

The complaint

Mr S complains that ReAssure Limited ("ReAssure") transferred his pension from a with profits fund to a deposit based fund without his consent.

What happened

In 1997, Mr S took out a personal pension with ReAssure invested in their with profit fund, his plan had a retirement date set at his 55 birthday, in January 2024.

On 28 October 2023, ReAssure issued a letter to Mr S, because he was approaching his retirement date. The letter explained that the funds he was currently invested in would automatically be switched from the L&G With-Profit Fund into the L&G Deposit fund on the originally selected retirement date, unless Mr S advised them that he didn't want this to happen. L&G's letter also confirmed the value of Mr S's pension pot (£111,943.46), and indicated that he should obtain guidance or advice prior to making decisions about which option was most suitable for his personal circumstances.

On 10 July 2024, ReAssure sent Mr S his annual review. This included detail relating to the value of his pension and the funds in which it was invested. On 6 October 2024, ReAssure sent a further letter to Mr S. Within this they advised him that more than a quarter of his fund was invested in funds similar to cash, which were very low risk but there was a risk that inflation and policy charges would slowly mean his policy was worth less over time. The letter provided guidance on the use of a ready-made fund, but stated they recommended that Mr S obtain financial advice if he was unsure what to do.

Following receipt of this letter, on 23 October 2024, Mr S switched his fund from the Special Deposit 6 fund to the Managed 6 fund. This was confirmed to him by letter on 31 October 2024. On the same date as the fund switch, Mr S complained to ReAssure. He said, in summary, that he had been switched out of the with profits fund and into the deposit fund when he reached his nominated retirement date without his knowledge.

On 29 October 2024, ReAssure issued their final response. They confirmed that because Mr S's policy had been set up with a selected retirement age of 55, it was automatically switched on his 55th birthday – this was because he had an investment strategy in place to protect the value of the pension. They did not uphold his complaint.

Mr S was unhappy with this and complained to this service. Having conducted his investigation, on 26 November 2024 our investigator provided his view. He concluded that because ReAssure had sent a letter to Mr S three months prior to the switch making him aware of what would happen, they had not acted unfairly and did not uphold the complaint. Mr S was unhappy with this outcome. He reiterated that he had not received the letter sent to him in October 2023 and that by the time he spoke to ReAssure on 10 January 2024, he had already missed the deadline for ensuring that the fund would remain invested in the with-profits fund. Because Mr S did not agree with the investigator's view, the complaint has been forwarded to me for a final 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.

I have considered all of the evidence and arguments provided to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I am in agreement with the investigator, and for broadly the same reasons. I have considered whether ReAssure have acted reasonably when they switched Mr S's pension fund from the with-profits fund to the deposit fund and amended his retirement age from 55 to 85 and I am satisfied that they have.

ReAssure have provided their call log which states that Mr S contacted them by phone on 10 January 2024, during which the maturity letter that had been sent was discussed. Following this call, a further copy was sent to Mr S via email. ReAssure have confirmed they had no further contact from Mr S in respect of this until October 2024. As Mr S did not respond further to the letter that was emailed, his policy was switched out of the with profits fund.

Mr S made the phonecall to ReAssure on 10 January 2024 because he'd looked online and didn't agree with the retirement age that was showing, which had been amended to 85. I have listened to the call recording of 10 January 2024. During this call, Mr S states that he has been looking at the status of his pension online, and it was there that he had identified that his retirement age had been amended to age 85. The representative reminded Mr S that he had been sent a letter with his options in October 2023, he was asked whether he still has the letter and replied "*probably not*" and stated that he had had issues at that time with accessing documents online. He confirmed that he could access the policy and other areas of the online account but not any documents. It was agreed that the letter with the options would be resent via email, however there was no discussion in relation to the funds in which Mr S's pension was invested. I note that Mr S did not at any point during the call state he hadn't received the letter, he confirmed he "*probably*" didn't have it.

There is no suggestion that Mr S did not receive the email resending the retirement options pack to him on 10 January 2024. Having expressly requested a copy of this document, I would have expected that if it contained any information that he was not happy with, that he would have raised it at that point, rather than waiting until October 2024. I note that Mr S states that by the time he received this letter on 10 January 2024, it was already past the date that the fund switch took place, and the letter confirms that this would not be able to be undone, however I am of the opinion that upon receiving and reading this letter, if Mr S was unhappy with the content, particularly in relation to the fund changes that would take place, that he would have raised it at that time. I have been provided with no evidence to indicate that Mr S had attempted to make contact with ReAssure between the call on 10 January 2024 and his complaint in October 2024 following the review letter being issued.

I appreciate that there were over 25 years between the time Mr S took out the policy and his stated retirement age of 55. However, whilst I do not expect him to remember the details of the policy he took out (including the section within the terms and conditions which stated that he could not remain invested in the with profits fund after the selected retirement age), I am of the opinion that he took an active interest in his pension. I say this because on 10 January 2024 he made a phone call to ReAssure because he had noticed that the retirement age of his pension had changed from 55 to 85 and during the call, he references accessing his pension online, and not being able to see the documentation at that point. I am therefore satisfied that he would have been aware of the changes that had been made to his pension at the latest on 10 January 2024 (supported by the email that was sent on that date) however he did not take any steps to remedy this until October 2024.

Whilst I appreciate that it has been frustrating to Mr S that his fund was switched from with profits to a deposit based fund, and the retirement age was automatically updated when he passed the stated retirement age of the plan without accessing his benefits, I am unable to conclude that ReAssure have acted unfairly and do not uphold his complaint.

My final decision

For the reasons stated above, I do not uphold Mr S's complaint against ReAssure Limited

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 June 2025.

Joanne Molloy
Ombudsman