

## The complaint

Mr A complains about the very poor service he has received from ReAssure Limited since late 2021.

To put matters right, Mr A wants ReAssure to put him in the position he would now be in, but for its errors and poor service, and to compensate him for the trouble and inconvenience this matter has caused him.

## What happened

In late 2021, ReAssure took over the administration of a life policy Mr A holds. I understand that this life policy is linked to a mortgage. In addition to this policy, ReAssure also took over the collection of Mr A's regular ISA contributions and was responsible for passing these contributions to his ISA provider. It appears the ISA savings are being used as a mortgage repayment vehicle.

Mr A has explained to this service that in November 2021, he noticed that the direct debits for his ISA contributions and life policy had not been taken. He contacted ReAssure and was told that it didn't have his address on file. Any confusion on this point on ReAssure's part was resolved during the call and Mr A was told that the amounts due would be taken the following month. However, it appears that the following month the full amount due was not taken from Mr A's account.

The records provided by ReAssure show that Mr A contacted it on a number of occasions in an effort to resolve matters in late 2021 and early 2022. Mr A was then told that an 'ISA declaration' had not been provided for the other mortgage holder but that ReAssure would 'reinstate' the policies for the joint mortgage holder without the declaration. It confirmed this to Mr A in writing in a letter dated 11 March 2022.

Mr A then became aware that despite collecting his ISA contributions ReAssure had failed to pass these on to his ISA provider. I can see that Mr A had to contact ReAssure a number of times about this issue.

ReAssure then wrote to Mr A on 29 June 2022. It said:

*We can confirm that the Direct Debit Instructions are correctly set up for all policies involved and that they are paid to date...*

*...In respect of your question of why your premiums are not reflected on your ISA Element of your policy, held with [name of ISA provider]; we do apologise in regards to the delay in your premiums being applied and being forwarded to [name of ISA provider], we are in collaboration with [name of ISA provider] to ensure they are aware these premiums are being received and your policy is being paid to date.*

Mr A was not satisfied with the service he had received from ReAssure and referred his complaint to this service. Our investigator initially said he thought ReAssure should pay Mr A £250 for the poor service it had provided and ensure that all the contributions it had collected

for Mr A's ISA were forwarded to his ISA provider.

ReAssure did not accept our investigator's view. It said the ISA provider had said it wasn't possible to backdate ISA contributions. It said Mr A might be able to make a lump sum payment, but he would need to contact the ISA provider directly to discuss this.

Our investigator subsequently issued a revised view. He said that in light of the continuing poor service Mr A had received he felt ReAssure should pay Mr A £300 for the trouble and upset this matter had caused him.

Mr A did not accept our investigator's view as, despite ReAssure having told Mr A that it would resolve the delay in forwarding his ISA contributions to his ISA provider, this has continued to be an ongoing problem.

ReAssure also responded to say that it was '*... unable to backdate regular premiums from the time period the ISA declaration was not received within, [as]..., it is a rule amongst all ISAs, as if you wish to make further deposits into an ISA account after a break in premiums, you will need to complete an ISA declaration form. Also, ISA allowances cannot be backdated or carried forward to the following tax year, so we would be unable to backdate premiums prior to any current tax year.*'

I issued my provisional decision on Mr A's complaint on 29 January 2024. In it I explained that I had reached a different view to that of our investigator. I set out my provisional view as follows.

(For the avoidance of any confusion, I explained that I had only considered Mr A's complaint in my provisional decision. I said I appreciated there was a linked complaint and the issues raised in that complaint would be considered separately.)

I said I was sympathetic to Mr A's position, and I thought the service he had received from ReAssure had been very unsatisfactory. I said I could see that ReAssure had provided Mr A with incorrect information on a number of occasions. It had also promised that problems he had experienced with his ISA contributions not being passed to his ISA provider would be resolved, only for it later to come to light that the problems were still occurring.

I noted that ReAssure had written to Mr A as recently as 5 January 2024, regarding its failure to pass on his ISA contributions to his ISA provider. In its most recent letters it said Mr A had lost out as a result of these delays. ReAssure said it would make a payment to Mr A's bank account to '*cover the difference*'.

I said it did not appear that any calculations were provided with this letter, so it was not possible for Mr A or this service to establish how these figures had been arrived at, or what period they covered.

The letter said:

*You can choose what to do with this money, or you can reinvest it into your ISA. If you're interested in reinvesting, you should call [name of ISA provider] on [telephone number] to top up your ISA. Be aware that any money you reinvest will be counted against your ISA allowance limit...*

I noted that in the letter ReAssure did not offer Mr A any compensation for the problems its failings had caused him, or any assistance in topping up his ISA.

I said I thought it was very unsatisfactory that ReAssure was still failing to pass on Mr A's

ISA contributions promptly. I noted that in June 2022, ReAssure wrote to Mr A confirming that the problems he had raised, about its failure to pass on ISA contributions, had been resolved.

ReAssure then wrote to Mr A again on 22 December 2022. It said:

*During one of our regular checks we found that we haven't been passing on your premium to [name of ISA provider] to invest into your ISA. We're sorry for this mistake.*

It went on to say:

***How can I be sure this won't happen again?***

*We've put even more robust controls in place to make sure this doesn't happen again.*

Despite this claim, I noted that the issue had not been resolved and ReAssure was still failing to forward Mr A's ISA contributions.

I noted that ReAssure had also previously told Mr A that if he wanted to make a lump sum payment to his ISA, to cover the contributions it had failed to forward, he would need to contact his ISA provider directly to arrange this.

However, Mr A told this service that when he tried to make a lump sum payment to his ISA provider using its website, he received an error message saying he had to make the payment via ReAssure. Mr A told this service he also telephoned his ISA provider and was told '*...ReAssure had given me duff information and to ring them back and say [the ISA provider] said it was them!*'

I noted that Mr A said he then contacted ReAssure again. He said it '*... confirmed that was the case – but I could not do so over the phone, they had to send me a form! I said that couldn't possibly be correct, I must be able to do it over the phone but I was told again they would send me a form.*'

I said I didn't think it was fair or reasonable for ReAssure to put the onus on Mr A to correct its mistakes. I noted that Mr A said that despite having contacted his ISA provider to arrange making an ad- hoc payment (to rectify ReAssure's errors) he hadn't been able to do so.

Rather than expect Mr A to spend more of his time trying to find out how to make additional contributions to his ISA, I said I thought ReAssure should provide Mr A with written confirmation from his ISA provider setting out exactly how he can make ad-hoc payments to his ISA. I said I thought it should also provide written confirmation from the ISA provider that ReAssure's claim that the ISA provider would not accept ad-hoc payments from ReAssure on Mr A's behalf was correct.

As Mr A had noted, I said I didn't think it should be a complicated or onerous task for ReAssure to forward his ISA contributions to his ISA provider each month. I said it was not clear to me why ReAssure had repeatedly failed to do so in a timely manner. I noted it had not provided either this service or Mr A with any explanation about why it had been unable to do so.

I also noted that information ReAssure provided to Mr A, when it took over the administration of his policies, set out in a Frequently Asked Questions document:

*ISA funds will be passed to UTM on the same day they're received by ReAssure and your money will be invested..."*

(Despite having asked ReAssure to provide this service with a copy of this FAQ document, it failed to provide a copy. I therefore relied on the information Mr A had provided to this service when establishing the service standard ReAssure had committed to.)

From the information I had seen I said it appeared that ReAssure had repeatedly failed to pass on Mr A's ISA contributions '*on the same day they're received*', despite Mr A having made ReAssure aware that there was a problem on a number of occasions.

As part of my consideration of Mr A's complaint I asked ReAssure to provide this service with a schedule setting out all the payments received in respect of Mr A's policies, by date and amount, and when the ISA contributions, by date and amount, were passed to the ISA provider.

ReAssure did not provide the information I had requested. It said:

*We receive premiums from the client and this is then allocated to [name of ISA provider] I am unable to supply the direct numbers for this any late payments are backdated and applied with no financial loss.*

I said I thought it was unsatisfactory that ReAssure had been unable to provide this information and had claimed that late payments had been backdated. From the information I had seen this was incorrect and ReAssure was still failing to forward the ISA contributions, despite Mr A having made it aware that there was a problem on a number of occasions.

Having carefully considered this matter, I said my provisional decision was that Mr A's complaint should be upheld and ReAssure should compensate Mr A for the financial loss he had suffered as a result of its delays and errors.

In addition, I said I thought ReAssure should pay Mr A £500 to compensate him for the time he had spent trying to get this matter resolved and the worry and upset he had experienced as a result of its very poor service.

I noted that Mr A said he was concerned that he might continue to experience problems with ReAssure. I said I did understand why Mr A was concerned that the problems he had experienced would continue. I said that if Mr A did experience further problems, he should raise them with ReAssure in the first instance. If he was not satisfied with its response, I said he was, of course, free to refer the matter to this service.

I also explained that this service doesn't have the power to order ReAssure to change its processes or to take disciplinary action against it for any failings to act with due skill, care and diligence. That is the role of the industry regulator, the Financial Conduct Authority (FCA). I said that if Mr A remained concerned about the wider implications of the poor service ReAssure had provided, he may wish to raise these concerns with the FCA.

ReAssure responded to my provisional decision. It said it was willing to pay the £500 I had set out in my provisional decision for the trouble and upset this matter had caused Mr A.

ReAssure also provided this service with another copy of the letter it sent to Mr A, dated 5 January 2024. It said the letter '*... covers putting Mr A in the correct position and confirms if he lost out and what we have done to fix it. Therefore we feel we have done what the Ombudsman decision proposed.*'

### **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.

Having done so, and in the absence of any new information from either party, I do not intend to depart from my provisional decision.

However, I note ReAssure says it feels the letter it sent to Mr A dated 5 January 2024, addresses the points I set out in my provisional decision and that it has '*done what the Ombudsman decision proposed*'. I cannot reasonably agree that the letter it sent to Mr A on 5 January 2024, addressed all the issues Mr A complained about. Nor can I reasonably accept that the contents of this letter were sufficient to put matters right for Mr A.

As I set out in my provisional decision, ReAssure's letter to Mr A dated 5 January 2024, regarding its failure to pass on his ISA contributions to his ISA provider said Mr A had lost out as a result of these delays. The letter also said ReAssure would make a payment to Mr A's bank account to '*cover the difference*'.

But, no calculations were provided with this letter, so it is not possible for Mr A, or this service to establish how the payments ReAssure made to Mr A's bank account were arrived at, or what period they cover. Where this service recommends compensation that involves calculations being carried out, we would generally direct a firm to provide the calculations to the complainant in a clear and simple format. I remain of the view that ReAssure ought to provide details of the loss calculations it has carried out to Mr A so he can understand how the figures have been arrived at.

Likewise, the letter again puts the onus on Mr A to contact his ISA provider to arrange to pay the ISA contributions that ReAssure has failed to forward. As I set out in my provisional decision, Mr A has been told by his ISA provider that ReAssure will need to forward the contributions on his behalf. Whatever the reason for this, I don't think it is fair or reasonable for ReAssure to expect Mr A to spend more time trying to rectify its errors.

To resolve this complaint, ReAssure should follow the steps set out below so that Mr A can be put into the position he would now be in, but for the failings on its part.

### **Putting things right**

#### *What ReAssure must do to put things right*

My aim is to put Mr A in the position he would now be in, but for the very poor service he has received from ReAssure.

ReAssure delayed forwarding Mr A's ISA contributions to his ISA provider and it appears this has caused Mr A a financial loss. To put matters right ReAssure should provide Mr A with a schedule that clearly sets out:

- the amount it received from Mr A each month, in respect of his ISA contributions and his life policy;
- the date each ISA contribution was received; and
- the date each ISA contribution was passed to his ISA provider.

Information provided to Mr A by ReAssure when it took over the administration of his policies set out in a Frequently Asked Questions document:

*ISA funds will be passed to UTM on the same day they're received by ReAssure and your*

*money will be invested...*

For any ISA contributions sent to Mr A's ISA provider later than '*the same day they're received by ReAssure*', ReAssure should calculate whether the delay in forwarding the contribution(s) caused Mr A a financial loss.

It should do so by comparing the amount of units Mr A's contribution would have purchased, had it not delayed forwarding the contribution, to the amount of units actually purchased.

This schedule and redress calculation should start from the date ReAssure took over the administration of Mr A's policies, to the date of my final decision.

ReAssure should set out its calculations in a clear, easy to understand format for Mr A.

If this calculation shows redress is due to Mr A, ReAssure should pay 8% simple interest per year on this redress from the date of my final decision to the date it pays the redress to Mr A.

(It appears that in January 2024, ReAssure paid Mr A some money to compensate him for its failure to forward his ISA contributions promptly. ReAssure may deduct this amount from the total redress due to Mr A.)

ReAssure should also pay Mr A £500 for the ongoing inconvenience and worry this matter has caused him.

In addition, as I set out above, Mr A says that despite having contacted his ISA provider to arrange making an ad-hoc payment (to rectify ReAssure's errors) he hasn't been able to do so. Rather than expect Mr A to spend more of his time trying to find out how to make additional contributions to his ISA, ReAssure should provide Mr A with written confirmation from the ISA provider setting out exactly how he can make ad-hoc payments to his ISA.

ReAssure should also provide written confirmation from the ISA provider to support ReAssure's claim that the ISA provider will not accept ad-hoc payments from ReAssure on Mr A's behalf.

If it subsequently comes to light that ReAssure can forward ad-hoc payments to Mr A's ISA provider, it should liaise with Mr A and make the payment on his behalf if Mr A still wishes to proceed with the 'catch-up' contribution to his ISA.

However, if this contribution would result in Mr A exceeding his annual ISA allowance it may not be possible for him to make a catch-up contribution. From the information on file, it does not appear that Mr A will exceed his ISA allowance unless he also contributes to other ISAs, but he should be aware that it will not be possible to exceed the annual ISA allowance of £20,000.

## **My final decision**

My decision is that I uphold this complaint against ReAssure Limited.

In order to put matters right I have set out above how I think this matter should be fairly resolved.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 24 April 2024.

Suzannah Stuart  
**Ombudsman**