

The complaint

Mr H is unhappy that he was not provided with the correct form to access tax-free cash from his personal pension plan with ReAssure Limited (ReAssure).

What happened

Mr H held a personal pension plan with what is now ReAssure. Around May 2023 he contacted ReAssure requesting to take 25% tax-free cash from his plan. Mr H has said he contact ReAssure multiple times requesting the forms but didn't receive them. He has also said that he needed the money urgently, but no further details about this have been provided.

Having not received any forms, Mr H called ReAssure on 5 July 2023 and raised a complaint. ReAssure responded on 14 July 2023 and said it had now sent Mr H the correct forms.

Dissatisfied, Mr H referred his complaint to this Service. And on 25 July 2023 ReAssure offered Mr H an apology for its failure to include the required forms and made a proactive offer of £100 in recognition of the inconvenience caused to Mr H.

However, the form was to claim the entire pension as a lump sum, not just the 25% tax-free cash, so Mr H didn't accept this offer.

One of our investigators looked into things and confirmed with ReAssure that Mr H's plan did not allow for him to take only 25% tax-free cash and leave the remainder invested. So the investigator helped Mr H obtain the correct forms to transfer his pension to another product so that he could withdraw 25% as a tax-free lump sum. Mr H received this money on or around 5 October 2023 after completing an application on 27 September 2023.

Mr H would like this Service to consider the entirety of his complaint relating to the application and transfer. We've asked ReAssure if it consented to us doing so but no response was received.

Given this, the investigator issued his view limited to whether the £100 compensation offered on 25 July 2023 was fair in light of the events up to that point. And he concluded that it was.

Mr H didn't agree and so the complaint has been passed to me for 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.

And having done so, I agree with the investigator and for broadly the same reasons.

I appreciate that Mr H feels that he should be compensated for everything that happened between May 2023 when he first sought to take benefits from his plan until he received his tax-free cash in October 2023.

But the complaint he raised with ReAssure and subsequently brought to this Service related solely to the correct forms not being provided to him. As our investigator explained, this Service has rules we must follow when we consider complaints. These are set out by the regulator, the Financial Conduct Authority (FCA) and known as the Dispute Resolution (DISP) rules. DISP 2.8.2 requires that we allow businesses the opportunity to investigate and try to resolve matters before we get involved. Therefore, we can only investigate up to the point a business has had a chance to investigate, unless they consent to us looking into things before then, or eight weeks has passed since a complaint was raised.

When the investigator issued his view, ReAssure had not provided its consent, nor had the eight weeks passed. So the investigator limited his view to what he knew ReAssure had had the opportunity to investigate, which is when they made their offer on 25 July 2023. And our investigator concluded the £100 compensation offered was fair.

I've considered this and agree with the investigator that the present complaint is limited to events that happened up to 25 July 2023. And I am prevented from considering what happened after this date in this decision.

As I understand it, Mr H's pension plan didn't allow for him to withdraw only 25% tax-free cash and leave the remainder untouched. This would presumably explain why the form he received in July 2023 was for a full encashment of the entire plan since this was the only way to access the tax-free cash without switching to a different arrangement. ReAssure has acknowledged and apologised for the delay in sending him this form and offered £100 compensation for Mr H's inconvenience. In the circumstances of this narrow complaint, I considered this fair and reasonable compensation for events up to 25 July 2023.

But in order to take a lump sum, Mr H had to transfer the remainder of his funds to different plan. That this was seemingly not explained to him and the potential delays that may have been caused as a result, is outside of the scope of this decision under DISP 2.8.2. I can't see that ReAssure has responded to this complaint and it has not provided us with consent to look at it as part of this complaint. As I consider this issue separate and distinct from the original complaint, if Mr H wishes to pursue compensation for these potential mistakes this must be dealt with under a new complaint.

I recognise Mr H's strength of feeling on this and I know that he will be disappointed, but for the reasons I've explained, I think ReAssure's apology and £100 compensation offer is a fair resolution for the mistakes made up to 25 July 2023.

My final decision

For the reasons given above, I uphold Mr H's complaint and direct ReAssure Limited to pay Mr H compensation of £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 April 2024.

Jennifer Wood
Ombudsman