

## The complaint

Mr L's complaint against ReAssure Limited is about the delays and time taken to transfer his pension to a Self-Invested Personal Pension (SIPP) with a new provider. He is unhappy with the drop in the value of the pension. And he doesn't agree with ReAssure's loss calculation – he doesn't think the compensation offered is a fair reflection of the stress and 'hassle' caused.

## What happened

Mr L's complaint was considered by one of our investigators. He issued his assessment of it to both parties on 16 May 2024. The background and circumstances to the complaint were set out in his assessment, and don't appear to be in dispute.

However in summary, ReAssure Limited received an electronic transfer request through Origo on 21 December 2022.

It wrote a letter to Mr L on 18 January 2023 titled, 'We're unable to transfer your pension at the moment'. The letter was essentially a notice about a developing trend of SIPPs being used to entice pension policyholders into scams. It outlined ReAssure's legal requirement to carry out checks on transfers for signs of potential scams, and went on to provide information as to how they may be identified. It recommended that Mr L got independent professional advice from a Financial Adviser, and said if after he'd considered all the risks he still wanted to proceed with the transfer, to complete an enclosed questionnaire.

The questionnaire was posted to ReAssure on 16 March 2023. The transfer request showed Mr L had received advice from an IFA. Mr L said there was a delay in returning the questionnaire to ReAssure due to the high level of information required to complete it.

ReAssure sent Mr L an 'Additional Funds Questionnaire' by post on 18 April 2023. The IFA contacted ReAssure for an update on 12 May 2023 and was told that the questionnaire had been e-mailed to Mr L on 18 April 2023. ReAssure subsequently acknowledged this was incorrect, as it had only posted the questionnaire on 18 April 2023 and hadn't e-mailed it until 4 May 2023.

The IFA called ReAssure on 30 May 2023 for an update, as it hadn't heard anything and neither had Mr L. ReAssure said the questionnaire had only been e-mailed to Mr L, as he needed to complete and sign it. The IFA asked for the questionnaire be resent, and this time for it to be included in the e-mail.

The IFA called ReAssure again on 2 June 2023 for an update, saying it still hadn't received the questionnaire (nor Mr L). ReAssure said it would send it out by post.

The IFA called ReAssure on 20 June 2023. ReAssure said it was still waiting for the return of the questionnaire. The IFA said it had been returned by post on 6 June 2023. However the investigator noted the copy on file was dated 19 June 2023 and marked as having been received on 26 June 2023.

ReAssure wrote to Mr L on 19 July 2023 saying it had reviewed the 'Additional Funds Questionnaire' and identified the investment Mr L was intending to invest in was recognised by the Financial Conduct Authority under the temporary marketing permissions regime. It went onto request Mr L confirm that he was aware of this, which he did during a call with ReAssure on 28 July 2023.

ReAssure sent a letter to Mr L on 13 September 2023 confirming it had completed the transfer with the pension value of £79,752.

By that point Mr L had already contacted ReAssure to complain. ReAssure upheld Mr L's complaint. It acknowledged numerous delays/errors and offered Mr L £200.00 for the upset and inconvenience caused. And following a loss calculation said Mr L had suffered a financial loss of £13.19, however it increased the compensation offered for loss to £50 as a gesture of goodwill.

Mr L didn't accept the offers and referred the complaint to us. Our investigator thought that ReAssure was responsible for some significant delays. However he also thought some of the time taken was due to Mr L.

The investigator went back through the timeline of events to establish a date when he thought the transfer should have been reasonably completed by, had ReAssure acted in line with its standard timescales and in a timely manner. He also assumed the actual timescales where it was ReAssure that was waiting on information from Mr L. On this basis, the investigator concluded the transfer value should have been paid to the new pension provider on 7 July 2023.

The investigator therefore recommended that ReAssure should calculate whether Mr L had suffered a loss by comparing Mr L's actual position with the position assuming the transfer had been made on that date.

### **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 I have come to the same conclusions as the investigator, and for the same reasons.

Like the investigator, I'm satisfied that ReAssure was responsible for some of the delays. However I also think some were outside of its control as it was waiting for responses. I think the revised timeline outlined by the investigator is reasonable given all the circumstances.

Again, I think the investigator's recommendations for redress provide for fair compensation in the particular circumstances. As he explained, our aim in awarding fair compensation is, as far as it's possible, to put Mr L as closely back into the position that he would have been in had ReAssure acted in a timely manner - so with the transfer value being sent on 7 July 2023.

### **Putting things right**

ReAssure Limited should obtain a notional value of Mr L's pension from the new pension provider as at the date of this decision, and assuming it had been invested in the same way as it was actually invested – which I understand was in the Model Portfolio 6 fund. It should use the transfer value that would have been paid on 7 July 2023 in obtaining the notional

value, and mirror the actual time taken to buy funds in the new pension.

It should compare this with the current actual value of Mr L's pension at the date of this decision. If the notional value is higher, Mr L has suffered a loss and compensation is due. If the actual value is higher than the notional value there is a gain, and in that case no redress is payable in respect of financial loss.

ReAssure has provided a calculation which it says shows Mr L didn't suffer a loss. This appears to be based on the same transfer value that was sent on 13 September 2023. And appears to show that *more* units would have been bought at the 7 July 2023 transfer date (on 13/14 July in line with the time taken to buy units in the new pension following the actual transfer in September 2023). So it's not clear to me whether there was no loss. ReAssure Limited should use the transfer value that would have been paid on 7 July 2023 (which I accept may be the same, but to clarify that issue).

ReAssure Limited should provide a copy of its calculation to Mr L in an understandable format.

Any compensation due should if possible be paid into Mr L's pension plan. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Mr L as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

If Mr L has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to his likely income tax rate in retirement – presumed to be 20% here. So making a notional reduction of 15% overall from the loss adequately reflects this.

ReAssure offered Mr L £200 compensation for the upset and inconvenience caused to him by its poor customer service. As explained by the investigator, ReAssure was required to carry out certain checks in order to protect its consumers from potential harm. The information it received about Mr L's transfer meant it needed to complete further checks which meant it took longer for Mr L to receive his funds than it might otherwise have done.

However like the investigator, I don't think these checks were unreasonable. ReAssure was responsible for some of the delays which I'm satisfied caused a degree of distress and inconvenience. But I think its offer of £200 is fair in the particular circumstances, for its part in the delays. My understanding is that ReAssure has already paid Mr L the £200, but if that's not the case it should do so if Mr L accepts this final decision.

### **My final decision**

My final decision is that I uphold Mr L's complaint.

I order ReAssure Limited to calculate and pay compensation to Mr L as I have set out above under 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 23 August 2024.

David Ashley  
**Ombudsman**