

The complaint

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

In order to put matters right, Mrs A wants ReAssure to put her in the position she would now be in, but for its errors and poor service, and to compensate her for the trouble and inconvenience this matter has caused her. She also wants it to provide her with a copy of the ISA declaration it says she needs to complete.

Mrs A is represented by Mr A in this matter.

What happened

In late 2021, ReAssure took over the administration of a life policy Mrs 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 Mrs A's regular ISA contributions and was responsible for passing these contributions on to her ISA provider. It appears the ISA savings are being used as a mortgage repayment vehicle. I understand that these payments are made from Mr A's account.

Mr A has explained to this service that in November 2021, he noticed that the direct debits for Mrs A's 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. I understand that Mrs A also contacted ReAssure on a number of occasions about this matter. Mr A was then told that an 'ISA declaration' had not been provided for Mrs A, but that ReAssure would 'reinstate' her policies without this declaration. It confirmed this to Mr A in writing in a letter dated 11 March 2022.

Mr A then became aware that despite collecting Mrs A's ISA contributions it appeared that ReAssure had failed to pass these on to Mrs A's 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.

However, we can confirm that we have received £680.00 via bank transfer from yourself in reference to missed premiums for [Mrs A's] policies between November 2021 to February 2022. Unfortunately we will have to refund this amount back to you, as we have had clarification from [name of ISA provider] confirming that we are unable to backdate these

regular premiums from the time period the ISA Declaration was not received within; due to the policy having combined payments for the ISA and Term assurance plan. We do apologise regarding this inconvenience, but we can confirm that if you are wishing to make a one off payment into any of the policies you can refer to [name of ISA provider] in regards to single premiums for the ISA elements of the policy.

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 Mrs A had received from ReAssure and referred Mrs A's 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 Mrs A's ISA were forwarded to her 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 Mrs A might be able to make a lump sum payment, but 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 Mrs A had received, he felt ReAssure should pay Mrs A £300 for the trouble and upset this matter had caused her.

He noted that ReAssure had failed to tell Mrs A that it required a new ISA declaration and only provided this information when it was contacted by Mr A. It had also incorrectly told Mr A that it could 'waive' the requirement to provide an ISA declaration and failed to contact Mrs A when it became aware that this was incorrect.

Our investigator also noted that if Mrs A wanted the regular ISA contributions she had made to be 'fully invested into the ISA' she would need to provide either ReAssure or the ISA provider with a completed ISA declaration.

Mrs A initially said she would accept our investigator's view, but subsequently said she did not accept the view as further problems had come to light in relation to the very poor service ReAssure had provided. She also said ReAssure had still not provided her with the ISA declaration it said she needed to complete.

ReAssure said it accepted our investigator's view and said it would pay Mrs A a total of £350 to compensate her for the poor service she had experienced.

As Mrs A did not accept our investigator's view her complaint was referred to me to be determined.

I issued my provisional decision on Mrs 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 decision as follows.

(For the avoidance of any confusion, I explained that I had only considered Mrs A's complaint in this provisional decision. I noted there is a linked complaint. I said the issues raised in that complaint would be considered separately.)

I said I was sympathetic to Mrs A's position and I thought the service she had received from ReAssure had been very unsatisfactory. I said I could see that on a number of occasions

both Mrs A and Mr A had been provided with incorrect information by ReAssure. It had also promised that problems Mrs A had experienced with her ISA contributions not being passed to her ISA provider would be resolved, only for it later to come to light that the problems were still occurring.

In particular I noted that on 22 December 2022, ReAssure wrote to Mr A. 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 I noted that Mr A had said there continued to be problems and ISA contributions had not been passed on to Mrs A's ISA provider.

I said I thought it was very unsatisfactory that ReAssure was still failing to pass on Mrs A's ISA contributions promptly.

I said I was also mindful that in March 2022, ReAssure confirmed, in writing, that it would waive the requirement for an ISA declaration for Mrs A, but in June 2022 it then said that this wasn't possible.

I said I had not seen anything that showed ReAssure had contacted Mrs A to provide her with a copy of the ISA declaration she needed to complete and, to date, it appeared it had still not provided Mrs A with a copy of the declaration. I said I thought ReAssure should have offered Mrs A assistance with this matter, particularly as it appeared the only reason Mrs A needed to complete an ISA declaration was because failings on ReAssure's part meant there had been a break in her ISA contributions.

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

However, Mr A had told this service that when he tried to make a lump sum payment to the 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 the 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!*'

Mr A said he then contacted ReAssure again who '*...then 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 and Mrs A to correct its mistakes. I noted that despite having contacted Mrs A's ISA provider to arrange making an ad-hoc payment (to rectify ReAssure's errors) Mr A hadn't been able to do so.

Rather than expect Mr A and Mrs A to spend more time trying to find out how to make additional contributions to Mrs A's ISA, I said I thought ReAssure should provide Mrs A with written confirmation from her ISA provider on exactly how she could make ad-hoc payments

to it. 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 Mrs A's behalf, was correct.

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

I also noted that information provided by ReAssure when it took over the administration of Mrs A's 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 had to rely on the information Mr A had provided to this service when establishing the service standard ReAssure had committed to.)

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

I asked ReAssure to provide this service with a schedule setting out all the payments received in respect of Mrs 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 this information. 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 very unsatisfactory that ReAssure was unable to provide this information and had claimed that late payments had been backdated, when it appeared this was incorrect.

Having carefully considered this matter, my provisional decision was that Mrs A's complaint should be upheld and ReAssure should compensate Mrs A for the financial loss she has suffered as a result of its delays and errors. In addition, I said I thought ReAssure should pay Mrs A £500 to compensate her for the time she has spent trying to get this matter resolved and the worry and upset she has experienced as a result of its very poor service.

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

I 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 Mrs A remained concerned about the wider implications of the poor service ReAssure had provided, she might wish to raise these concerns with the FCA.

Mrs A responded to my provisional decision to say that she had still not received an ISA declaration form from ReAssure, or any compensation.

ReAssure responded to say that it accepted my provisional decision and that it would pay Mrs A £500 compensation for the trouble and upset its poor service has caused. It said it had already paid Mrs A £350 and would be happy to pay a further £150.

It also provided a copy of a letter dated 5 January 2024, which it said it had sent to Mrs A. It said the letter '*...covers putting Mrs A in the correct position and confirming if she had lost out and what we have done to fix it*'.

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.

I note ReAssure says it feels the letter it sent to Mrs A dated 5 January 2024 '*...covers putting Mrs A in the correct position and confirming if she had lost out and what we have done to fix it*'.

I cannot reasonably agree that the letter it sent to Mrs A dated 5 January 2024, addressed all the issues Mrs A complained about. Nor can I reasonably accept that the contents of this letter were sufficient to put matters right for Mrs A.

ReAssure's letter to Mrs A dated 5 January 2024, regarding its failure to pass on her ISA contributions to her ISA provider said Mrs A had lost out as a result of these delays. The letter said ReAssure would make a separate payment to '*cover the difference*'.

But, no calculations were provided with this letter, so it is not possible for Mrs A, or this service to establish how the payment ReAssure made was arrived at, or what period it covers. It is also unclear how this payment was made and whether it was made to Mr A or Mrs A.

Where this service recommends compensation that involves calculations being carried out, we would generally direct a firm to provide its calculations to the complainant in a clear and simple format. As I have set out below, I think ReAssure should provide details of its loss calculations to Mrs A so she can understand how any redress due has been calculated.

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

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

Putting things right

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

ReAssure delayed forwarding Mrs A's ISA contributions to her ISA provider and it appears this has caused Mrs A a financial loss.

In order to put matters right ReAssure should provide Mrs A with a schedule that clearly sets out:

- the amount it received each month in respect of Mrs A's ISA contributions and her life policy;
- the date each ISA contribution was received; and
- the date each ISA contribution was passed to her ISA provider.

Information provided by ReAssure when it took over the administration of Mrs A's 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 Mrs 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) has caused Mrs A a financial loss.

It should do so by comparing the amount of units Mrs 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 Mrs A's policies, to the date of my final decision.

As I noted above, ReAssure told this service that '*...any late payments are backdated and applied with no financial loss*'.

I am mindful that it appears this is incorrect and ReAssure has returned contributions it should have forwarded to Mrs A's ISA provider. For the avoidance of any doubt, ReAssure should include any contributions it returned in this redress calculation as Mrs A may have lost out on investment growth she would otherwise have achieved on these contributions.

ReAssure may deduct the actual amount it returned of any contributions from the redress due – but any growth that would have been achieved on these returned contributions should be included in the redress calculation.

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

If this calculation shows redress is due to Mrs 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 Mrs A.

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

(ReAssure says that in January 2024 it paid Mrs A £350 to compensate her for the very poor service it has provided. ReAssure may deduct this amount from the total redress due to Mrs A if it has already paid this £350 to Mrs A.)

ReAssure must also provide Mrs A with a copy of the ISA declaration it says she

needs to complete.

In addition, as I set out above, Mr A says that despite having contacted Mrs A's 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 and Mrs A to spend more time trying to find out how to make additional contributions to Mrs A's ISA, ReAssure should provide Mrs A with written confirmation from the ISA provider setting out exactly how she can make ad-hoc payments to her ISA. ReAssure should also provide written confirmation from the ISA provider to support its claim that the ISA provider will not accept ad-hoc payments from ReAssure on Mrs A's behalf.

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

However, if this contribution would result in Mrs A exceeding her annual ISA allowance it may not be possible for her to make a catch-up contribution. From the information on file, it does not appear that Mrs A will exceed her ISA allowance unless she also contributes to other ISAs, but she 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 Mrs A to accept or reject my decision before 25 April 2024.

Suzannah Stuart
Ombudsman