

## **The complaint**

Mr P complains that ReAssure Limited gave him incorrect information regarding the value of his pension fund and thinks that it should honour its original quote.

## **What happened**

Mr P had a pension with ReAssure.

He contacted ReAssure in 2019 to obtain the value of his pension and was informed that the transfer value of his pension fund was around £238,000 in June 2019.

In late July 2019 Mr P submitted an application to move the fund to a flexible drawdown product and immediately access his maximum tax-free lump sum.

In early September 2019 ReAssure contacted Mr P to inform him that it had given him an incorrect pension valuation. It said the actual transfer value of his pension was around £120,000.

ReAssure explained the options to Mr P who chose to go ahead with his drawdown and received the reduced tax-free cash sum from his lower pension value.

Mr P complained to ReAssure that he hadn't been treated fairly. He explained that he'd accepted the first pension quote of £238,000 and believed that ReAssure should honour that.

ReAssure acknowledged its mistake and apologised for it. It explained that Mr P's pension valuation had been calculated based on the incorrect assumption that he held units in its with-profits investment fund. But it said that Mr P's pension fund was moved to a non-profit fund following his request in 2007. There was ongoing correspondence as Mr P disagreed with ReAssure's answer and it went on to issue four response letters. It upheld Mr P's complaint but didn't offer to honour the original fund value as it said that was a mistake and Mr P's fund never had that value. But recognised the disappointment its mistake caused in creating an expectation that couldn't be met. And offered £750 in compensation for that.

Mr P didn't accept ReAssure's answer and brought his complaint to our service.

I sent both parties my provisional decision in order to let them know what I intended to decide, based on the evidence that I'd seen at that stage. ReAssure didn't respond to my provisional decision. Mr P acknowledged my provisional decision and was disappointed that I wasn't minded to ask ReAssure to do anything more than it had already offered. But explained that he had nothing else to add that he hadn't already forwarded in the course of our investigation.

## **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.

I understand that Mr P was caused considerable upset by this issue and I'd like to confirm that I've considered everything that he's said in this case. I've considered all of the circumstances in this case fully, and in the absence of any additional information my final decision is the same as my provisional decision, for the same reasons. I will set out my reasoning again in what follows.

I'll start by explaining my view on whether Mr P's pension fund was the higher or lower of the two values he was given. I've not been provided any pension statements by Mr P and I understand that a part of his issue is that he wasn't receiving annual statements. And hadn't had an updated valuation since around 2012. So, 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.

ReAssure have provided copies of the correspondence that Mr P sent in November 2007 that requested his pension funds be switched from with-profits to a Deposit Fund. As well as correspondence confirming the process of that fund switch that couldn't be put into effect until 12 December 2007. There was a series of correspondence that Mr P sent regarding the timing of that switch. So I'm satisfied that this request was legitimately made by Mr P and he was quite particular about putting it in place in order to secure the bonuses he'd accrued at that age.

ReAssure have additionally provided me with evidence of the fund value on 12 December 2007. The with-profits fund was valued at £63,559.99 and the final bonus applicable was £44,491.99. Giving Mr P's pension a transfer valuation of £108,051.98 that was moved to the Deposit fund. It then showed, by comparison what the Deposit funds unit price was in August 2019. Based on this evidence I'm satisfied, on a balance of probability, that the 2019 valuation, around £120,000 was correct. It reflected the actual value of the fund based on the returns in the fund Mr P had selected.

Having seen that 2007 correspondence I think that Mr P was aware of the request he'd made. And that it meant that he was removed from the with-profits fund. It removed his exposure to investment risk, but also to investment returns.

Furthermore, Mr P says that he received a fund value in 2012. So would have been aware then that his fund had experienced little actual investment return in the seven years following his decision to move from the With-Profits fund. And he didn't change the way his pension was invested at that point. So, whilst I appreciate that he didn't receive regular statements informing him of his fund value, I don't think receipt of those statements would have given him the impetus to change the way his pension was invested. Not if it didn't in 2012 when he could see the effect of his fund choice.

For the above reasons I think that the valuation that Mr P ended up getting for his pension was the one that he was actually entitled to.

ReAssure's mistake was that it gave Mr P a hugely inflated fund valuation when he requested it in 2019. And its failure to send him annual statements means that it's possible that Mr P accepted that as being genuine. But the impact of that mistake to Mr P wasn't that his fund was ever actually worth the higher value. Instead I view the impact of that mistake as unfairly raising Mr P's expectation about his pension value. And it is that impact which ReAssure ought to compensate Mr P for.

ReAssure sent Mr P the incorrect valuation on 18 June 2019. And corrected that mistake by apologising and sending the correct value on 4 September 2019. It means that, for 11 weeks Mr P had the expectation that he'd be able to access a tax-free sum around twice what he

ended up with. He made plans for that money and will have suffered the disappointment and inconvenience in having to alter his plans. Taking all of this into account I think that ReAssure should pay Mr P £750 in compensation for this distress and inconvenience.

### **My final decision**

ReAssure Limited has already made an offer to pay £750 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that ReAssure Limited should pay Mr P £750.

If payment of compensation is not made within 28 days of ReAssure receiving Mr P'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 deducts income tax from the interest, it should tell Mr P how much has been taken off. ReAssure should give Mr P 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 P to accept or reject my decision before 1 March 2024.

Gary Lane  
**Ombudsman**