

## **The complaint**

Miss P complains that ReAssure Limited (ReAssure) provided poor service when she wanted to set up a Retirement Account (RA) with it, take some Tax-Free Cash (TFC) and then continue to pay both employee and employer contributions into that account. She said the TFC payment was significantly delayed.

Miss P also complains that ReAssure gave her incorrect information when it said both her and her employer could continue to pay contributions into her pension, with contributions from both deducted each month from her salary. She said this information had been an important factor in her decision to open an RA with it.

## **What happened**

On 2 February 2023, ReAssure wrote to Miss P as her investment funds were about to start changing on 20 March 2023 due to the Lifestyling arrangement she'd chosen.

On 8 February 2023, ReAssure wrote to Miss P. The letter said her pension value was £76,904.04.

On 9 February 2023, ReAssure wrote to Miss P to tell her that due to an error, her contributions hadn't been collected from her employer between October 2022 and January 2023. It said it'd tried to contact her employer to make arrangements to collect the missed contributions, but that it hadn't yet been successful. It said it would continue to try to contact the employer to arrange payment. And that it would then allocate the missed contributions as if they'd been paid when they were due, so that Miss P didn't incur any financial loss.

On 10 February 2023, ReAssure wrote to Miss P to confirm that all the missed contributions would be taken with the regular one due on 28 February 2023. The letter confirmed that the current monthly contribution for the policy was £400, of which £200 was paid by Miss P and £200 was paid by her employer.

Miss P called ReAssure on 15 February 2023 about her options. She wanted to know whether she could still pay into her pension if she took a lump sum out of it. The call handler explained that ReAssure had an account – the RA - which would allow this.

As Miss P couldn't pass ReAssure's security checks, the call handler said he would arrange for the information she needed to be sent to her by post. He said that once she'd received the information she'd need to pass the security checks, she could call back to discuss her options. ReAssure sent this information on 21 February 2023. It noted that the last contribution paid date was September 2022.

Miss P called ReAssure on 22 March 2023. ReAssure's call note recorded that it agreed to send Miss P a retirement options pack by post.

On 29 March 2023, ReAssure sent Miss P a retirement options pack. This stated that the fund value was £76,773.98 on 28 March 2023, but that this wasn't guaranteed.



On 11 May 2023, Miss P called ReAssure as she wanted to take some of the benefits from her policy. ReAssure said that it would need to send Miss P Key Features for the plan she'd need to move her pension to. She said she'd read this and then call ReAssure back to confirm her choice. Miss P then called ReAssure on 19 May 2023 as she'd read the Key Features and wanted to start an RA.

On 22 May 2023, ReAssure sent Miss P an email which contained another copy of a retirement pack and requested that she returned the completed forms by post. This gave the value of her funds as £79,505.54 on 18 May 2023, but said this wasn't guaranteed.

On 1 June 2023, Miss P called ReAssure for help with completing her RA application form. She wanted to know how her employer contributions would work with the RA. The call handler told Miss P she'd put her through to the correct team.

On 6 June 2023, Miss P called ReAssure. She said she was completing her application for an RA. She wanted to ensure her employer could continue to make contributions into her pension once it'd been transferred to that account. The call handler said she would transfer Miss P to the RA team.

ReAssure sent Miss P a letter on 18 June 2023 about her request to open an RA. The letter included: a guide on how to complete the application form, a Key Features illustration and document, the application form, risk warnings and a terms and conditions document.

On 3 July 2023, Miss P called ReAssure with questions about her RA application. She said she wanted to continue contributing £200 each month herself, with an additional £200 from her employer. She wanted to know if her employer also needed to sign the application form.

The call handler explained that the RA application form could only show the employee contributions. And confirmed that Miss P's employer contributions could continue. He explained that the employer would either need to write a letter to ReAssure confirming the amount and account details, or he could send it a form which it would need to complete.

On 5 July 2023, Miss P wrote to ReAssure regarding her decision to take her TFC. She said that after that, she wanted to continue to pay £200 each month, with her employer doing the same.

On 11 July 2023, Miss P wrote to ReAssure to tell it that she wanted to transfer her existing pension with it to an RA, after taking her TFC. She said she wanted to continue to pay £200 each month into her account. And that her employer would also continue to match that contribution.

On 21 July 2023, ReAssure said it received Miss P's October 2022 and November 2022 contributions.

Miss P signed her completed application form for an RA on 26 July 2023. Under the contributions section on page 10 of the form, this recorded that Miss P would pay £200 net each month.

Miss P sent ReAssure a letter from her employer dated 25 July 2023 alongside her application. This asked ReAssure to cancel its existing direct debit from 1 August 2023. And then set up a new one in its place. It also enclosed a direct debit form. And confirmed that Miss P would continue to pay £200 each month into her account, which it would match.

On 10 August 2023, Miss P called ReAssure. It told her it'd received her application on 29 July 2023. The call notes recorded that ReAssure thought it would take until the end of



September 2023 or the start of October 2023 to complete.

On 17 August 2023, ReAssure said it received six contributions in respect of December 2022 to May 2023.

On 12 September 2023, Miss P called ReAssure to chase her application. ReAssure's call notes recorded that this request could be escalated. And that ReAssure's call handler logged a task to for this to be done, with a call to be made to Miss P to update her.

ReAssure called Miss P on 14 September 2023 to tell her that the task was now being case managed. The call notes said that she would be getting the payment she'd requested as soon as possible.

Miss P called ReAssure to chase on 26 September 2023 and 28 September 2023. She asked for a call back. Miss P then raised a verbal complaint on 28 September 2023. She was unhappy about the delay to the payment of her TFC and the set-up of her RA. She also felt that communication had been poor.

ReAssure called Miss P about this the following day. It told her it was escalating getting the values back from the manual calculation team. And that it would keep her updated. It said it couldn't give any timescales. And apologised for the journey so far.

Miss P sent a written complaint to ReAssure about poor service and the lack of progress on her pension transfer to an RA on 4 October 2023. She also noted that her pension contributions hadn't been paid during the delay. She said ReAssure had sent her the application form in June 2023. And that she'd returned the completed form in early July 2023. But her pension still hadn't transferred into her chosen account.

Miss P said that ReAssure hadn't contacted her about the delay. And said she'd always initiated any contact. She also said that when she'd lodged a formal complaint the previous week, she'd been promised a call back within five days, but that this hadn't happened.

Miss P said ReAssure had told her that it was calculating the value of units in her pension, despite having already sent her an illustration which stated a specific figure. She said she'd signed on the basis that she'd receive 25% of that figure.

Miss P called ReAssure on 5 and 6 October 2023 about her complaint. ReAssure called her on 9 October 2023 to apologise for the delays and the poor experience Miss P had received so far. It told her that her TFC had been requested and told her the amount of TFC she would receive. It also said it would call her again once the payment had been authorised.

Miss P called ReAssure again on 11 October 2023 for an update. It said it would call her once the payment had been authorised.

On 11 October 2023, ReAssure wrote to Miss P and to her employer to tell them about an overpayment of £400. It apologised and said it would arrange for it to be refunded to her employer.

Miss P called ReAssure again for updates on 11, 12 and 13 October 2023. ReAssure told her that her application was still being processed. And repeated that it would call her once the payment had been authorised.

On 13 October 2023, ReAssure wrote to Miss P to apologise for its delayed response. It enclosed a contribution history for the previous two years. And provided a breakdown of the monthly premiums. ReAssure re-sent this letter on 16 October 2023.



ReAssure also called Miss P on 13 October 2023 to provide an update and to apologise for the delays. It told her the TFC was at payment stage. It explained that due to the contributions error in her original pension the payment had been rejected. ReAssure told Miss P it would continue to update her.

Miss P called ReAssure on 16 October 2023 for an update on her application. She wanted to know when the application would complete. ReAssure called Miss P back the same day to tell her that the payment had been requested and was awaiting authorisation. It said it hoped this would happen the following day. And that it would call her back to confirm.

On 17 October 2023, ReAssure received a contribution of £450 for June 2023.

Also on 17 October 2023, the TFC payment was authorised and £20,203.08 was released to Miss P, with £61,959.24 released to her RA. ReAssure called Miss P to let her know.

On 18 October 2023, ReAssure wrote to Miss P to tell her that her RA had been set up.

As Miss P hadn't had a response to her complaint from ReAssure, she sent a further complaint on 24 October 2023. She said that communication continue to be poor and that her transfer still hadn't completed.

She said that the ReAssure staff she'd spoken to had acknowledged the poor service she'd received and apologised, but hadn't resolved matter for her. She didn't think this was fair.

Miss P noted that her lump sum had been finalised on 17 October 2023. And that it'd now been paid into her account. But she said the communication around this had continued to be poor, with promised call backs not being made.

Miss P said she'd just received a letter from ReAssure which confirmed that her remaining pension pot had been transferred to her RA. But that no further premiums would be added. She said this wasn't in line with her application and subsequent communication with ReAssure. Miss P said she'd told ReAssure she wanted to continue to pay into her RA. She said this would be £400 each month, partly from her and partly from her employer.

Miss P said that although both she and her employer had written to ReAssure to confirm this, ReAssure hadn't actioned this. This had left her feeling frustrated and worried about her finances.

Miss P called ReAssure on 24 October 2023 to check that could continue her contributions within her RA. She called it again on 30 October 2023 for a response.

ReAssure called Miss P back the same day. Its call note recorded that Miss P had asked to pay contributions of £400 each month, with £200 from her and £200 from her employer. Miss P confirmed that a single payment of £400 would be made by her employer. She said that it would then deduct £200 from her wages. The call notes recorded that ReAssure would issue a direct debit form for Miss P and her employer to complete.

On 2 November 2023, ReAssure wrote to Miss P. The letter stated that a TFC of £20,653.08 had already been paid into her account. And that the remaining sum of £61,959.24 would be used to set-up a Flexi-Access Drawdown fund and then transferred to the Flexible Drawdown Pot of her RA.

ReAssure issued its final response letter on 3 November 2023. It apologised for the delay in releasing Miss P's TFC, for not keeping her updated, and for failing to restart the collection of her monthly pension contributions.



ReAssure said that it received Miss P's application on 27 July 2023, alongside her request to take 25% TFC and for her existing contributions to continue. It said that it'd failed to collect some contributions from Miss P's employer and was in the process of correcting that. It then received six months' outstanding contributions on 17 August 2023.

ReAssure said it was unable to release Miss P's TFC until 17 October 2023. It acknowledged that it hadn't kept her informed over this period, during which she'd called ReAssure regularly for updates. ReAssure said it should've kept Miss P better updated on the progress.

ReAssure said it would keep Miss P updated about her remaining outstanding contributions, which it said were outstanding since the closure of her previous policy.

ReAssure acknowledged that its errors had caused Miss P inconvenience. It offered to pay her a total of £701, with £301 of this to cover any loss of interest.

I understand that after Miss P sent in further complaint letters, ReAssure paid her a further payment of £500 for the trouble and upset it'd caused on 26 April 2024.

Miss P wasn't happy with ReAssure's response. So she brought her complaint to this service. She said that the catalogue of errors had been going on since June 2023 and was causing her tremendous stress and great levels of anxiety and frustration. She said the service she'd received had been terrible, and the communication poor. She wanted ReAssure to improve its service as she was worried this would happen again and again. She said that her RA was still not set up.

ReAssure told this service on 22 May 2024 that it was in the process of reaching out to set up the direct debits on the RA.

Our investigator asked ReAssure to provide the full call from 6 June 2023, as we'd only been sent the first part of the call, up to the point where Miss P was transferred to the RA team.

Our investigator felt that ReAssure had taken reasonable steps to put things right. But he said that if further delays took place, this service could consider the matter of redress again.

Miss P was disappointed with the outcome. She wanted to avoid other people going through what she'd been through. She also wanted a resolution to her issues. She also said that she hadn't received the £500 ReAssure had said it'd paid her in April 2024.

Miss P confirmed that she'd now set up a different pension with another provider due to the conflicting information she'd received from RA. She said this meant that her pension now had a shortfall of approximately ten months of contributions. She said that £400 had still been deducted from her salary each month, so she'd suffered a loss.

On 17 September 2024, ReAssure told this service that during the second part of the call on 6 June 2023, between Miss P and the RA team, ReAssure's call handler went through the application form. It said they discussed Miss P's employer making contributions. And confirmed this was possible.

ReAssure also confirmed that the terms and conditions for the RA, which I can see it sent to Miss P on 18 June 2023, confirmed that employer contributions were allowed, but that they could only be made where there were no withdrawal arrangements in place.

ReAssure said that Miss P had told it that she'd set up a pension with another provider. And had asked it not to set up the direct debit. But it said that her employer would still pay the



contributions it should've paid. It said there was open work on that.

As agreement couldn't be reached, the complaint has come to me for a review.

### **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'm not going to uphold it. I know this will be disappointing for Miss P. I'll explain the reasons for my decision.

Before I start, I need to explain that my decision here only covers the complaint points ReAssure addressed in its 3 November 2023 final complaint response.

Where a business has made an offer to settle a complaint – as ReAssure has done – what I have to decide is whether, in all the circumstances, that offer is fair and reasonable.

In this case, ReAssure has acknowledged that it'd caused Miss P inconvenience. It initially paid her £400 for this. But after further delays, it then said it paid her an additional £500 for the trouble and upset it'd caused her. ReAssure has also paid Miss P £301 in respect of loss of interest on her TFC, in acknowledgement that it should've been paid earlier.

I need to consider whether the settlement offer is fair.

I first considered the loss of interest payment ReAssure has made to Miss P.

#### *Loss of interest*

ReAssure said it paid Miss P £301 in respect of lost interest on the £20,203.08 TFC payment. It said this was to cover the period from 10 August 2023 to 17 October 2023.

The evidence shows that Miss P first asked ReAssure for her TFC on 11 July 2023. I understand that it was eventually paid on 17 October 2023, with the delays being caused by the difficulty in setting up Miss P's RA given the missing contributions.

If Miss P had instead decided to transfer her pension away from ReAssure and take her TFC at the same time, I consider that the TFC payment could've been made around four weeks after her first request, although this would clearly depend on the type of arrangement Miss P chose to transfer to. But I'm persuaded that she could've accessed her TFC by 10 August 2023.

Where consumers lose access to their funds for any period of time due to a business's error, this service requires a business to pay consumers interest on those funds for the period that the consumer didn't have access to them. We tend to use an interest rate of 8% simple over this period.

I can see that ReAssure has already paid Miss P £301 interest on her £20,203.08 lump sum to cover the loss of interest from 10 August 2023 to 17 October 2023. I'm therefore satisfied that ReAssure has taken reasonable steps to put right the delayed payment of the TFC. And I don't require it to take any further steps here.

I next considered if ReAssure needs to take any additional action on the missed contributions.

#### *Missing contributions*



Miss P told this service that her pension with ReAssure now had a shortfall due to contributions that hadn't been paid for around ten months. She also said that she'd suffered a loss, as £400 had still been deducted from her salary each month.

ReAssure told this service in September 2024 that Miss P's employer would still pay the contributions it should've paid. And that there was open work on that.

While I haven't been provided an update on this point since September 2024, I'm satisfied that ReAssure is taking reasonable steps to put things right. However, these steps require the involvement of a third party – Miss P's employer – over which it has no control. Therefore I can't fairly tie ReAssure to a specific date by which it needs to have resolved this complaint point.

However, if ReAssure doesn't resolve this specific issue to Miss P's satisfaction, she's entitled to raise a new complaint on this.

I finally considered the compensation payments ReAssure said it made to Miss P in respect of the distress and inconvenience it caused her.

I acknowledge that this process has caused Miss P a great deal of stress, anxiety and frustration. And that she feels she received poor service and communication from ReAssure. So I've gone on to consider whether the compensation ReAssure has paid her for distress and inconvenience is reasonable under the circumstances of this complaint.

#### *Distress and inconvenience*

ReAssure told this service that the delay started because the RA application it sent out only showed Miss P's intended contributions of £200 each month, despite the fact she'd said she wanted her employer to also make contributions. It said there'd been servicing delays in getting the policy set up correctly. But that in the end, Miss P's RA policy had been set up with a start date of 27 July 2023. ReAssure acknowledged it'd caused Miss P frustration and apologised for this.

ReAssure paid Miss P £400 compensation for the inconvenience caused on 3 November 2023. It said it paid a further £500 for trouble and upset on 26 April 2024. But Miss P said she hadn't received this.

I asked ReAssure about the £500 compensation payment.

It confirmed that it had paid Miss P £500 in April 2024 by manual BACS, into a specified bank account (ending 7094). It said its account team had confirmed there was nothing to show that this money had been returned. And suggested that Miss P checked her bank statement from 26 April 2024 to end of May 2024 given it'd paid the £500 direct into her account.

ReAssure said that if Miss P still couldn't locate this payment, it would look into this point further on receipt of a copy of her April and May 2024 bank statements.

I consider this shows that ReAssure has paid the £500 it offered to Miss P. However, if Miss P still thinks it hasn't, she should provide the evidence it's requested and it can take things from there in line with its offer.

The evidence shows that Miss P received poor service from ReAssure. I'm not persuaded that it kept her as informed about what was going on as it should've. And I think that its written communication has also been poor.



I say this for a number of reasons. These include the fact that Miss P clearly believed that she and her employer weren't both permitted to continue to make contributions into her RA. And because I consider that ReAssure's 2 November 2023 letter would've been very confusing and concerning given the TFC had already been paid and the RA had already been set up.

However, ReAssure has paid a total of £900 compensation to Miss P in respect of the distress and inconvenience caused.

I appreciate that Miss P wants to avoid other people going through what she's been through. She also wants a resolution to her issues. I've thought about these points.

It's clear that there have been delays in Miss P's attempts to take her TFC, set up her RA and then for both her and her employer's contributions to continue in line with her wishes. I can see that this has been frustrating and concerning for Miss P for a considerable period of time.

I'm satisfied that the evidence shows that ReAssure had problems setting up the RA Miss P wanted, paying the TFC and arranging for the correct contributions to re-start from both Miss P and her employer due to the missing contributions issue it first notified Miss P about in February 2023.

I acknowledge that Miss P believes ReAssure first said she'd be able to make the contributions she wanted - alongside her employer - into an RA, but that it then told her she couldn't. But I'm not persuaded this is the case here.

I say this because the evidence shows that the terms and conditions were provided to Miss P in June 2023, before her application to the RA. These confirmed that what Miss P wanted to do was possible. And apart from Miss P's testimony, I haven't found any evidence from the phone calls I've listened to and from the paperwork I've seen that ReAssure ever told Miss P that the contribution arrangement she wanted wasn't possible. However, I can see that the missing contribution issue complicated the situation here. And I'm persuaded that this was most likely the reason that ReAssure had such difficulty setting up Miss P's RA within a reasonable timeframe.

Based on everything I've seen, I'm satisfied that the compensation ReAssure has already paid Miss P is reasonable under the circumstances of the complaint. While I acknowledge that Miss P has received a poor service and poor communication from ReAssure, I'm satisfied that it's taken reasonable steps to put things right. I therefore don't uphold the complaint.

### **My final decision**

For the reasons explained above, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 19 November 2024.

Jo Occleshaw  
**Ombudsman**