

The complaint

Mr S complains that ReAssure Limited caused unreasonable delays in handling his request to withdraw benefits from his Personal Pension Plan (PPP).

What happened

On 7 November 2023, Mr S contacted ReAssure about withdrawing all funds held within his PPP – ReAssure posted the forms Mr S needed to fill out.

On 15 November 2023, Mr S emailed ReAssure to request it release funds from his pension and enclosed a completed Pension Lump Sum form. On 16 November 2023, ReAssure emailed Mr S asking him to complete and return its Lifetime Allowance Declaration form.

Mr S sent forms back to ReAssure and called on 5 December 2023 to check it had been received. Mr S was told it should take 5 to 10 working days for his withdrawal to be processed if all the forms were correct. ReAssure's notes say it sent Mr S a message to say it needed him to send in a form of identification on 5 December 2023. ReAssure took details about whether the Lifetime Allowance applied to Mr S. Mr S called again on 7 December 2023 and complained about the service he had received. ReAssure's notes say this call was cut off and it tried to call Mr S back.

Mr S rang ReAssure again on 11 December 2023 – ReAssure had sent Mr S an email that day explaining it needed him to submit a photo of his suitable ID at www.reassure.co.uk/submit-id. Mr S said he would make a Subject Access Request (SAR) to ReAssure.

On 12 December 2023, ReAssure asked Mr S to complete its Declaration of Lifetime Allowance form. It also spoke to Mr S – he was unhappy he had been asked to answer questions about the Lifetime Allowance when ReAssure had already taken that information by telephone.

On 13 December 2023, ReAssure wrote to Mr S to confirm it had offered him £200 compensation. And Mr S spoke to ReAssure on 18, 19 and 22 December 2023 about its failure to process his withdrawal. Mr S complained to ReAssure about its delays.

On 4 January 2024, ReAssure telephoned Mr S to say its declaration form had not been completed. Mr S emailed ReAssure to say he had previously completed the form and asked ReAssure to reconsider its offer of compensation. Later that day, ReAssure paid Mr S the value of his plan, which amounted to £22,209.98. After tax, Mr S received £16,335.68. On 9 January 2024, Mr S asked ReAssure to provide written confirmation of the payment.

On 11 January 2024, ReAssure issued its final response to Mr S's complaint. It apologised for its communications over the past two months. To say sorry, it arranged for a further £300 compensation to be paid to Mr S. And on 15 January 2024, ReAssure said it handle Mr S's request about his P45.

Unhappy with ReAssure's handling of the matter, Mr S referred his complaint to our Service.

One of our Investigators reviewed Mr S's complaint. Having done so, our Investigator thought ReAssure caused 17 days of delays after his request to withdraw his pension on 7 November 2023. Our Investigator thought ReAssure should have paid Mr S his benefits on 13 December 2023. To put things right, our Investigator recommended ReAssure calculate whether Mr S would have received more money had the withdrawal of his benefits gone ahead on 13 December 2023 and pay him any loss. Our Investigator thought ReAssure's offer of £500 compensation reasonably reflected the distress and inconvenience this matter had caused Mr S.

ReAssure accepted our Investigator's recommendation. ReAssure confirmed it had paid the £500 compensation to Mr S already. Mr S did not accept our Investigator's recommendation – he was initially told he would receive his benefits by 1 December 2023. Mr S added ReAssure had not responded to his SAR and added one of ReAssure's staff was rude to him. Our Investigator we had not considered any complaint about a SAR Mr S might have – he had referred a complaint about the delay in receiving his pension benefits and that is what we have considered. Any new complaint about a SAR could be referred to ReAssure.

So, this has been referred to me for a decision. And ReAssure has since said it would have paid Mr S £22,091.78 on 13 December 2023, which is less than the £22,209.97 it paid on 4 January 2024. So, ReAssure said Mr S was better off as a result of its delay.

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 our Investigator explained, I have not considered ReAssure's actions beyond the date of its final response of 11 January 2024, so I have not considered any complaint Mr S may have about his SAR.

Turning to the crux of this complaint, I agree with our Investigator's opinion that ReAssure caused delays in paying Mr S's pension benefits and I think our Investigator's recommendation for ReAssure to calculate whether Mr S would have been better off had his benefits been paid on 13 December 2023 is reasonable. I'll explain why.

Mr S contacted ReAssure on 7 November 2023. I agree with our Investigator that it could have sent the two forms Mr S needed to complete, and made it clear he needed to provide suitable ID, within five working days – 12 November 2023. This is a delay of three working days.

By 17 November 2023, Mr S had returned some of the forms and ReAssure wrote to him to let him know he needed to fill in all the forms, the required Lifetime Allowance Declaration form. On 21 November 2023, ReAssure let Mr S know it needed him to fill in a copy of the forms sent on 17 November 2023. I don't think ReAssure is responsible for delays in this period.

Mr S called ReAssure again on 5 December 2023. ReAssure took information about the Lifetime Allowance over the phone but it should have told Mr S he needed to complete the form he had been sent. Instead, this did not happen until the forms were resent to Mr S on 12 December 2023. This is a further five working days of delay.

I think if Mr S had been told to fill in the required forms, he would have returned these to ReAssure by 12 December 2023. This would have made it possible for ReAssure to pay Mr S's benefits by 13 December 2023, as our Investigator suggested, given both Mr S and ReAssure were, at times, able to respond more quickly than a standard five working days

timescale.

Putting things right

ReAssure should ensure Mr S in the position he would have been in had his benefits been paid by 13 December 2023. ReAssure should calculate whether Mr S has suffered any financial loss by determining the benefits Mr S would have received if they had been paid on 13 December 2023. If this value is higher than the benefits paid to Mr S on 4 January 2024, as ReAssure has indicated may be the case, there is no loss and no compensation would be payable.

If a loss is identified, this should be paid directly to Mr S as a lump sum. If Mr S has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to their likely income tax rate in retirement – presumed to be 20%. So making a notional reduction of 15% overall from the loss reflects this. In addition, ReAssure should pay simple interest at 8% a year on this amount, from 13 December 2023 until the date of settlement. ReAssure may make a deduction for tax from any interest paid to Mr S. If it does so, it should explain this to Mr S and provide a tax deduction certificate if asked to do so.

Mr S expected the benefits to be paid much earlier than they were. As I have explained earlier, I think the benefits should have been paid by 13 December 2023 but they were not paid until January 2024. Either way, it remains there was an avoidable delay that caused Mr S distress and inconvenience. I agree with our Investigator that the £500 compensation already paid by ReAssure reasonably reflects the distress and inconvenience caused to Mr S. ReAssure has said the compensation has already been paid, so I make no further award here.

My final decision

For the reasons explained above, ReAssure Limited should put things right by doing what I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 September 2024.

Victoria Blackwood
Ombudsman