

The complaint

Mr R says ReAssure Limited has mishandled contributions to his personal pension and provided him with several iterations of conflicting information when it tried to reassure him that it had put things right. He says this has caused him financial detriment, distress and inconvenience.

What happened

Mr R says that when he was trying to make a lump-sum payment into his pension of £20,000 (net) in March 2023 he discovered ReAssure hadn't been applying his regular premiums correctly. ReAssure told Mr R that this had been due to a system error triggered in May 2021 and that it would sort things out.

The Investigator who considered Mr R's case set out in some detail the chronology of events which followed. To summarise, over subsequent months he experienced delays with the application of his lump-sum premium to his policy. He was provided with conflicting information and assurances about how his missing regular contributions had been applied to his pension. And this raised questions about the unit price used to purchase backdated units and the number of units that are recorded for his policy. He raised a complaint.

ReAssure looked into Mr R's case. It issued him with a final response on 23 October 2023 which sought to address the questions he'd raised about his regular premiums. In summary it said:

"The matter regarding the premium allocation has meant that we must calculate the value of your policy each time it is requested. I appreciate the inconvenience this has caused, and the premium allocation issue is being dealt with by our Billing department. Unfortunately, due to the nature of the system correction they are working on, I am unable to supply you with a date when the premium allocations will be completed. Please rest assured that when we apply premiums, we always backdate them to the date of receipt so there will be no financial detriment."

It apologised for the problems Mr R had experienced and offered him £400 for the trouble and upset it had caused.

On 11 January 2024 ReAssure sent Mr R a further final response letter. The focus this time was on the lump-sum payment he'd made in March 2023. ReAssure said:

"I can see that the regular monthly premiums have been applied to your policy at 20 December 2023, and that we've let you know that were working hard to ensure that the £20,000 single premium is allocated as quickly as possible..."

"There hasn't been any financial detriment to your policy as the premiums received have been, and will be, applied at the date they were originally received, and therefore will purchase units at the price on those days."

Mr R wasn't satisfied by what ReAssure was telling him. Not least because he'd received conflicting information about the situation with his pension. He brought his complaint to this Service. Shortly afterwards ReAssure told us it had checked all its workings and was

satisfied the information it had now provided Mr R was correct. It also offered him a further £300 to settle the matter.

An Investigator considered Mr R's complaint and upheld it. In his last view issued in June 2024 he said he hadn't been persuaded that ReAssure had demonstrated Mr R's regular contributions had been applied correctly. In particular he was concerned that it hadn't used the correct unit price for certain of the backdated payments.

ReAssure accepted the Investigator's conclusions. Mr R responded in the following terms:

"Firstly I agree with you that the incorrect unit prices have been applied since June 2021 when they tried to back date. However the missing 400 units have not been explained or re applied. The 1 off cheque was supposed to be applied in March 2023. As I have said previously, the units values given by [XX at ReAssure] in letter dated 19th March 2024 after he had investigated seem more accurate and realistic..."

As both parties couldn't agree with the Investigator's view, Mr R's case has been passed to me to review afresh and provide a decision.

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.

Where there's conflicting information about the events complained about and gaps in what we know, my role is to weigh the evidence we do have and to decide, on the balance of probabilities, what's most likely to have happened.

I've not provided a detailed response to all the points raised in this case. That's deliberate; ours is an informal service for resolving disputes between financial businesses and their customers. While I've taken into account all submissions, I've concentrated my findings on what I think is relevant and at the heart of this complaint.

I'm upholding Mr R's complaint. I'll explain why.

The first thing I've considered is the extensive regulation around transactions like those performed by ReAssure for Mr R. The FCA Handbook contains twelve Principles for businesses, which it says are fundamental obligations firms must adhere to (PRIN 2.1.1 R in the FCA Handbook). These include:

- Principle 2, which requires a firm to conduct its business with due skill, care and diligence.
- Principle 6, which requires a firm to pay due regard to the interests of its customers and treat them fairly.
- Principle 7, which requires a firm to pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.

So, the Principles are relevant and form part of the regulatory framework that existed at the relevant time. They must always be complied with by regulated firms. As such, I need to have regard to them in deciding Mr R's complaint.

I think there is broad agreement between the parties about the fundamentals here. ReAssure have acknowledged Mr R is entitled to a fund value which must reflect the contributions he made had they been applied properly at the date they were made.

On several occasions ReAssure has asserted that its reworking of his personal pension pot to account for the problems it is responsible for is now correct. Unfortunately some of these assurances have subsequently been shown to have been wrong. Presumably, that's why it accepted the Investigator's findings.

Putting things right

I'm upholding Mr R's complaint. So he needs to be returned to the position he'd have been in now, or as close to that as reasonably possible, had it not been for ReAssure Limited's failings.

This matter should now be easily resolved, all of Mr R's questions answered and assurance given to him through a proper audit trail between March 2021 and the current date (the relevant period).

I require ReAssure Limited to conduct a loss assessment to show whether or not Mr R has suffered a financial loss from the delays in adding any of his contributions to his pension pot and the allocation of these to the appropriate investment at the appropriate time and at the appropriate price. If there is a loss, this must be added to his pension pot.

This work should demonstrate to both parties, one way or another, whether the actions ReAssure has taken to date are sufficient. And if not, the appropriate compensation to be paid. This process needs to provide assurance to Mr R not only about what unit prices it has used to calculate the various adjustments, but also that the number of units accrued in his pot are correct.

ReAssure will then be able to address Mr R's question about the information he was given on 19 March 2024 by a member of its staff, which suggested he had around 400 more units than now appears to be the case.

ReAssure must provide Mr R with a clear and detailed schedule of its workings.

When I'm considering a complaint like Mr R's I think about whether it's fair to award compensation for distress and inconvenience. This isn't intended to fine or punish a business – which is the job of the regulator. But when something's gone wrong, recognition of the emotional and practical impact can make a real difference.

We're all inconvenienced at times in our day-to-day lives – and in our dealings with other people, businesses and organisations. When thinking about compensation, I need to decide that the impact of a firm's actions was greater than just a minor inconvenience or upset. It's clear to me that this was the case here.

ReAssure Limited accepted it got things wrong for Mr R and that its failings had caused him inconvenience and distress. This situation has been ongoing for many months and is in relation to his retirement plans, so I understand why it has been the source of worry and frustration. ReAssure has offered Mr R a total of £700 in recognition of these matters. I think this was a fair offer, and it should now honour any element of this it hasn't yet paid.

My final decision

For the reasons I've set out, I'm upholding Mr R's complaint. I now require ReAssure Limited to put things right in the way I've directed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 December 2024.

Kevin Williamson

Ombudsman