

The complaint

Mr M has complained that ReAssure Limited made alterations to the funds within his pension without his permission. He went on to say that his pension hasn't been invested in the manner that he originally requested and that he has received inaccurate statements.

Mr M would also like to be recompensed for the trouble that ReAssure has caused him and have his pension corrected.

What happened

Mr M holds a personal pension with ReAssure, containing the Universal Pension Standard Series 01 and Fixed Interest (B) Pension Standard Series 01 funds and in March 2016, Mr M contributed a lump sum of £50,000 to the pension. Because of the rules that were in place at that time, Mr M was told that his contribution would be applied as a separate top-up plan. The contribution was split equally and invested in the Balanced Pension Growth 04 and Managed Pension Growth Series 04 funds. A year later, Mr M added a further £12,500 lump sum to the new (top-up) policy and on that occasion, the funds were invested in the Deposit Pension Growth Series 04 fund.

In February 2023, Mr M decided that he wished to start taking the benefits from his pension through flexi-access drawdown. That prompted Mr M to look more closely at the statements that ReAssure had previously issued to him. After identifying a number of inconsistencies across the statements, specifically around the funds his monies were invested in, Mr M asked ReAssure to clarify his holdings.

ReAssure treated Mr M's questions as a complaint and in March 2023, they issued their final resolution letter to him. After reviewing Mr M's concerns, ReAssure concluded that they had incorrectly applied the £12,500 lump sum that he had made in March 2017 to the wrong policy. ReAssure apologised for the error, explaining that they would look to put things right for him and at the same time, sent a cheque for £400 for the trouble that they had caused.

Over the immediate months that followed, Mr M and ReAssure continued to exchange correspondence as he continued to press ReAssure for an explanation about the inconsistencies in the statements that he had received from them. In May 2023, ReAssure issued a further complaint resolution letter, explaining that after further investigation, the March 2017 top-up should have been applied to his original policy, rather than the top-up policy as they had initially suggested in their March 2023 letter. Given the trouble they'd caused to Mr M, ReAssure offered an additional £250 compensation to apologise.

Mr M explained that he received neither the March or the May 2023 complaint resolution letters from ReAssure.

Mr M was unhappy with ReAssure's responses to his questions, so he referred his complaint to this service. In summary, he repeated the same concerns that he'd already laid out to ReAssure, principally that he was unhappy that alterations had been made to his pension

without his permission and that ReAssure's control framework was lacking because they'd issued inaccurate statements. Mr M also said that he'd found ReAssure difficult to deal with as they'd failed to respond to his queries in a timely manner.

The complaint was then considered by one of our Investigators. He concluded that ReAssure hadn't treated Mr M fairly and from what he'd seen, they had been unable to provide an adequate explanation about why the funds had changed in Mr M's pension. He went on to explain that as ReAssure hadn't invested the top-up monies that Mr M had submitted in 2017, they should backdate the contribution to the time it was made so that he'd be put into the correct position.

Whilst ReAssure explained that they accepted the Investigator's initial view, Mr M then asked the Investigator to pass the case to an Ombudsman to review that outcome because of, he said, ReAssure's past and continued poor performance in addressing his complaint and providing him with information that was not accurate at the time they prepared valuations on his policies.

After carefully considering the complaint, I issued a provisional decision on this case as I explained that, whilst I was minded to agree with the view issued by our Investigator, as the complaint had evolved since Mr M had submitted his concerns, I wanted to give both parties the opportunity to respond to the wider comments I'd added.

What I said in my provisional decision:

I think it's important for me to note that I very much recognise Mr M's strength of feeling about this matter. He has provided submissions to support his complaint, which I've read and considered very carefully.

I have summarised this complaint in less detail than Mr M has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts. Instead, I will focus on what I find to be the key issue here which I've set out below.

My role is to consider the evidence presented by Mr M and ReAssure in order to 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 that I've been given, what's more likely than not to have happened. And, having done so, I'm upholding Mr M's complaint and it's largely for the same reasons as our Investigator. I'll explain why below.

I can well imagine how concerned Mr M must have been in seeing the funds within his pension alter between statements, particularly when he'd not asked ReAssure to make any amendments.

The statements that Mr M has submitted to this service validate his concerns that investments within his pensions have been altering from year to year. The Managed Pension Growth Series 4 fund appeared in policy ending 44 whilst the Deposit Pension Growth Series 4 disappeared from policy ending 75 between 2021 and 2023. I've not been presented with any evidence that Mr M himself made any requests to ReAssure to make an alteration to the funds within his plan. And, having looked closely at Mr M's statements, I've

also not seen any evidence that he'd given a financial adviser permission to make amendments to his plan. I say that because ReAssure doesn't appear to be paying an ongoing advice fee to an IFA.

Despite our Investigator's best efforts, ReAssure weren't able to provide a clear explanation of why the investments had changed between the years. The statements show the £12,500 was applied to policy ending 75, but ReAssure also stated that the premium had been incorrectly applied to policy ending 44. Between 2017 and 2021, policy ending 44 had two funds but in 2023, it changed to three funds. And policy ending 75 had two funds in 2016, but three funds in 2020. In 2022, there were only two funds, and in any event, from ReAssure's correspondence (from 4 May 2023) that I've seen, it seems to me that they have conceded that fund changes were made to Mr M's plan without his say-so - therefore, the focus of my decision is how ReAssure should put things right for him.

When mistakes occur, we typically instruct businesses to try and put the consumer back as closely as is reasonably possible to the position that they would have been in, had it not been for the mistake. From what I've seen, Mr M originally asked for the March 2017 £12,500 contribution to be invested in the Deposit Pension Growth Series 04 fund, but it seems the monies were never actually invested. Therefore, to put things right, I would ordinarily instruct ReAssure to apply this premium, backdated to March 2017, into the correct fund. In backdating the premium to the unit price at the time, Mr M would be put back into the same position that he would've been in, had it not been for ReAssure's mistake.

However, I understand that ReAssure have offered to invest the £12,500 contribution into a different fund of Mr M's choice and complete a unit price adjustment, also backdated to March 2017. They've offered this alternate resolution because, they say, the Deposit Pension Growth Series 04 fund that Mr M originally wanted is no longer available. That's despite the fact that the fund does appear to still be on offer on their website.

As I've already explained, ordinarily we would look for the business to put the consumer back into the same position that they would've been in had it not been for the error. However, on this occasion, I see no reason why this element of Mr M's complaint cannot be resolved in this way if Mr M wishes to accept ReAssure's offer of an alternate fund, backdated to 21 March 2017. As neither this service or ReAssure are able to offer personalised financial advice, if Mr M is unsure which fund he wishes to invest the monies into, he should speak to an appropriately qualified financial adviser. I understand that Mr M has initially indicated that he would like to invest into Managed Pension Growth Series 04 fund, but he should confirm his instructions in writing to ReAssure.

Mr M has said that he believes ReAssure's control framework is lacking because it appears that they have inadequate financial management procedures in place to safeguard his savings, given the large number of unauthorised alterations that have been made to his plan.

It's a reasonable assumption that when a consumer places their funds with a business, that they can trust them to account for those monies. Indeed, the regulator, the Financial Conduct Authority, expects this too and has very robust client money rules in place to safeguard the proper accounting and segregation of those funds. So, I can fully appreciate Mr M's concerns that when he looked at his statements, seeing errors across the different years must have been troubling. However, I think it's important to say here that, despite what Mr M might have initially thought, I've seen no evidence that any fraudulent activity has been committed on his pension. Whilst ReAssure have not been able to explain the anomalies between the differing unit totals across statements, it's not within the remit of this service to undertake any criminal investigation. So, if Mr M remains dissatisfied about this particular point, he must explore other avenues as this isn't something the Ombudsman service can progress.

I think I should also explain here that it's not the role of this service to regulate or oversee the activities and control frameworks of businesses - that's the responsibility of the regulator, the Financial Conduct Authority (FCA). So, to be clear, it's not within the remit of this service to comment on the robustness of ReAssure's control framework; that falls on the FCA.

However, ReAssure has to provide Mr M with a complete and accurate transaction history of his pension monies - that's a regulatory requirement. And as I've already explained, from what I've seen of the recent statements that ReAssure have provided to Mr M, they've not done that: funds have appeared and then disappeared from his statements over a period of time. In addition, it seems that despite Mr M's original complaint, the latest statement that they provided (for policy ending 75) contained arithmetic errors. I therefore require ReAssure to reissue new statements (for both of Mr M's policies) and these must be checked for accuracy prior to being sent, correcting their earlier errors.

Mr M says that because of ReAssure's actions, he didn't feel comfortable investing further monies (£3,600) into his pension in the 2022/23 tax year. This, he says, resulted in him missing out on the tax relief that he could've otherwise claimed were it not for ReAssure's maladministration. Mr M has provided this service with a copy of an email to his accountant which he believes evidences his claim. Mr M says he'd like ReAssure to recompense him for the £720 that he feels he's lost out on.

Whilst I can appreciate Mr M's reluctance to want to place more money with ReAssure when he'd witnessed his investments being altered without his say-so, I don't think it's reasonable to hold ReAssure accountable for Mr M missing out on the tax relief. That's because a consumer has to take reasonable steps to mitigate their losses and had Mr M made the contribution, he would've secured the tax relief. I've seen nothing to persuade me that ReAssure prevented him from making the payment to them and given that he had 12 months to do so, I don't think it's reasonable to hold ReAssure accountable for that particular issue.

I should also explain that it's not the role of this service to regulate or punish businesses when things go wrong. This service simply helps to resolve complaints between consumers and businesses quickly, and informally. But, when things do go wrong and consumers have suffered trouble and upset because of the actions of a business, we can tell that business to compensate the consumer for the inconvenience that they've suffered. Mr M says that he's unhappy with the customer service that he's received from ReAssure after having to spend many months chasing them for answers to questions that he's raised with them. I can also see that Mr M had to get his local Member of Parliament involved at one point, so it's clear to me how frustrated he had become in trying to resolve his concerns with ReAssure.

I've looked closely at the correspondence and contact records that both Mr M and ReAssure have submitted to this service. Mr M originally set out to understand why his statements showed a number of discrepancies, but despite his best efforts, he wasn't able to get to the bottom of the inconsistencies. There's evidence of Mr M having to repeatedly chase ReAssure via both email and telephone and, by ReAssure's own admission, they promised call-backs that were never made. In his correspondence with this service, Mr M has explained that he was concerned at one stage that fraudulent activity was being undertaken on his account, given the lack of answers that he was receiving from ReAssure about the differing unit balances on his various statements. So, I can well appreciate how ReAssure's lack of any detailed explanation of what was happening on his plan added to Mr M's worries.

It seems to me that ReAssure have conceded the service that they provided to Mr M wasn't what they would typically hope to deliver to consumers. So, taking account of the time that Mr M has been attempting to resolve these issues, I'm of the view that ReAssure must recompense him for the upset caused. Having looked closely at the impact that Mr M says ReAssure's actions have had on him, I'm of the view that they should pay him £750. I

believe that this amount takes account not only the impact that their actions have had, but also the amount of time that Mr M has had to wait to get to a satisfactory resolution to his concerns.

Responses to my provisional decision

After considering my provisional decision, both Mr M and ReAssure responded stating that they agreed with the outcome.

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 both parties have considered the provisional decision and not added any further evidence for consideration, it therefore follows that I have reached the same decision for the same reasons that I set out above. As such, I therefore require ReAssure to put things right for Mr M in the manner that I've set out below.

Putting things right

ReAssure need to pay the £12,500 gross contribution into the Deposit Pension Growth Series 04 within top-up policy (ending 75). A unit price adjustment should be undertaken on the basis that the contribution had been invested from 21 March 2017.

Alternatively, if Mr M wishes, he should select an alternate fund and ReAssure should invest the £12,500 into that fund, as though it had been invested on 21 March 2017. Mr M has initially indicated that he would like to invest into Managed Pension Growth Series 04 (within top-up policy ending 75). However, Mr M should confirm this is still the case.

From correspondence that Mr M shared with this service on 23 January 2024, it seems that ReAssure have already attempted to invest the £12,500 into the Deposit Pension Growth Series 04, following receipt of the Investigator's view, but if Mr M wishes to select the alternate Managed Pension Growth Series 04 fund (or any other fund), ReAssure must make the amendment because the option of an alternate fund choice was offered, so it should be honoured. ReAssure must complete the fund update within 14 days of the consumer accepting the final decision and confirm this back in writing to him.

ReAssure must also produce accurate statements for Mr M's pension plans (ending 75 and 44) and share these with him no later than 28 days from the date of Mr M accepting the final decision. It must also include a transfer value for the plans as Mr M wishes to explore entering flexi-access drawdown.

ReAssure should also pay Mr M £750 for the trouble and upset that they have caused.

My final decision

I uphold Mr M's complaint and require ReAssure Limited to put things right for him in the manner that I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 March 2024.

Simon Fox
Ombudsman