

The complaint

Mr G has complained about the level of service he received from ReAssure Limited over a prolonged period; he feels this resulted in him having to switch his pension to a new provider. Mr G said he is also unhappy with how ReAssure administered his pension transfer and as such, feels he has lost out financially because of their lack of transparency around how the switch had been priced.

What happened

In 2021, Mr G decided to switch his pension away from ReAssure as he wasn't happy with the service he'd received from them over the previous year. During 2021, Mr G and his IFA raised several complaints with ReAssure about their service and wider offering. In December 2021, an Origo request was submitted by his new pension provider and ReAssure transferred his funds away in January 2022.

On 2 March 2022, Mr G's IFA wrote a letter of complaint to ReAssure on his behalf. Referring to the last two complaint letters both he and Mr G had made in 2021, he said he didn't believe ReAssure's previous correspondence got to the heart of his client's concerns about the service he'd received. He also said in summary:

- ReAssure failed to provide an accurate indication of the transfer process timeline.
- ReAssure failed to provide a central contact person or a compromise to ensure Mr G's funds would be out of the market for the minimal amount of time possible.

In addition, Mr G's IFA explained the main focus of their letter was their wish to raise a further complaint point: the service and process during the transfer of benefits from ReAssure to his new plan. They went on to explain they felt Mr G had suffered a financial disadvantage because of ReAssure's actions.

After not receiving a response to his 2 March 2022 letter, Mr G submitted his complaint to this service on 21 September 2022. This service contacted ReAssure asking for a copy of their final resolution letter. ReAssure explained on 8 March 2023 they had no record of the complaint from March 2022. They went on to explain it was their view, as they'd already responded to Mr G's previous complaints, that this service didn't have the jurisdiction to hear his latest concerns as it had been raised outside of the timescales the regulator permits. ReAssure took the view that the complaint letter from March 2022 raised no new points that hadn't already been previously addressed.

The complaint was then considered by one of our Investigators who concluded that ReAssure hadn't treated Mr G fairly. He felt they'd unreasonably delayed transferring his pension and as such, they should undertake a loss assessment to put him back in the position he would've been in had it not been for their delays.

However, ReAssure disagreed with our Investigator's findings. In summary, they said they didn't believe this service had the jurisdiction to hear the complaint because Mr G had raised his concerns outside of the timescales the regulator sets.

Our Investigator was not persuaded to change his view as he didn't believe ReAssure had presented any new arguments he'd not already considered or responded to.

After carefully considering the complaint, I issued a provisional decision explaining that whilst I was upholding the complaint, I was adding further context to that of the Investigator, I also explained there were some elements of Mr G's concerns that I wasn't able to look at and I revised the redress calculation on how ReAssure should put things right for Mr G. For completeness, I've set out the findings I made in full below.

My provisional decision

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Can I consider this complaint?

I appreciate Mr G feels strongly that ReAssure's actions have resulted in a financial impact on him but, if a business, in this case ReAssure, objects to this service looking into their concerns due to the complaint not being submitted to us in time, I must first look if it meets the regulator's rules on whether this service can or cannot look at the case. Those are covered under the Financial Conduct Authority's Dispute Resolution Rules - DISP2.8.2. The rules explain that for this service to be able to consider Mr G's complaint, he must have submitted his concerns to us no later than six months after having received ReAssure's final resolution letter.

ReAssure believe they addressed Mr G's concerns in their resolution letters of 23 September 2021 and 21 February 2022. However, Mr G says they've ignored his IFA's letter of 2 March 2022. But, ReAssure say the complaint points in his IFA's March letter have already been addressed. And, given six months has more than elapsed between their resolution letters and Mr G's complaint to this service, ReAssure say his case is out of time.

However, in summary, I'm satisfied this service can consider part of Mr G's complaint. I can look at his concerns about the mechanics of the pension switch, so, the timing and the values used. But I can't look at the wider points Mr G has raised, such as those about the service he received from ReAssure that led him to want to transfer away, and how a potential transfer away would work. I'll explain why:

- Mr G's complaint letter of 2 September 2021 said in summary, that despite asking them in August 2021 for a form to switch his pension away to another provider, they didn't post the respective paperwork to him until 7 September 2021.*
- In response to that complaint, ReAssure issued a resolution letter to him on 23 September 2021. They upheld the complaint and offered him £150 for the trouble they'd caused. They also explained that if they were to receive a transfer application within 28 days of that letter, they'd also be happy to undertake a loss calculation to ensure he'd not missed out financially because of their delays. Mr G was unhappy with their reply and responded on 27 September 2021 explaining the £150 was inadequate. He also referred to his IFA's letter to them of 14 September 2021 and asked ReAssure to deal with those concerns promptly.*

For me to be able to consider this element of his complaint, Mr G would have needed to submit that specific concern to this service no later than six months after having received ReAssure's final resolution letter. So, that means the deadline for him submitting that part of his complaint to us would have been 23 March 2022. Mr G brought his complaint to this service on 21 September 2022. So, it therefore follows I've concluded this element of his complaint is out of time.

- *On 14 September 2021, Mr G's IFA also complained to ReAssure raising several further concerns. He said in summary, that because of the poor service levels Mr G had encountered, he was left with little option but to switch the fund away to a new provider. He also said that there had been issues with data not being switched over to ReAssure when they took on the pension from L&G. He also said Mr G was unhappy with a lack of access to online valuations which resulted in him having to continually telephone the ReAssure helpline, a lack of fund/ investment choices, frustrations with ReAssure's withdrawal process and a slow fund switch process. Mr G's IFA also didn't feel the redress from prior complaints he'd raised with them was adequate for the inconvenience he'd suffered. In addition, he sought clarification from ReAssure on how a potential transfer away to a new provider would work and whether ReAssure could take steps to minimise the inconvenience and cost of such a transfer.*

ReAssure responded to that complaint with its 21 February 2022 resolution letter. They also confirmed on 1 March 2022 their 21 February letter was in relation to Mr G's 14 September 2021 complaint letter. So even though they didn't address the consumer's concerns in any level of detail, this service is unable to consider anything Mr G raised in that complaint letter as it is outside of our jurisdiction given when Mr G brought his complaint to us. If Mr G wasn't happy with ReAssure's response on those particular points, he had to have submitted his concerns to this service within six months of ReAssure's final resolution letter – the deadline of which would have been 21 August 2022. Mr G referred his complaint to us on 21 September 2022.

Mr G's letter to ReAssure of 2 March 2022 repeated much of what had already been raised with them previously – with the important exception of the timing and mechanics of the switch. Having carefully reviewed Mr G's March letter and the various issues raised, I'm satisfied I can consider his complaint points about the timing of the switch. That's because ReAssure can't have addressed his concerns about the switch because they said their resolution letter specifically related to the 14 September complaint which came before the transfer even happened. Allied to that, the switch didn't take place until January 2022 so, logically, Mr G's September 2021 complaint couldn't have raised concerns about a switch that hadn't yet taken place.

Mr G's March letter was sent to ReAssure via Royal Mail recorded delivery. Royal Mail's website states the letter was signed for on 7 March 2022. So, it appears that ReAssure received the letter but it failed to make its way to their complaints team. They had eight weeks to provide a response to that letter. That time limit would've expired on 2 May 2022 by which point they should have issued Mr G his referral rights to this service, but those rights were never provided.

It therefore follows that this part of Mr G's case wasn't submitted to us outside the time limits set out by the regulator. As such, I've concluded this service can hear this part of his complaint.

ReAssure's handling of the pension switch

ReAssure switched Mr G's pension to his new provider on 7 January 2022 using the value of his fund at 6 December 2021.

On 6 December 2021, ReAssure received the first Origo request to switch Mr G's pension away. That request failed because information was missing from the application, so a subsequent request was made on 10 December 2021. It appears ReAssure had all the information they needed at that point. ReAssure in their correspondence from 29 September 2021 state "the policy value is worked out with effect of the date that the transfer forms received or Origo request sent in, that value will be paid to the receiving scheme". However, within the official printed transfer pack ReAssure provided Mr G on 1 December 2021, it states "the current value is not guaranteed and we will re-calculate it on the day after we receive all the documents we've requested". I consider the latter definition to be ReAssure's official approach (as it's included within a standard transfer document), rather than the more ad hoc comments made by someone during the course of the complaint.

Given the correctly completed transfer form was received on 10 December 2021, the next working day would be 13 December 2021. It's therefore reasonable that the latter date should've been used to determine the transfer value. It seems that ReAssure explained to Mr G's IFA they were in a position to send the monies to his new provider on 16 December 2021 but for whatever reason, they didn't. The monies weren't sent until the next month which meant Mr G's investment plans had to be put on hold. As such, I think ReAssure should look into whether Mr G has suffered a financial loss because of their delays. In doing so, I think it's reasonable therefore to use 16 December 2021 as the point at which the funds would've been sent.

Looking at the process Mr G went through, I don't think ReAssure managed his expectations clearly enough. He was given conflicting information and ReAssure didn't follow the commitments they'd given him. For example, they explained on 16 December 2021 the transfer would be initiated that day but, in reality, the monies weren't sent until 7 January 2022.

So, taking account of the trouble Mr G suffered as a consequence of ReAssure's handling of the switch, I am also instructing them to pay him £300 for the inconvenience they've caused him.

The inconvenience suffered by Mr G's IFA

In their complaint letter of 2 March 2022, Mr G's IFA stated that, in addition to seeking recompense for the trouble and upset ReAssure had caused their client, they also wanted to be compensated for their inconvenience too. However, only Mr G is an eligible complainant under our rules; I can't look at the inconvenience suffered by any parties representing Mr G.

Responses to my provisional decision

Having received my provisional decision, Mr G responded emphasising he wished to make the point that he wasn't happy with either the service, delays or various interactions he'd had with ReAssure. He had hoped this would be taken into account as part of the decision.

ReAssure replied explaining they believed the correct date had been used for pricing the pension switch. They said that, despite information being missing from the file, they'd typically use the date that the original Origo request was received to work out the value of benefits that should be transferred. ReAssure also said that meant the pension value of 6 December 2021 should be used in the loss calculation. They went on to say that it was their view the funds should have been transferred to the new provider by 20 December 2021, which was in line with their normal service level standards.

ReAssure explained they were in agreement with the £300 awarded to Mr G for the trouble they'd caused him.

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.

As I've already explained, the purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by Mr G and ReAssure and reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice, but it is for me to decide, based on the available information I've been given, what's more likely than not to have happened.

Whilst I appreciate Mr G may be disappointed with the various aspects of the service he's received from ReAssure, as I've already explained earlier, the rules of the regulator set out what complaints I can and can't consider. So, because Mr G submitted his concerns about the service he'd received from ReAssure more than six months after receiving their final resolution letter, I can only consider the part of his complaint that relates to the delays of his pension switch.

ReAssure have agreed it's appropriate to undertake a loss calculation to put Mr G back into the position that he would've been in had it not been for their delays in switching his pension. What they don't agree with is the dates that have been set out in the provisional decision to determine what loss, if any, there may be.

ReAssure have said that the pension value of 6 December 2021 should be used as the starting point in the loss calculation – that's because it's the date that they received the initial transfer request through. I don't agree, and that's because importantly, that application was incomplete. ReAssure didn't receive a correctly completed transfer form through until 10 December 2021. I'm not persuaded to alter the redress start date to 6 December 2021 because ReAssure's official transfer paperwork states *"the current value is not guaranteed and we will re-calculate it on the day after we receive all the documents we've requested"*. So, it therefore follows that given the correctly completed transfer form was received on 10 December 2021, the next working day would be 13 December 2021 and it's therefore reasonable that the latter date (of 13 December 2021) should be used to determine the transfer value.

In their response to the provisional decision, ReAssure also said it was their view that the funds should have been transferred to the new provider by 20 December 2021 which was in line with their normal service level standards. I also don't agree with that contention. That's because, as I've already explained, ReAssure told Mr G's IFA that they were in a position to send the monies to his new provider on 16 December 2021 but for whatever reason, they didn't. So, given ReAssure's admission that they would've been able to transfer the monies on that date, I don't think it's reasonable to use the later transfer date of 20 December 2021. I've therefore decided that ReAssure must use 16 December 2021 as the point at which Mr G's funds would've been sent to his new provider in their loss calculation.

Having considered the further comments that have been submitted to me, I have reached the same decision for the reasons I've already set out in my provisional decision above.

Putting things right

Fair compensation

My aim is that Mr G should be put back as closely as possible into the position he would probably now be in if it had not been for ReAssure's delays.

I'm satisfied that what I've set out below is fair and reasonable given Mr G's circumstances and objectives when he invested.

As I've already explained, in addition to the actions below, ReAssure must also pay Mr G £300 for the inconvenience they've caused him in not handling his pension switch as effectively as they could have done.

What must ReAssure do?

To compensate Mr G fairly ReAssure should:

Compare the performance of Mr G's investment with that of the benchmark shown below. If the fair value is greater than the actual value, there is a loss and compensation is payable. If the actual value is greater than the fair value, no compensation is payable.

If there is a loss, ReAssure should pay into Mr G's pension plan, to increase its value by the amount of the compensation. ReAssure's payment should allow for the effect of charges and any available tax relief. ReAssure shouldn't pay the compensation into the pension plan if it would conflict with any existing protection or allowance.

If ReAssure are unable to pay the compensation into Mr G's pension plan, they should pay that amount direct to Mr G. But had it been possible to pay into the plan, it would have provided a taxable income. Therefore, the compensation should be reduced to notionally allow for any income tax that would otherwise have been paid. This is an adjustment to ensure the compensation is a fair amount – it isn't a payment of tax to HMRC, so Mr G won't be able to reclaim any of the reduction after compensation is paid.

The notional allowance should be calculated using Mr G's actual or expected marginal rate of tax at his selected retirement age.

It's reasonable to assume that Mr G is likely to be a basic rate taxpayer at the selected retirement age, so the reduction would equal 20%. However, if Mr G would have been able to take a tax-free lump sum, the reduction should be applied to 75% of the compensation, resulting in an overall reduction of 15%.

Provide the details of the calculation to Mr G in a clear, simple format.

Income tax may be payable on any interest paid. If ReAssure considers they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr G how much they have taken off. ReAssure should also give Mr G a tax deduction certificate in respect of interest if Mr G asks for one, so he can reclaim the tax on interest from HM Revenue & Customs if appropriate.

Portfolio name	Status	Benchmark	From ("start date")	To ("end date")	Additional interest
----------------	--------	-----------	---------------------	-----------------	---------------------

ReAssure Pension	Switched to 7IM	7IM investment fund*	16 December 2021	Date of transfer to 7IM	8% simple per year on any loss from the end date to the date of settlement**

* Mr G to provide documentary evidence to ReAssure of the 7IM fund his monies were originally invested in January 2022 so ReAssure are able to undertake the comparison.

** Despite the fact the consumer has switched their pension away, any loss Mr G has suffered needs to be brought up to date. To keep things simple for both parties, rather than asking ReAssure to seek out third party information from Mr G's new provider calculating what would've happened with his fund, I'm satisfied that adding 8% simple interest per year is a fair award.

Actual value

This means the actual amount of Mr G's transfer value.

Fair value

This is what Mr G's pension would have been worth at the end date had it produced a return using the benchmark.

ReAssure should in their calculation use the value of what Mr G's fund would have been on 13 December 2021 had all units been disinvested and that value invested with 7IM from 16 December until the end date.

Any additional sum paid into the investment should be added to the *fair value* calculation from the point in time when it was actually paid in.

Any withdrawal from the ReAssure pension should be deducted from the fair value calculation at the point it was actually paid so it ceases to accrue any return in the calculation from that point on. If there is a large number of regular payments, to keep calculations simpler, I'll accept if you total all those payments and deduct that figure at the end to determine the fair value instead of deducting periodically.

Why is this remedy suitable?

I've chosen this method of compensation because Mr G had intended to switch his plan to 7IM in December 2021. I've started the redress at 16 December 2021 as that's the point at which the consumer's pension should've been with 7IM by. Therefore, ReAssure are responsible for the delays they've caused thereafter. I'm satisfied that what Mr G eventually did when investing with 7IM is a guide to what he would have done had he been able to transfer earlier.

My final decision

I uphold Mr G's complaint and I require ReAssure Limited to take the actions I've set out

above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 August 2023.

Simon Fox
Ombudsman