

The complaint

Mr R complains that ReAssure Limited provided him with incorrect information about whether a transfer of his pension savings to another provider could be completed in-specie. He says that the transfer should only have been considered to be instructed when he later gave his agreement to the transfer being completed in cash.

What happened

Mr R held pension savings in two separate pension plans with ReAssure. He spoke with ReAssure on 13 February 2024 to discuss transferring both pension plans to another provider. ReAssure told Mr R that it would be possible for the transfers to be made in-specie. In other words that would mean his pension investments would not need to be sold and they would simply be re-registered to the new provider.

ReAssure received transfer requests from the new provider on 17 and 18 February. But at that time it realised that it would not be possible for the transfers to be made in-specie and so Mr R's pension investments would first need to be converted to cash. The transfer of the smaller of the two pension plans that Mr R held proceeded without any apparent delays and the cash was sent to the new provider on 20 February. But, I assume because of the size of the other plan, ReAssure needed Mr R's authority to make the other transfer in cash. Mr R provided that authority on 26 February and the cash transfer completed three days later.

ReAssure acknowledged that the incorrect information it had given to Mr R about being able to complete the transfers in-specie had caused a delay to one of the transfers. So by looking at what would have happened had the transfer been completed in line with the first transfer it worked out whether Mr R had been caused any loss. Those calculations showed that Mr R was actually a little better off as a result of the delay. And it offered Mr R £250 as compensation for any inconvenience he'd been caused.

Mr R complained to ReAssure about how it had worked out whether he was due any compensation. He said that ReAssure should value his pension investments on the date at which he gave his authority for the transfer to proceed in cash rather than when the initial instruction would have been processed. He said he had calculated that meant he was actually worse off as a result of the delay. ReAssure didn't agree with what Mr R said, and remained of the opinion that the way it had assessed any loss was fair. Unhappy with that response Mr R brought his complaint to us.

Mr R's complaint has been assessed by one of our investigators. She thought that the error ReAssure had made had been telling Mr R the transfers could proceed in-specie. She thought that without that error the transfers would have completed at the earlier date ReAssure had used in its calculations. So she thought that what ReAssure had told Mr R about the compensation he was due was fair.

Mr R 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.

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 Mr R 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.

ReAssure accepts that it provided some incorrect information to Mr R. So, in line with what I have set out above, what I need to decide here is what would have happened had nothing gone wrong.

The incorrect information that ReAssure provided to Mr R was that the transfers he wanted to make could be made in-specie. What should have happened was that Mr R should have been told the transfers needed to be made in cash, and so his pension investments would need to be sold to allow a transfer to complete.

When Mr R was belatedly told that information he agreed for the transfer to take place on a cash basis. I have no reason to think that wouldn't have been what he'd have agreed had he been given the correct information at the outset. So if the correct information had been provided to Mr R by ReAssure I think the transfer request it would have received from the new provider would have been for a cash transfer of Mr R's pension savings.

As I said earlier, one of Mr R's pension plans was transferred without apparent delay on a cash basis. Whilst I accept that there might have been a minor delay to that transfer caused by ReAssure changing the instruction from in-specie to cash I haven't seen anything to make me think a similar timescale wouldn't have applied had the original instruction been made for a cash transfer. So I think it reasonable to also apply that timescale to the transfer of the larger of Mr R's pension plans that forms the subject of this complaint.

Mr R has told us that he thinks ReAssure should look at things differently. He says that rather than treating his cash transfer instruction as having been received when the in-specie request was sent, we should instead look at the point at which he agreed for the transfer to take place in cash. But I'm sorry to tell him that I don't agree. If no errors by ReAssure had occurred I cannot see any reason Mr R would have delayed his transfer instruction by an additional week. There doesn't appear to have been any reason for him to have decided a cash transfer should have been instructed at a different time to an in-specie transfer.

So I think that the way ReAssure has worked out whether Mr R has lost out is fair. It has looked at the investments he made with the transferred funds, and calculated whether those investments might have been less expensive had they been made around a week earlier. The conclusion from those calculations is that Mr R has actually gained by the delay to his new investments being made. So I agree with ReAssure that no compensation needs to be paid to Mr R to reflect any financial losses caused by the delayed transfer.

There does seem little doubt that Mr R has been caused inconvenience by the incorrect information ReAssure initially provided to him. So I think it right that he be paid some compensation in that regard. As I said earlier, ReAssure offered Mr R £250 compensation for his inconvenience. I think that amount is fair, and in line with what I would expect to award in circumstances such as these. So I will direct that payment should now be made if it hasn't already.

I appreciate that this decision will be disappointing for Mr R. It is understandable that, using the benefit of hindsight, he would want to ensure that he achieves the best value for his pension transfer. But I am tasked with considering what should have happened. And I think the way in which ReAssure has calculated the compensation is the fairest reflection of the position Mr R would have been in had he been given correct information at the outset.

Putting things right

Unless it has already done so, ReAssure should pay Mr R £250 for the inconvenience he has been caused by the incorrect information he was given about the transfer he was proposing.

My final decision

My final decision is that I uphold a part of Mr R's complaint and direct ReAssure Limited to put things right as detailed above, and in line with its original offer to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 April 2025.

Paul Reilly
Ombudsman