

## The complaint

Mrs J has complained about the amount of time it has taken ReAssure Limited to pay the tax due to HMRC arising from a withdrawal she made from her pension plan. As a result of this, Mrs J didn't have the tax deduction certificate which would have enabled her to reclaim the tax back from HMRC.

## What happened

On 8 March 2023, Mrs J received her withdrawal sum of £8,747, being the net proceeds of a gross withdrawal from her ReAssure pension plan of £11,000.

However, although the amount of the tax deduction was correct, ReAssure didn't pay the tax to HMRC and didn't provide Mrs J with the tax deduction certificate which would have enabled her to reclaim the tax paid back from HMRC due to her personal allowance for the tax year.

Between April and July 2023, Mrs J contacted ReAssure several times to request that the tax be paid, but she'd only heard back once on 22 May 2023 when ReAssure said that it had asked its "third party" company for confirmation as to whether the tax had been paid. And then it confirmed on 7 June 2023 that the tax still hadn't been paid.

Following this, Mrs J made a formal complaint to ReAssure on 21 June 2023 about the non-payment of the tax and the failure to provide her with a tax deduction certificate.

ReAssure acknowledged the delays in paying the tax to HMRC and paid Mrs J £250 in respect of this.

But dissatisfied with the lack of progress in ReAssure paying the tax, Mrs J then referred the matter to this service in August 2023. Mrs J said that, due to the delays in paying the tax, she'd been denied use of the tax sum which she could have reclaimed for five months. She added that the matter, combined with ReAssure's lack of responses to her messages, had been very frustrating and stressful.

Our investigator contacted Mrs J in September 2023 to confirm that ReAssure had offered a further £150 in compensation as a result of the continuing delays in paying the tax to HMRC. Mrs J said that she accepted the further offer, although she also reiterated her frustration with the ongoing delays.

ReAssure then contacted the investigator in October 2023, saying that unfortunately, due to the complex nature of the issue relating to the tax payment, it still hadn't been resolved and further work was required. The investigator conveyed this to Mrs J, who said in response that, having spoken to HMRC herself, there seemed to be no barriers to resolving the issue. Mrs J suggested that an easier solution might be for ReAssure to simply repay the tax deducted directly to her.

There was, however, no further progress following this, and Mrs J contacted the investigator in December 2023 to express her continuing frustration at the delay and enquiring as to what

action this service could take to compel ReAssure to do what was necessary.

The investigator conveyed this to ReAssure, and said that due to the continuing delays and the lack of an explanation for this, the reasonable next step might be to refer the matter to an ombudsman for review and to issue a final decision.

In response, ReAssure repeated its apologies and said that it expected the matter to be resolved shortly.

Mrs J was dissatisfied with that response, however, and asked that the matter be referred to an ombudsman without delay. She also enquired as to whether the further delays would warrant further compensation.

The investigator responded - by this time late December 2023 - to say that he'd contacted ReAssure, who had said that the matter was being treated as a priority. The investigator's proposal was that ReAssure be afforded a further two weeks to resolve the matter, and then if it hadn't, options for case progression could be considered in the new year.

Mrs J acknowledged the investigator's proposal, but expressed her continuing frustration at both the continuing delays and what she considered to be ReAssure's inconsistent responses in terms of what was causing the delays. Mrs J also informed the investigator that she'd like the matter resolved as quickly as possible as her husband was expected to be undergoing major heart surgery in the near future and she would like one less thing to worry about.

The investigator then proposed that a new complaint be opened specifically about the amount of compensation which should be due to Mrs J – this could then be resolved without needing to wait for the tax issue to be settled, and as ReAssure had committed to paying the tax to HMRC, the complaint in respect of that particular issue could be closed.

Mrs J said that she would like the existing complaint to remain open as she considered that ReAssure hadn't said that it would pay the tax to HMRC. And this was the issue which she considered to be the priority, rather than the side issue of compensation in respect of the delays incurred.

The investigator said that he would escalate the matter to a senior colleague for guidance on how to proceed. In the meantime, ReAssure confirmed on 11 March 2024 that it would be reviewing the compensation which was due to Mrs J once it had resolved the tax issue.

After further contact between the investigator, it was agreed that the complaint would be referred to an ombudsman for review to progress matters.

Mrs J then confirmed on 3 July 2024 that the tax had been paid to HMRC, and so that part of the complaint had been resolved. However, ReAssure hadn't confirmed this to Mrs J - she had only found this out when she checked her tax record with HMRC the day before.

Mrs J said that the only matter outstanding now was the amount of compensation which should be payable to her.

The investigator agreed that ReAssure should have communicated the payment of the tax to Mrs J, and he said that he'd be contacting ReAssure to establish the position on further compensation.

The investigator did so on 9 July 2024, and also enquired as to whether ReAssure would be contacting Mrs J to confirm the action it had taken.

No response was received from ReAssure, and so the matter was passed to me for review.

I issued a provisional decision on 17 July 2024, in which I set out my reasons for upholding the complaint. The following is an extract from that decision.

*“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.*

*I’d firstly say that I’m pleased to note that the matter of the tax payment has now been resolved. But this has unarguably in my view taken far too long to resolve.*

*ReAssure may have been treating the matter as a priority, but it certainly didn’t feel that way to Mrs J – and quite understandably so. It’s unacceptable that Mrs J should have needed to wait for over a year for the tax to be paid to HMRC, and I don’t think, or at least hope, that ReAssure would disagree with this.*

*But I also note that ReAssure hasn’t informed Mrs J of this – she needed to check her own tax record to establish that the amount had been paid. And despite the investigator seeking confirmation from ReAssure as to the steps it had taken, along with a proposal for additional compensation for Mrs J, it has yet to provide a response.*

*Overall, I think Mrs J has received a poor standard of service from ReAssure, and although it has to date paid her £400 in total, I think a higher sum would be warranted in the circumstances.*

*Mrs J hasn’t only been distressed and inconvenienced by the delays, at a time more recently when her husband was undergoing major surgery, along with the need to keep contacting ReAssure to determine when the matter would be resolved – she’s also been deprived of the use of the tax refund to which she would have been entitled had it been paid by ReAssure in a timely fashion.*

*Taking into account the time it might reasonably have taken for Mrs J to reclaim the tax from HMRC had it been paid and the tax deduction certificate issued in a timely manner, interest at 8% simple pa – the rate which I think would reasonably be applicable for Mrs J’s lack of enjoyment of the money - would come to approximately £200.*

*If I’m to add this to the £400 already paid, this comes to £600. But I think a further £150 is warranted here to account for the additional delays Mrs J has experienced since the last compensation payment. And I think this would be consistent with the types of award which this service might make in similar circumstances (and I’d refer both parties to our website), where the impact of a mistake has been considerable and has taken many months to resolve.*

### **Putting things right**

*ReAssure Limited should pay to Mrs J a further £350 in addition to the £400 it has already paid. If it hasn’t done so already, it should also send Mrs J the tax deduction certificate for the tax paid without delay.”*

In response, both parties indicated agreement with my proposal.

### **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.

My findings remain the same as in the provisional decision, and for the same reasons given.

### **Putting things right**

ReAssure Limited should pay to Mrs J a further £350 in addition to the £400 it has already paid. If it hasn't done so already, it should also send Mrs J the tax deduction certificate for the tax paid without delay.

### **My final decision**

My final decision is that I uphold the complaint and direct ReAssure Limited to undertake the above,

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 20 August 2024.

Philip Miller  
**Ombudsman**