

The complaint

Mr F complains that ReAssure Limited provided contradictory values for his self-invested personal pension ('SIPP') fund, which has caused uncertainty regarding his pensions actual fund value.

What happened

Mr F had a SIPP that was set up around 2008. It received a single employer contribution of £100,000; a fund transfer around £42,000 from another scheme; and two protected rights transfers around £55,000. The protected rights pensions were funds that accrued from contracting out of the State Earnings Related Pension Scheme or the Second State pension. At the time of the protected rights transfers there were differences in how benefits were treated compared to other defined contribution pensions. However, since 6 April 2012 protected and non-protected rights have been treated the same when it comes to provision of pension benefits.

In 2011 Mr F took benefits from his SIPP. He took the maximum available tax-free cash ('TFC') and the maximum available capped drawdown. The Protected rights part of his pension had a value of £57,762 and he took £14,440 and a yearly drawdown income of £660 a year. The non-protected rights part of his pension had a value of £150,932 from which he took £37,733 TFC and a yearly drawdown income of £6,339. In July 2016 Mr F stopped taking an income from this SIPP.

In 2020 Mr F's SIPP was transferred to ReAssure through a transfer of business from his previous SIPP provider.

In March 2021 ReAssure sent Mr F a valuation of his SIPP including the breakdown of the holdings. It gave a valuation of all assets, being around £178,000. With the following breakdown of assets:

• Fundsmith Equity I Acc	£74,959.79
• Invesco Perpetual High Income Fund	£19,316.72
• M&G Feeder of Property Portfolio	£15,542.35
• Distribution Fund	£24,579.11
• FORMERLY PROTECTED RIGHTS	£43,173.29

In May 2021 ReAssure sent Mr F a review of his SIPP and his pension options. The overall SIPP value was around £164,000. It provided the following breakdown of assets:

• Fundsmith Equity I Acc	£78,070.63
• Invesco Perpetual High Income Fund	£20,356.92
• M&G Feeder of Property Portfolio	£15,687.54
• Distribution Fund	£25,307.96
• FORMERLY PROTECTED RIGHTS	£24,715.81

Mr F's independent financial adviser ('IFA') queried the above discrepancy in the values of the Formerly Protected Rights element of the SIPP on 16 May 2021. And ReAssure

responded by 19 May 2019 to explain that the March figure was an error and the values shown in the May report were the correct ones.

Mr F complained, via his independent financial adviser ('IFA'), about the apparent drop in value of the Formerly Protected Rights ('FPR') element of his SIPP fund. In an email in August 2021, Mr F's IFA pointed out that the contributions to the FPR element of the SIPP had been almost £55,000 so expected to see the FPR element to be more than that unless there were withdrawals, which he didn't believe to be the case. And queried, not just the discrepancy in the FPR values between March and May 2021, but also the transfer values to the pension that ReAssure showed in its May 2021 annual review. Additionally a complaint was also made about the time taken to provide a settlement statement following the sale of units in the M&G Property Portfolio.

ReAssure responded to Mr F's complaint on 28 September 2021. It explained that it could only provide information following the migration of the SIPP in 2020. It clarified Mr F's misunderstanding regarding the transfer values shown on the reviews regarding the contributions made to the FPR element of the SIPP. It explained that income withdrawals had been made from the pension and referenced other information it provided. It did accept that it had made a mistake in the March 2021 valuation saying that the FPR value of £43,173.29 wasn't correct. It apologised for this issue although didn't explain how it came about. It acknowledged that the time taken to provide the settlement statement wasn't reasonable and apologised for that failing too.

In response to further correspondence, ReAssure issued a further complaint response about its provision of the information that Mr F's IFA requested. It stated that it had provided all of the information requested but accepted it had taken too long and apologised for that.

Mr F referred his complaint to our service via his IFA. The complaint alleged that ReAssure's figures for Mr F's SIPP had been corrupted during the migration from the previous SIPP provider and alleged that Mr F had likely suffered a loss. Our investigator looked into what happened. She made enquiries of ReAssure to try to establish the history of Mr F's SIPP to allow Mr F to verify his pension value. And shared that information with Mr F. She agreed that ReAssure's customer service had been poor and didn't think it had gone far enough to address the distress that its mistake had caused. It had taken too long to get responses and the issue had dragged on. So our investigator suggested that ReAssure pay Mr F £500 in compensation for the distress and inconvenience.

Mr F was disappointed with the outcome. He was unhappy that further issues that had been raised during the course of the complaint investigation hadn't been answered. He was still concerned that his pension fund was wrong and he'd suffered a loss.

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.

The original complaint that Mr F's representative brought to us was that ReAssure's data was corrupted. And that Mr F's pension fund was incorrect. I understand that a number of issues have subsequently been raised on Mr F's behalf. However, I trust that Mr F will not take the fact that my findings focus on what I consider to be the central issues as a discourtesy. Our service is intended to resolve disputes between financial businesses and their customers quickly and with a minimum formality. So, while I've taken into account all submissions, I've concentrated my findings on what I think is relevant and at the heart of this complaint.

When considering a complaint I take into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. This includes the Principles for Businesses (PRIN) and the Conduct of Business Sourcebook ('COBS'). And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

Of particular relevance in considering ReAssure's actions in this case is:

PRIN 2.1 - Principle 7: A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair, and not misleading.

Given the nature of this complaint I'll start by considering whether or not the evidence indicates, on a balance of probability, that the information for Mr F's SIPP is in some way corrupted. And for the reasons I'll explain I don't think it does.

It isn't the role of our service to reconstruct the movement of Mr F's SIPP over its lifetime to check whether the end value was correct. But rather, to settle disputes by considering the specific areas where Mr F thinks mistakes have been made to determine whether they were. So I'll comment on the main areas of concern that Mr F has raised to explain why I haven't found evidence of systemic failings.

Mr F has provided evidence of the fund valuations received in March 2021 and correctly highlights the discrepancy with the value in May 2021. The initial query and subsequent complaint asked ReAssure to focus on the inconsistent value given for the FPR element of the SIPP. It queried the overall value of the FPR part of Mr F's pension, based on an initial assumption that no benefits had been taken from it. It is that complaint that I am giving a determination on.

ReAssure however have provided evidence that Mr F had taken benefits from his SIPP between 2011 and 2016. This included taking his maximum TFC and a drawdown over a number of years. These benefits were taken from both the protected rights and non-protected rights parts of his pension. Mr F ought to have been aware of the fact that he'd used his SIPP in that way, or provided our service with compelling evidence to the contrary. Which means that, given the evidence that I've seen, I think that Mr F depleted the value of the amount of both his protected rights and non-protected rights parts of his pension at that time. Which Mr F didn't seem to take into consideration in raising the complaint about the expected value of the FPR element of his SIPP.

ReAssure have provided us with more information than it provided Mr F. And we have subsequently shared that. It included a spreadsheet with the unit history for Mr F's SIPP up to August 2020. It explained that it was not presented in a format for consumer consumption but it did provide information about the unit movements of the funds. And from that Mr F or his representative had the opportunity to consider where it was concerned that mistakes may have been made.

Unfortunately I think that this information has led to further misunderstanding. So I will offer comment on this to illustrate why I think that, and to reassure Mr F that he isn't missing money in his SIPP as a result of what the transactions for 2017 show.

Mr F's representative has gone through the information and queried transactions in the 2017/18 tax year that are simply described as "part surrender-single contribution". There are subtractions of £13,086.22, £22,643.28, £12,255.12. I think this is likely what Mr F refers to

when he says that he thinks that money was taken from his pension without his authority. He is aware that he took no income from his pension in the 2017/18 tax year.

Our investigator also obtained and shared a copy of the unit transaction from a third party that managed an investment platform held within Mr F's SIPP. That showed that on 23 October 2017 the sums of £12,255.12 and £13,086.22 were partially surrendered from that platform for the non-protected rights part of Mr F's SIPP. And on 24 October 2017 a sum of £22,643.28 was surrendered from this platform on the former protected rights part of Mr F's SIPP.

These figures correspond to a request that Mr F's IFA made on 17 October 2017 to move 62% of the funds held in the EABY Cash Fund to be invested in the Fundsmith Equity Fund. And ReAssure have shown us the email that was sent to Mr F's IFA on 25 October 2017 which confirmed that £47,744.62 had been sent to the third party in order to invest into the Fundsmiths investment that had been requested. This sum is the total of the three partial surrenders from the unit history ReAssure showed.

So I am satisfied based on the evidence that this was not a mistake and no money is missing from Mr F's SIPP as a consequence of this accounting. It is merely the way that it was audited. It can be seen that the movement of these funds, from both the former protected rights and non-protected rights parts, would have been known to both Mr F and his IFA when they happened. I would also point out that £22,643.28 from Mr F's former protected rights fund ended up held within the Fundsmiths investment that is listed on his SIPP valuation. And cannot be counted twice. And wasn't considered in the complaint brought on Mr F's behalf.

I haven't seen statements that Mr F was provided over all of the years he had his SIPP. Mr F hasn't provided any of that evidence. So I only have the partial evidence that ReAssure have been able to put together. So, based on the evidence I have, I'm not persuaded that the eventual fund value that ReAssure provided was incorrect.

I do think that the information that ReAssure provided in March 2021 was, on a balance of probability, incorrect. Which failed to comply with its responsibility to Mr F under principle 7. When this mistake was queried ReAssure were slow to respond and, when it did, it provided confusing responses and information piecemeal. I think that these compounded errors caused frustration and inconvenience as well as an element of distress as Mr F remained concerned that he wasn't getting the full value of his pension fund.

In mitigation however, ReAssure have eventually provided some of the information that Mr F was provided prior to it taking over the administration this SIPP. The nature of the original complaint didn't imply that any concern had been caused by the statements or valuations prior to the issue in 2021. And SIPP providers supply customers with information over the life of its product to keep customers informed. So much of the information that Mr F's IFA was requesting was information that he had already been provided previously in the normal running of the SIPP.

I certainly think it would have been more helpful if ReAssure had been able to provide a better explanation for the miscalculated figure for the FPR element of the SIPP. Had it done so it may have prevented a protracted complaint process for Mr F and the ongoing uncertainty. Taking all of this into consideration I think that ReAssure should pay Mr F £500 in compensation for the distress and inconvenience ReAssure's mistake and subsequent service caused.

I don't think that Mr F's incurred IFA fee for transferring his SIPP was an inevitable consequence of the mistake that ReAssure made. So, like our investigator, I don't think

ReAssure need to re-imburse Mr F the cost of financial advice in switching his pension.

My final decision

For the above reasons I uphold Mr F's complaint and direct ReAssure Limited to pay Mr F £500 compensation.

If payment of compensation is not made within 28 days of ReAssure Limited receiving Mr F's acceptance of my final decision, interest must be added to the compensation at the rate of 8% per year simple from the date of my final decision to the date of payment.

Income tax may be payable on any interest paid. If ReAssure Limited deducts income tax from the interest, it should tell Mr F how much has been taken off. ReAssure Limited should give Mr F a tax deduction certificate in respect of interest if he asks for one, so he can reclaim the tax on interest from HMRC if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 20 February 2024.

Gary Lane
Ombudsman