receiving scheme has provided Mr P with a statement to say it never received the email.

In my provisional decision I had commented on this email – the lack of evidence that it had been sent, the lack of any proactive follow up by ReAssure and the speed with which Mr P's advisers had acted as soon as they became aware the information was required. So, having considered everything again, although there is now evidence that the email was sent (albeit Mr P still disputes that), I haven't changed my view that ReAssure could have done more to proactively seek the information. If it had done that I think the transfer could still have been completed within ten working days of the date when the application was received.

In my provisional decision, I also considered what Mr P told us about the terms and conditions for his policy which provided as follows:

“The Policy's transfer value will be determined by multiplying the number of units allocated to the Policy by the unit price following receipt of your written request and the last of our requirements at our Head Office.”

When commenting on the terms and conditions, I considered what Mr P had said about the fact ReAssure had already been provided with the national insurance number several weeks earlier. Mr P thought it shouldn't have been asking for this information again.

I also commented on the fact that it is not unusual for a pension provider to disinvest the policy as soon as it receives a transfer application. ReAssure says it does that because that's what its customers would reasonably expect it to do - the value could rise or fall after that date. ReAssure said it treated all its customers the same way. I thought that was fair and reasonable.

Taking all of these matters into account, I was persuaded, on balance it was fair and reasonable to say that 7 March 2022 (the date of receipt of Mr P's application) should be taken as the date when the ten day period, referred to in the industry guidance, could reasonably have started. I remain of that view.

ReAssure had been sent the national insurance number before 7 March. Even if further evidence of the national insurance number was still required, I thought it should've proactively sought to obtain it – so that overall the transfer could have concluded within ten working days. Neither party has provided any new or additional information that persuades me to change that view.

In its final response letter ReAssure accepted that after it received details of the national insurance number on 21 March it had taken it too long to complete the transfer. It said the transfer itself should've been completed no later than ten working days after that date.

I also thought that ten working days was a reasonable period of time to complete the transfer. That's in line with industry guidance. But, in my provisional decision I said the ten day period should start on 7 March. The transfer should've completed by 21 March and been reinvested by the new provider on 25 March 2022. I remain of that view. I think that is the basis upon which ReAssure should re-work its assessment of financial loss.

Mr P doesn't think that £500 (in total) is sufficient compensation for the distress and inconvenience he experienced here. He's referred to the many hours that he's spent trying to get matters resolved and he thinks he should be compensated based on his professional hourly rate.

When thinking about compensation for distress and inconvenience we take into account the individual circumstances of each case. Compensation for distress and inconvenience is to reflect the impact on Mr P and seek to compensate him – rather than seeking to punish ReAssure. Whilst I have taken into account the many hours Mr P's told us he had to spend trying to get this matter sorted out, this service does not make awards based on hourly rates.

I thought Mr P had been inconvenienced here and had to make a lot of extra effort to sort things out. For that reason I thought the £325 which ReAssure had offered was not enough. I thought this should be increased to £500 (in total). I remain of that view.

So for the reasons set out above I've not changed my view, as set out in my provisional decision, about how this complaint should be resolved nor the actions that I require ReAssure to take here.

My final decision

For the reasons given above I uphold this complaint about ReAssure Life Limited.

I now require it to take the following actions:

- ReAssure Life Limited should re-work its assessment of loss calculation on the basis that the transfer value was £386,389.18 and the new investments were purchased on 25 March 2022:
 - If the number of units in the new investments that could have been purchased on 25 March 2022 is higher than the number of units that were purchased on 21 April 2022, ReAssure Life Limited should make arrangements with Mr P's advisors to pay for these additional units to be added to his new investments.
 - If the number of units that could have been purchased is less, ReAssure Life Limited does not need to take any further action.

and

- Pay Mr P an additional £175 (£500 in total) by way of compensation for distress and inconvenience he experienced as a result of what happened.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 August 2023.

Irene Martin
Ombudsman