

The complaint

Miss B complains that ReAssure Limited failed to process a withdrawal from her pension savings in a timely manner.

What happened

Miss B holds pension savings with ReAssure. In May 2024 Miss B made an online request for the withdrawal of £1,000. She tells us that this money was needed to fund veterinary costs for cancer treatment required by her dog.

ReAssure accepts that it didn't deal with Miss B's request as efficiently as it should have. It seems that ReAssure needed some further information from Miss B to verify her identity and bank details. But ReAssure failed to initially make that request, and then later told Miss B it was unable to accept the documentation she had sent by email. Ultimately ReAssure didn't pay the withdrawal to Miss B until 27 June.

In its final response letter, that was issued in November 2024 and after the complaint had been brought to us, ReAssure told Miss B that it would expect to pay withdrawals such as this within ten working days. That appears to coincide with what Miss B told us her expectations were. So ReAssure said it would pay Miss B some interest to reflect the delay in the payment. And it said it would pay £350 to Miss B for her distress and inconvenience both in respect of the delayed payment and the time it took ReAssure to deal with the complaint.

One of our investigators asked Miss B if she was willing to accept ReAssure's offer. When she didn't respond to that question, the investigator independently considered what had happened. The investigator concluded that ReAssure had reasonably assessed the length of the delay. And he thought that the compensation ReAssure had offered Miss B was in line with our normal approach. So the investigator didn't think ReAssure needed to pay any additional compensation to Miss B.

Miss B didn't agree with that assessment. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process. If Miss B accepts my decision it is legally binding on both parties.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Miss B and by ReAssure. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

Our investigator has set out in detail for both parties the basic timeline behind this complaint. It doesn't seem that either Miss B or ReAssure have any disagreement about what happened. I can see that Miss B made a reasonable request for the withdrawal of some pension monies. And ReAssure, despite making a reasonable request for some further identity documentation from Miss B, did not handle its communication with her at all well. The initial request for documentation was not sufficiently clear or timely and follow up communication was at times entirely missing.

Miss B told us when she made the complaint, and in her dealings with ReAssure, that she would have expected the withdrawal to be completed within ten working days. That would be my expectation too. It is possible that ReAssure's reasonable request for some further verification documentation might have extended that time period even if it had been dealt with efficiently. But I am pleased to see that isn't an argument that ReAssure is making here. It has simply accepted that Miss B's request should have been completed within its normal ten-day processing window.

So what I need to consider in this decision is what compensation would be appropriate for that delay. In cases such as these I would expect to award some interest for any delay in the withdrawal being paid. And I would also consider some additional compensation for any distress and inconvenience that a consumer has experienced.

ReAssure was delayed in issuing its final response letter to Miss B. That letter was sent to her after we had started to consider the complaint. But it contained an offer from ReAssure in order to put things right. ReAssure calculated some interest on the delayed payment – from ten working days after Miss B gave her withdrawal instruction. That is exactly what I would direct ReAssure to do in this situation. And ReAssure said it would pay Miss B £350 for the distress and inconvenience she has been caused.

I think I should first note that ReAssure broke down its payment for distress and inconvenience. It says £200 of the compensation related to the delayed payment, and the remaining £150 was in respect of the time it took to answer the complaint. But here I am not minded that it is necessary for me to look at individual aspects of distress and inconvenience. Instead I think it reasonable to consider any compensation as a whole.

There is little doubt that Miss B would have been distressed by the delayed payment. She has told us that the money was needed to fund some veterinary treatment for her dog. But I am less persuaded that the delay to the complaint being answered caused significant inconvenience to Miss B. The interest that was calculated on the delayed payment was very small. And Miss B had already referred her complaint to us when eight weeks had passed since she sent it to ReAssure.

I've thought carefully about the compensation that would be appropriate here, and I have borne in mind some explanation that we provide on our website (and that the investigator shared with Miss B) about what payments might normally be reasonable. Having done so I share our investigator's conclusions that the compensation ReAssure has offered to Miss B is in line with what I would consider to be fair and reasonable.

I appreciate that this decision will be disappointing for Miss B. There is little doubt that ReAssure should have made the payment to her sooner than it did. But I am satisfied that the compensation ReAssure has already offered to Miss B is fair and reasonable in the circumstances here.

Putting things right

It isn't clear whether ReAssure has yet paid the compensation it offered to Miss B. If the payment hasn't yet been made, ReAssure should now pay the compensation it offered in its final response letter of 14 November 2024.

My final decision

My final decision is that I uphold Miss B's complaint and direct ReAssure Limited to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 13 May 2025.

Paul Reilly
Ombudsman