

The complaint

Mrs S complains that after making and correcting an incorrect drawdown payment from her two personal pension plans, ReAssure Limited (ReAssure) failed to correct the information shown on her online portal and annual statements. She says that ReAssure still hasn't provided proof that it has credited the £500 overpayment back to her plan. She's concerned that without a proper explanation and correction of the remaining issues, she may have lost out financially. And that she may end up paying tax she doesn't owe because of the mistake.

What happened

Mrs S has two personal pension plans with ReAssure. She'd previously taken an annual drawdown payment of £3,000 across the two plans

In April 2022, Mrs S contacted ReAssure to ask it to reduce her annual drawdown payment from £3,000 to £2,500, with effect from June 2022.

On 9 May 2022, ReAssure wrote to Mrs S about the requested change. It wanted to discuss the request. Mrs S said she didn't receive this letter until after 23 May 2022.

Mrs S called ReAssure on 30 May 2022. She confirmed that she'd like the £2,500 withdrawal to be split between her two PP plans using the same percentage as before - 37% from the smaller plan and 63% from the bigger one.

ReAssure incorrectly paid Mrs S £3,000, rather than £2,500. It said that it recalled the £3,000 payment on 27 June 2022. And that it received the funds back on 29 June 2022.

ReAssure called Mrs S on 30 June 2022 to tell her about the incorrect payment. Mrs S said it told her that once it had received the monies back into its bank it'd pay the correct amount to her.

ReAssure paid Mrs S £740 on 8 July 2022. As this wasn't what Mrs S was expecting, she queried the payment.

Mrs S called ReAssure on 11 July 2022 to chase the outstanding payment. She also told it that when she logged on to her online portal it said she'd been paid £3,000, which wasn't the case. Mrs S asked ReAssure to call her to explain why the correct payment hadn't been made.

Mrs S said that ReAssure called her on 14 July 2022 to tell her it'd pay her £1,575 in three to five days. She said she questioned this amount as she was expecting £1,760. But that ReAssure told her that the lower amount was due to an income tax deduction from the initial payment of £740.

Mrs S said the payment should've been made without tax being deducted. ReAssure told her it would look into the problem. She said she was unhappy with the service she'd received. So ReAssure raised a complaint on her behalf.

Mrs S said that she received the balance of her payment (£1,760) on 20 July 2022.

ReAssure issued its final response to the complaint on 5 August 2022. It said it'd made an error, which it'd corrected. It awarded Mrs S £100 compensation for the inconvenience caused. And apologised for the payment error. ReAssure said it would escalate the issue with the online portal.

Mrs S emailed ReAssure on 25 August 2022 as the online portal was still showing the wrong withdrawal amount. It was still showing a drawdown of £3,000. So Mrs S felt that £500 of her fund had somehow disappeared. Mrs S also said that she would expect the portal to show a true reflection of the state of her plans. She said ReAssure called her on 27 August 2022 to tell her that the portal would be fixed as a matter of priority.

On 31 August 2022, ReAssure called Mrs S to tell her that it was still trying to fix the online issue. The call note also said that it: *"reassured her that the 500 has been refunded and is included in the TV"*. ReAssure said it would contact Mrs S to tell her when the portal issue had been corrected.

Mrs S didn't hear from ReAssure. So she emailed it again on 23 September 2022 about the portal, as it still wasn't correct. She said she'd spoken to ReAssure on 1 September 2022 when she'd been reassured that the issue would be dealt with.

ReAssure sent Mrs S her annual statements on 19 January 2023. Mrs S said that her statements showed incorrect withdrawals from her plans. She called ReAssure on 24 January 2023 to tell it about the incorrect statements. Mrs S said she was fed up having to contact ReAssure to try to sort this out.

ReAssure called Mrs S on 27 January 2023. It said that correct values would be sent within three to five working days. It also wrote to Mrs S on the same date to say it had marked her complaint as resolved.

Mrs S wrote to ReAssure on 31 January 2023 to tell it she was unhappy with the letter she'd just received. She said it didn't explain the reason for her complaint, or what action ReAssure had taken to rectify the problem. And that her concern was that monies from her plans had been misappropriated. She said she'd had no assurance or physical evidence that this hadn't been the case.

Mrs S said that ReAssure's August 2022 letter had laid out her complaint and outlined the resolution. And that this had reassured her that it had resolved the matter correctly, apart from the online portal issue. But that the 31 January 2023 letter hadn't given her any comfort that her funds were all intact. And that she couldn't check this was the case as the online portal was still incorrect. She wanted ReAssure to resolve all of her outstanding concerns.

ReAssure told this service that it logged a new complaint for Mrs S. And paid her £150 compensation for the issues she'd experienced. But that this had been an informal complaint resolution with no final response letter issued.

Mrs S requested various details on her plans. And ReAssure wrote to her on 9 February 2023 to provide that information.

Mrs S brought her complaint to this service on 17 February 2023. She said that because of the incorrect information on the online portal and her annual statements, she couldn't determine if she'd been affected financially. But she felt it was possible that her remaining pension funds were now lower due to incorrect amounts being shown as deducted. She said she was also worried that she'd receive a tax bill, given the incorrect figures being shown on her annual statements. She said the whole issue had been stressful to deal with.

Mrs S wanted ReAssure to complete an audit of her account to determine that no monies had gone missing either by error, fraud or theft. She also wanted it to bring all its systems into line with one another. And to provide a detailed breakdown of what went wrong, including why ReAssure's different systems contained incorrect figures for the same accounts.

In response to this service's request for ReAssure's complaint file, it said that Mrs S's plan record showed the correct drawdown payments and the portal was mirrored off the policy record. So it should be correct.

ReAssure also provided this service with information from Mrs S's plan records. It said this information was internal classified information which it asked us not to share with Mrs S. But which it felt provided evidence that the plans were in the correct position. ReAssure also said that it'd arranged for a statement to be issued to Mrs S detailing the value of the plans and details of drawdown payments.

This was sent on 15 March 2023. It included unit statements for both of Mrs S's plans and confirmed the withdrawal history.

In late April 2023, Mrs S told this service she'd asked ReAssure to stop payments from her plans. And that she was still waiting for revised annual statements. ReAssure told this service that this is in progress. And that it'd told Mrs S the expected turnaround times.

In May 2023, Mrs S told this service that ReAssure had called her on 15 May 2023 to say it would send out new annual statements and that the problem with the online portal would be looked into. She said she called it on 17 May 2023 and said it asked her for screen shots of the portal, which she'd forwarded. She shared those screen shots, which showed incorrect withdrawal amounts, with this service.

Mrs S also said that she'd received an annual statement for one of her plans. But that, apart from the date of the letter, it was the same as the one issued in January 2023.

Our investigator acknowledged that Mrs S had experienced some issues with ReAssure that she was still waiting for it to resolve. And that ReAssure could - at times - have better managed Mrs S's expectations. But she felt overall that the compensation for distress and inconvenience that ReAssure had already awarded was fair. However, she felt that ReAssure should also make an interest payment to Mrs S as the annual drawdown payment had been delayed.

ReAssure agreed with our investigator's view.

Mrs S didn't agree with our investigator. She made the following points:

- She felt that the online portal information was drawn from the same central database as the annual statement. Therefore she couldn't understand why the withdrawal amount shown on the online portal was a total of £3,000, but the annual statements showed a total of £4,575. She said that not only did they not agree, but neither showed the amount actually taken - £2,500. Mrs S said that ReAssure hadn't provided her with anything which showed that the £500 reduction in drawdown was ever credited back to her plans. And without that reassurance, she couldn't be certain that anything else was correct.
- Mrs S also felt that if the online portal issue was a wider problem, ReAssure should've known about it for long enough to have identified and fixed it. And that, given how long she'd had this problem, ReAssure didn't seem to want to address it.

She said that the current situation gave her no confidence that future drawdowns wouldn't be messed up in a similar manner.

Our investigator then got ReAssure's permission to share the system information it had shared with this service with Mrs S. She felt that this confirmed that Mrs S had received the correct drawdown payments from her plans.

Mrs S said she'd reviewed the system information and agreed she'd been paid £2,500. But said that this had never been the issue. She said she needed information from her pension plans – that is, the annual statements and the online portal - to correctly show that £2,500 had been withdrawn. And that without that, she still felt that she'd not been reassured that the £500 had been returned to her plans.

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

I issued my provisional decision on 3 August 2023. It said:

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 intend to uphold it, for largely the same reasons as our investigator. However, I consider that ReAssure should pay Mrs S additional compensation for the distress and inconvenience the errors it made after her 31 January 2023 complaint letter caused her. I'll explain the reasons for my decision.

I first considered the annual statements and other information ReAssure has recently sent Mrs S.

Statement errors

Mrs S said that she'd withdrawn £2,500, but that the annual statements showed a total of £4,575.

From what I've seen, one of the 19 January 2023 statements ReAssure sent Mrs S contained an error. Both statements stated that they were showing policy activity between the period 25 December 2021 and 16 January 2023. So the "Policy value paid out" figure on the statements should've represented two annual payments.

The statement for the smaller plan showed a figure of £1,110 over this period. This was correct for the £3,000 payment made in 2021 – it's 37% of this figure. But it didn't include the £925 (37% of the £2,500) paid out in 2022.

The statement for the bigger plan correctly showed a total "Policy value paid out" of £3,465. I consider that this comes from £1,890 (63% of £3,000 from 2021) and £1,575 (63% of £2,500 from 2022). But it didn't split out these two payments. This would've clearly been much more useful for Mrs S.

If the statement for the smaller plan had included the £925 correctly paid from that plan in 2022, the total paid from the two plans, over 2021 and 2022, would've been shown to be £5,500. But I think that it would've been much better under the circumstances if ReAssure had simply provided Mrs S with statements which only showed the 2022 withdrawals.

ReAssure made a further error when it sent Mrs S details of her plans on 9 February 2023. For the bigger of the two plans, it stated:

"You are currently receiving a monthly income of £1,575.00".

This should've said that the £1,575 was annual income.

The 15 March 2023 information sent to Mrs S did include the recent withdrawal history from the two plans. But this wasn't presented very clearly. And so caused further questions from Mrs S. It gave the withdrawal history as follows:

28/06/2021 - £3,000.00 Gross - £0.00 Tax Paid - £3,000.00 Net

28/06/2022 - £3,000.00 Gross - £10.20 Tax Paid - £2,989.80 Net (This payment was returned and applied back on the policy)

07/07/2022 - £925.00 Gross - £185.00 Tax Paid - £740.00 Net (Paid from [the smaller plan])

19/07/2022 - £1,575.00 Gross - £185.00 Tax Reimbursed - £1,760.00 Net (Paid from [the larger plan])

Mrs S wanted to know why, after £3,000 had been incorrectly removed from her account on 28 June 2022, she'd only received £2,989.80 back. She also wanted to know why the £925 paid from her smaller plan on 7 July 2022 had had £185 of tax deducted incorrectly. And why it hadn't been credited back to the correct plan. She questioned if this meant that ReAssure had paid tax on her behalf and that in due course she would receive a tax refund.

ReAssure told this service that although Mrs S had been taxed a small amount, it had refunded the tax. So there was no outstanding tax consideration.

I also understand that Mrs S has now had her tax situation independently confirmed as her P60 for the 2022-23 tax year shows that no tax has been deducted. So I'm satisfied that there are no outstanding tax considerations here. But I can see that the information ReAssure provided Mrs S with caused these concerns.

In May 2023, Mrs S told this service that ReAssure had sent an annual statement for one of her plans. But that, apart from the date of the letter it was the same as the one issued in January 2023.

Mrs S feels that ReAssure has yet to provide her with proof that it has credited the £500 overpayment back to her plans. And that when it took the incorrect amount out of her plans, this should show as a number of units cashed in. And that when it was credited back, as a number of units purchased. Mrs S doesn't consider that the withdrawal figures shown in the 15 March 2023 letter from ReAssure is sufficient proof that her account has now been correctly restored.

I'm satisfied that the evidence shows that ReAssure recalled the £3,000 payment. This money was then re-credited to Mrs S's account before the correct withdrawal of £2,500 was made. So there is no £500 to be re-credited in this case.

I'm also satisfied that ReAssure tried to explain to Mrs S during a call with her on 31 August 2022 that her plans were in the correct position.

However, because of the repeated errors in the annual statements, I can see why Mrs S doesn't feel ReAssure has provided her with enough proof that her plans were in the right position. I consider that there was a significant lack of clarity in the information provided which the errors didn't help. I'll consider these errors in the distress and inconvenience section later in my decision.

I next considered the online portal issue.

Online portal issue

Mrs S felt that the online portal information was drawn from the same central database as the annual statements. Therefore she couldn't understand why the withdrawal amount shown on the online portal was a total of £3,000, whereas the amount shown on the annual statements was different. She also didn't understand why both didn't reflect the correct amount of £2,500.

ReAssure said that the correction to the withdrawal had been completed manually and therefore wasn't reflected on the portal. But that it was in progress to be fixed. From what I've seen, it first acknowledged the issue with the online port in its final response letter of 5 August 2022. But Mrs S confirmed to our investigator on 17 May 2023 that the online portal issue was yet to be resolved.

I understand that the online portal does still show that a total of £3,000 was withdrawn in 2022, when in fact it should show £2,500. And that Mrs S considers that if ReAssure's systems were capable of addressing the problem, they would now show a £500 contribution for the year in question. This is because she feels this would be the only way to re-credit the policies. But I don't agree.

I say this because, as I noted earlier in my decision, I consider that the evidence confirms that Mrs S's plans are in the correct position, as the original incorrect withdrawal payment was withdrawn and re-credited to Mrs S. It was only after that'd been done that ReAssure made the correct withdrawal payment. So there is no £500 to be re-credited in this case.

ReAssure said that the online portal is in progress to be fixed.

Mrs S felt that ReAssure should've already identified the problem and fixed it. And that the current situation with both the online portal and the incorrect annual statements made her feel that any future drawdowns would also be messed up.

I can understand why Mrs S feels that ReAssure should fix the problem with the online portal and provide correct statements. It must be very frustrating given how long the issues have gone on for.

ReAssure has provided this service with a copy of the terms and conditions of the plans. From what I've seen, they don't require ReAssure to provide online access to the plans. Having said that, it's not unreasonable for Mrs S to want access to correct information from an online portal she's used in the past. And I would expect all providers to issue correct annual statements. So I understand why Mrs S doesn't consider that this service should close her complaint until ReAssure has corrected the online portal and issued her with correct annual statements.

However, I agree with our investigator that ReAssure has told this service that both of these are in progress. And that this service can't force a business to complete such tasks any faster, or in a different way. Therefore, while I acknowledge that this will be disappointing to Mrs S, I can't fairly ask ReAssure to take any further action on these points.

I next considered the original payment error.

Payment error

Mrs S expected to withdraw £925 from her smaller plan and £1,575 from the bigger one at

the end of June 2022. But instead, she received £740 from the smaller plan on 8 July 2022 and £1,760, partly from the bigger plan and partly from a tax refund, on 20 July 2022.

Our investigator felt that ReAssure should consider the payment delays its error had caused Mrs S. And that as Mrs S had been deprived access to her funds during the delay, it should do the following to put her back in the position she would've been in but for its delays:

- Calculate 8% annual simple interest on the withdrawal payment of £740 Mrs S received from 28 June 2022 to 8 July 2022.*
- Calculate 8% annual simple interest on the withdrawal payment of £1,760 Mrs S received from 28 June 2022 to 20 July 2022.*

ReAssure has agreed to take the approach our investigator outlined.

I'm satisfied that the approach our investigator outlined is the correct one. So I intend to ask ReAssure to carry out the calculation outlined above and to pay the interest to Mrs S.

Income tax may be payable on any interest paid. If ReAssure deducts income tax from any interest it should tell Mrs S how much has been taken off. ReAssure should give Mrs S a tax deduction certificate in respect of interest if she asks for one, so she can reclaim the tax on interest from HM Revenue & Customs if appropriate.

I finally considered the distress and inconvenience the issues have caused Mrs S.

Distress and inconvenience

Mrs S had to contact ReAssure a number of times to resolve the withdrawal error. In August 2022, ReAssure acknowledged it had made a mistake, apologised, and offered Mrs S £100 compensation for the inconvenience caused. After Mrs S had received the 19 January 2023 statements, and made a further complaint, it made a further payment of £150 in February 2023 for the issues Mrs S had experienced

I agree with our investigator that a total of £250 compensation is fair for the distress and inconvenience caused up to Mrs S's 31 January 2023 complaint to ReAssure.

But, as ReAssure then made further errors, causing Mrs S additional distress and inconvenience, rather than resolving the complaint, I consider it should pay her additional compensation of £300.

I say this because of the repeated errors in the annual statements and information provided, which I consider led to Mrs S having even greater concern that things weren't working well. And that she couldn't therefore trust ReAssure to carry out any further withdrawal requests until the issues were resolved. I'm of the view that this led to her cancelling future withdrawal requests, thus causing her further inconvenience.

I'm sorry that Mrs S has lost trust in the withdrawal process. I can understand why the lack of clarity provided from the annual statements and the online portal has led to her pausing her annual withdrawal. I hope that this decision will provide further clarity and allow her to resume those withdrawals if she wants to.

Response to my provisional decision

ReAssure said it would accept my decision.

Mrs S said that the only comment she had was that ReAssure still hadn't provided her with the new annual statement it had said in January 2023 it would send her in three to five months. She said it had also said in May 2023 that it would issue a new annual statement in three to five months. She wanted me to stress to ReAssure that it should follow up on its commitments.

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 no new information has come to light to change my opinion, I remain of the view I set out in my provisional decision.

Putting things right

I require ReAssure Limited to take the following actions:

- Pay Mrs S interest calculated as follows:
 - Calculate 8% annual simple interest on the withdrawal payment of £740 Mrs S received from 28 June 2022 to 8 July 2022.
 - Calculate 8% annual simple interest on the withdrawal payment of £1,760 Mrs S received from 28 June 2022 to 20 July 2022.

Income tax may be payable on any interest paid. If ReAssure deducts income tax from any interest it should tell Mrs S how much has been taken off. ReAssure should give Mrs S a tax deduction certificate in respect of interest if she asks for one, so she can reclaim the tax on interest from HM Revenue & Customs if appropriate.

- Pay Mrs S an additional £300 compensation for the distress and inconvenience caused by the additional errors it made after her 31 January 2023 complaint letter.

My final decision

For the reasons set out above, I uphold Mrs S's 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 Mrs S to accept or reject my decision before 8 September 2023.

Jo Occleshaw
Ombudsman