

The complaint

Mr D complains about the administration of his personal pension plan (PPP) by ReAssure Limited (ReAssure). He says he made a request to defer his retirement and ReAssure incorrectly switched the fund his plan was invested in. Mr D also complains that the value of his plan dropped significantly following the deferment of his retirement.

Mr D complains that ReAssure applied a market value reduction (MVR) to his plan. Mr D says he wasn't warned in advance by ReAssure that if he deferred his retirement date an MVR would apply, so he wasn't able to make an informed choice. Mr D says if he had been fully informed then he wouldn't have deferred his retirement.

Mr D also complains that ReAssure has caused him stress and inconvenience by its actions and by changing its position from what it initially told him in response to his complaint, namely that the MVR would be removed from his plan.

What happened

Mr D holds a personal pension plan with ReAssure which was invested in a with-profits fund.

Mr D's nominated retirement date (NRD) for his plan was in January 2022.

In July 2021 ReAssure sent Mr D correspondence which included a pension pot summary. It referred to the potential for an MVR to be applied to his plan. ReAssure then sent Mr D an annual review for his plan.

In September 2021 Mr D contacted ReAssure to ask about extending his retirement date.

ReAssure responded and said if Mr D didn't take his benefits at his selected retirement date, then his retirement date would automatically defer to his 75th birthday.

In October 2021 Mr D informed ReAssure that he wished to defer his retirement and ReAssure confirmed his plan would be deferred.

Later in October 2021 ReAssure wrote to Mr D to inform him that his retirement was approaching. It told him that his funds would switch to the deposit fund at his originally selected retirement date unless Mr D told ReAssure otherwise.

In November 2021 Mr D contacted ReAssure to ask for conformation that his retirement date would be pushed back.

At the beginning of December 2021 ReAssure wrote to Mr D acknowledging his request and confirming that it had put back his retirement date. It said his funds would remain invested with ReAssure and the value would vary with the performance of the stock market. However the letter gave an incorrect new retirement age.

In mid-December 2021 Mr D contacted ReAssure to inform it that he wished to continue paying premiums into his plan.

On 22 December 2021 ReAssure wrote to Mr D and confirmed that his plan would automatically defer to a later date, upon reaching the nominated retirement date in January 2022. It also confirmed that his premium payments would continue.

In January 2022 Mr D's retirement date was deferred, and his fund was switched to the deposit fund.

In July 2022 Mr D contacted ReAssure to ask about the value of his plan. He noted he was unable to see a bonus on his plan.

ReAssure responded to his enquiry later in July 2022 and provided a fund value for his plan at that time and the transfer value for the plan.

On 10 August 2022 ReAssure provided Mr D with information about his plan which included the MVR that was being applied at that time.

In the middle of August 2022 ReAssure wrote to Mr D and explained that MVRs were a way of making sure customers invested in a with-profits fund didn't lose out when others leave the fund. It said it could deduct an MVR at any time except for at death, at maturity or his originally selected retirement date of January 2032. ReAssure said it was applying an MVR at that time, when money was taken out of the with-profits fund, and it had already been applied to the value shown.

ReAssure also said that as Mr D's plan had been placed back into the with-profits fund, the bonuses had been re-applied to his fund causing the fund value to go back to what it was before it was switched into the deposit fund incorrectly. It said, the bonuses would carry on accumulating whilst invested in with-profits.

At around the same time ReAssure sent Mr D a letter where it said that an error had occurred because his funds had not been switched back into the with-profits fund at his nominated retirement date and that had been corrected by ReAssure. It paid Mr D £150 compensation for the inconvenience caused.

In July 2023 Reassure sent Mr D his yearly review which showed the majority of his plan was invested in the with-profits fund but also showed a small amount invested in the deposit fund.

Mr D complained to ReAssure in August 2023 and said that he had contacted ReAssure following an error in respect of the value of his fund. He said ReAssure told him the fund had been switched in error and would be switched back. He said the statements provided to him by ReAssure were not clear as they included a final bonus which the statement indicated wasn't guaranteed.

Mr D said that he had asked to defer his retirement date but hadn't agreed for the maturity date to be set to his 75th birthday.

Mr D said there had been a significant increase in the MVR applied to his plan from approximately £5,800 in July 2023, to approximately £12,600 in August 2023. He asked for an explanation as to how it had increased by this amount within a short timeframe.

ReAssure responded to his complaint in October 2023. It said the fund shouldn't have been switched and that a unit adjustment would take place backdating the switch to the original retirement date and resulting in the MVR being removed. It offered Mr D £350 compensation for the distress and inconvenience caused.

ReAssure then sent Mr D a letter setting out the different valuations depending on whether his plan was invested in the with-profits fund or the deposit fund.

In November 2023 Mr D contacted ReAssure to complain that he had logged into the secure portal for his plan where he had seen it was invested in the deposit fund. He said he had then contacted the customer help line who had confirmed the plan was invested in that fund.

At the end of November 2023 ReAssure sent further information about his plan setting out the value, bonuses and MVR.

Mr D wasn't happy with ReAssure's response and referred his complaint to our service.

Our investigator considered the complaint and issued a view in May 2024 where he concluded that ReAssure should put the plan back in the position as if the fund switch hadn't taken place and remove the MVR, as it had set out in its final response.

The investigator concluded that ReAssure should pay Mr D compensation of £500 for switching the policy fund on several occasions, its poor responses to Mr D's questions and concerns and the confusion, and trouble and upset experienced during this process.

Both parties accepted that view. However Mr D then contacted our service to say that ReAssure was still applying the MVR to his plan.

ReAssure also contacted us to say that it had unfortunately provided incorrect information about the MVR being removed from Mr D's plan. It said there had been a misunderstanding as it had understood that an MVR had been applied when the funds were switched, and it was this that ReAssure needed to rectify. Whereas the error was in switching Mr D out of the with-profits fund when he wished to remain invested in that fund after his original nominated retirement date. In which case the MVR would apply up to age 75.

ReAssure said investment performance was constantly monitored and adjusted when market conditions changed, and an MVR was a reduction to the amount paid out from a with-profits policy or switched from a with-profits fund. ReAssure said an MVR was used to protect the interests of customers who remain invested in with-profits. It said that the current position was that customers who were leaving the with-profits fund were subject to an MVR, reducing their policy pay-out to make sure they did not receive more than their fair share of the fund.

ReAssure apologised and acknowledged that the incorrect information it had provided had caused Mr D a loss of expectation, distress, and inconvenience. So it offered a further £750 for the distress and inconvenience caused.

Mr D was concerned that ReAssure hadn't implemented the conclusions of the investigator and had then changed its stance. He asked that the matter be reviewed by an ombudsman.

As no agreement could be reached Mr D's complaint was referred to me for review.

I issued a provisional decision where I concluded that Mr D's complaint should be upheld in part. I concluded that ReAssure should reconfigure Mr D's plan as if he had remained invested in the with-profits fund throughout and the contributions he had made after his original retirement date in 2022, had been invested in that fund within his plan.

I also concluded that ReAssure should pay £500 for the distress and inconvenience caused to Mr D, as set out by the investigator, together with a further £750 for giving Mr D incorrect information after he had made his complaint, giving him the impression the MVR would be removed from his plan and causing him distress and inconvenience.

Both parties were given an opportunity to respond to the provisional decision with any representations they might wish to make.

ReAssure acknowledged and accepted the provisional decision.

Mr D didn't agree. In summary he said:

- Whilst part of his complaint related to the MVR being applied to his plan following the deferment of his NDR, he was also complaining about poor information and a lack of transparency from ReAssure during the past three years, which he said had made it difficult to understand the financial position of his pension.

- He noted my comments about the checks on the management of with-profits funds, but he didn't think that ReAssure had treated him fairly. He noted he had seen other complaints against ReAssure in the public domain and said small financial sanctions had no impact.
- Mr D said there was a "catalogue of errors" over the past three years which he considered to be significant. He noted that his yearly review statement of July 2024 showed an MVR of £984, whereas the ReAssure secure portal indicated in July 2024 that the MVR was £6,789. He said this was an example of the contradictory information he had received from ReAssure.
- Mr D referred to a letter from ReAssure issued on 10th August 2022. He noted that letter stated that an MVR of £12,215 was being applied however a subsequent letter from ReAssure issued on 30 September 2022 stated that they "are not currently applying an MVR." Mr D said this was incorrect as he had checked his pension throughout that period and ReAssure had continued to apply an MVR. He said there had been a "sustained pattern of mismanagement and maladministration since January 2022" which was still ongoing.
- Mr D said in his view the service provided to him by ReAssure had been very poor and he said it had transferred his pension into a deposit account on two or three occasions.
- Mr D said my decision relied on correspondence sent to him in early July 2021 highlighting that an MVR might apply to his pension, but he felt that my decision didn't give sufficient regard to all the mistakes made by ReAssure, which he said had affected the value of his pension and caused him significant distress. He said my decision didn't give sufficient weight to the impact of those mistakes. Mr D also said he wasn't convinced that ReAssure had adhered to the appropriate guidance when applying an MVR to his pension.
- Mr D felt that insufficient importance had been given to his complaint about the mismanagement of his plan and he had no faith or confidence that ReAssure would provide good and effective governance of his pension going forward.
- Mr D asked what the time scale was for ReAssure to reconfigure his plan, as set out in my provisional decision, and he asked who would check this was carried out appropriately. He said his concern was that ReAssure wouldn't deal with this in a prompt manner once the complaint was closed.
- Mr D said it had taken a long time for ReAssure to review and change its decision regarding removing the MVR. He noted he been informed in May 2024 that ReAssure had decided to remove the MVR, but it wasn't until six months later that he was informed ReAssure had changed its initial decision.
- Mr D said because he had received incorrect information from ReAssure, he had been unable to determine the correct value of his fund. He asked for reassurance that ReAssure would take all the necessary steps to ensure there was no repeat of these errors in the future.

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 carefully considered the representations made by Mr D, I still remain of the same view as set out in my provisional decision for the reasons outlined there. An extract from that decision is reproduced below and forms part of this decision.

I would like to address the issues raised by Mr D in his response.

I think it is important to outline here that our role at the ombudsman service is to determine individual complaints against financial businesses. We aren't the regulator, and we don't fine or punish businesses.

We can determine that a business pays compensation for a financial loss caused by its error or by it treating a consumer unfairly, or that it pays compensation for the distress and inconvenience caused to the consumer as a result. But we don't make awards of a deterrent nature in order to deter businesses from repeating a particular course of action. That sort of action is akin to a fine and therefore more within the remit of the regulator. So while I can understand Mr D's frustration as these issues with his pension plan have gone on for some time, and I do sympathise, any award I make is to put him back in the position as if the switch hadn't occurred and to compensate Mr D for the impact of the errors and incorrect information provided to him.

Mr D feels that the outcome of my provisional decision is to minimise the impact of ReAssure's actions on him and he thinks that I have given insufficient weight to, what he describes as, mismanagement by ReAssure.

I agree that there have been several errors here, beginning with the switch of the fund his plan was invested in, the with-profits fund, to the deposit fund in January 2022. And there have been other occasions when some, or all of the plan, has been switched back to that fund, as I have outlined in my provisional decision.

I also note Mr D's point that the statements he has received have not, on occasion, been in line with the information displayed about his plan on the secure portal.

However, any financial loss caused by the errors in switching funds can be resolved by reconfiguring the plan as if the switch/es hadn't occurred, as I have set out in my provisional decision. And I consider that reconfiguration should also remove the uncertainty felt by Mr D in respect of the correct value of his pension plan.

Mr D has asked about the oversight of that reconfiguration because he has lost faith in ReAssure. We expect businesses to comply with our decisions (assuming the decision has been accepted by the consumer and has therefore become binding). Here ReAssure has all the information relating to Mr D's plan and it has the relevant technical expertise, so it is best placed to carry out the work to reconfigure the plan.

I also don't think, it is more likely than not, that ReAssure has incorrectly applied an MVR to Mr D's plan. As I have said, I think the changes in the value of his plan arose in the main from the switching of funds in 2022, and then the switching back to the deposit fund on two other occasions. Although, it also has to be remembered that fund values do fluctuate and that the value of MVRs can change.

In addition MVRs are a common feature of with-profits funds, so there isn't anything extraordinary in having an MVR applied to your with-profits plan unless you are withdrawing from the fund on an MVR-free date.

I have taken into account the impact on Mr D of the switches and being provided with incorrect or incomplete information, and I acknowledge that the uncertainty around the value of his pension plan has caused Mr D a not insignificant amount of upset. However, I don't think that £500 is an insignificant sum in the circumstances.

I have also taken into account our "examples of awards for distress and inconvenience" and the range of awards we might make, which is available on our website.

I have taken into account that there was more than one occasion of error or incorrect and/or incomplete information being provided to Mr D, that this occurred over an extended period and the resulting impact on Mr D.

I am satisfied therefore that £500 is fair and reasonable compensation for the events detailed in Mr D's original complaint which excludes Mr D being incorrectly informed by ReAssure that the MVR would be removed from his plan, because this came to light later on in the complaint process.

I also take into account the representations made by Mr D about the time it has taken for ReAssure to review its decision and change its position around the MVR being removed. I acknowledge that has taken some time however I consider that is reflected in the £750 it has offered in compensation for that aspect of the complaint.

So, overall, I am satisfied that the total distress and inconvenience award of £1,250 is fair and reasonable in the circumstances.

Reconfiguration

Mr D has expressed his concern about how long it will take ReAssure to reconfigure his plan as if the switches hadn't taken place.

The rules that govern our scheme, the dispute resolution (Disp) rules, specify that a business must comply promptly with any award or direction made by the Ombudsman (Disp. 3.7.12).

I would therefore expect ReAssure to pay the compensation for distress and inconvenience in a fairly short time frame (assuming Mr D accepts the decision which is of course a matter for him).

However, reconfiguring the plan isn't as straight forward as making a payment of a specified sum of money and it usually will involve staff with particular technical expertise which might mean that it takes a little longer.

Having said that, given the history of this matter and the amount of time that has passed since ReAssure acknowledged that it shouldn't have switched the funds in Mr D's plan, I would expect it to prioritise reconfiguring the plan so that it correctly reflects what should have happened and I would expect it to deal with the matter promptly.

Future service

As far as future issues are concerned, I cannot reasonably make a decision as to the level of service ReAssure should provide to Mr D in the future. That is not within my remit. But I would hope that once the issue of the impact of the switch in funds has been fully resolved, things should become clearer for Mr D.

In addition, this decision is looking at the issues that have been complained about and the incorrect information given by ReAssure in respect of the removal of the MVR. If there are any future administrative errors, Mr D has the option to make a new complaint about any new issues.

Provisional decision

"What I've provisionally 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.

Did ReAssure act correctly in automatically switching Mr D's plan to a deposit fund at his NRD given he had indicated he wished to defer his retirement and continue paying into his plan?

As part of the life-styling process Mr D's pension plan would automatically switch to what was deemed to be a lower risk fund when he reached his retirement date, unless he told ReAssure that he didn't want that to happen.

ReAssure informed Mr D that would be the case in a letter it sent in October 2021, and Mr D didn't expressly inform ReAssure that he didn't want his fund to be switched. However, before the nominated retirement date in January 2022, Mr D gave indications and then instructions to ReAssure which I think changed matters. In September 2021 Mr D indicated that he was looking to defer his retirement date and he subsequently gave instructions to defer his retirement. Mr D also gave instructions that he wished to carry on paying into the plan. I also note he contacted ReAssure to confirm that it was carrying out his instructions.

So I think that having received these indications from Mr D, and then having been given instructions to defer his retirement and to continue collecting premiums, ReAssure should have checked with Mr D whether or not he wanted to change funds. And noting what Mr D has said, I consider if it had done so, Mr D would have indicated he wished to remain invested in the with-profits fund. In any event, ReAssure has accepted in correspondence it sent in August 2022 and in October 2023, that it shouldn't have automatically switched the funds in Mr D's plan.

Was it made clear to Mr D that his funds had been switched?

I am not persuaded on balance that any information was provided to Mr D after the switch took place in January 2022, informing him a switch of funds had taken place. It appears that no correspondence was sent confirming the switch had taken place as none has been provided.

The documentation he received in July 2022 provided the fund value and gave details of how the value was made up but didn't refer to the switch. So I don't think it would have been clear to Mr D from that correspondence that the fund his pension was invested in had been switched. It wasn't until August 2022 that ReAssure confirmed to Mr D that his fund had been switched in error.

As a consequence of this Mr D was very concerned when the value of his plan fell from approximately £190,600 in July 2021 (transfer value) to approximately £130,500 in July 2022 (transfer value).

I don't think that the explanation that was given to Mr D by ReAssure in August 2022 was as comprehensive as it could have been. It didn't fully explain how the switch in funds had impacted the value of his plan and I think given the significant change in value, further detail should have been provided. I also note that a further valuation provided in September 2022 gave a value of approximately £130,500 and that confused matters because in August 2022 a transfer value of approximately £185,000 had been provided to Mr D.

In addition a yearly statement in July 2023 showed a small amount still invested in the deposit fund.

In November 2023 Mr D accessed the secure pension portal and explained he was surprised to see that it showed his plan was invested in the deposit fund, so he spoke to the customer service desk who confirmed the plan was invested in the deposit fund. He then contacted

ReAssure by secure message to query this.

Overall, I agree with the investigator therefore that ReAssure should pay Mr D compensation for the distress and inconvenience caused by not providing clear and comprehensive information to Mr D about what had happened to his plan and in response to his requests for his information, and for the confusion caused by the plan being shown to be invested in the deposit fund on more than one occasion.

Was Mr D given sufficient information about the consequences of deferring his retirement and in particular the loss of the MVR free date?

In early July 2021 ReAssure sent Mr D a letter setting out the details of his pension pot including a pension pot summary. In that correspondence, ReAssure referred to the MVR (market value reduction) under the title "Important things we know apply to you or your policy."

It said:

"• Your policy is invested in a with-profits fund. We may apply a Market Value Reduction (MVR) when money is taken out of the with-profits fund. An MVR is a way of making sure customers invested in the with-profits fund don't lose out when others leave it. We may deduct an MVR at any time other than your originally selected retirement date, on death or any other date set out in your policy."

I think this made it clear that there were very limited circumstances in which the MVR wouldn't apply, namely at the point of his originally selected retirement date, which was in 2022, or upon Mr D's death.

A few months later Mr D contacted ReAssure by secure message to ask about deferring that selected retirement date and ReAssure told him that his retirement date would automatically defer to age 75.

So I think ReAssure provided Mr D with clear information before he deferred his retirement, indicating that the "MVR free" date was the original nominated retirement date in 2022. It informed him therefore that if Mr D took money from his plan at any other time, an MVR could be deducted. I say "could" be deducted because whether or not an MVR is being applied to a with-profits fund is something that can fluctuate, with it being applied in some years and not others depending on market conditions and the performance of the fund. ReAssure said in its correspondence "We may deduct" not we will deduct.

Would Mr D have decided not to defer his retirement if ReAssure had given him a specific warning that by deferring his retirement he would lose his "MVR free" date in 2022.

I don't think it is more likely than not, that Mr D wouldn't have deferred his retirement, if he had been given an express warning that he would be at risk of an MVR being applied up until age 75 if he did so.

One of the reasons I think Mr D would still have deferred his retirement is that whether an MVR is deducted at a particular date and the amount deducted, is not something constant and defined (other than at an MVR free date). It will depend on the performance of the fund. The certain element is that if an MVR is being applied to that fund at that particular time and it isn't an MVR free date for the plan holder, Mr D, that the MVR will apply. The reason it is applied is to ensure fairness to all of the plan holders invested in that fund with the aim that

each person receives a fair share of the fund.

I can see from the correspondence sent to Mr D by ReAssure setting out the value of the fund, that the amount of MVR that would be deducted, has fluctuated during the time since Mr D deferred his retirement. For instance, in August 2022 it was approximately £12,215, in and in November 2023 the MVR was approximately £8,670.

I note Mr D has questioned these fluctuations and the way the MVR is determined. So, I think it is important to note here that while a business managing a with-profits fund has discretion as to how it runs its with-profits fund, it is accountable to the industry regulator, the FCA. So, it can't act in an arbitrary manner and has to manage its with-profits fund in line with rules and guidance set out by the regulator.

Those businesses are required to appoint a with-profits actuary and the FCA provides rules and guidance on their duties. They will also have an independent 'With- Profits Committee' whose role is to protect the interests of with-profits policyholders and ensure that they are treated fairly. In addition those businesses are required to publish their "Principles and Practices of Financial Management" document which sets out how they manage the fund. I note ReAssure referred to that document in its letter of August 2022, and confirmed it was available online. So, there are a number of checks on how a with-profits fund is managed. In addition, when considering whether the outcome would have been different, I take into account that Mr D chose to remain invested in the with-profits fund after his selected retirement date and take the risk of fluctuations in the value of his plan.

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ReAssure made an error in its communication to Mr D and said the MVR would be removed from his plan.

ReAssure told Mr D in correspondence sent to him in October 2023, that his plan should not have been invested in the deposit fund and it would carry out a unit adjustment which would result in the MVR being removed. ReAssure also confirmed that the MVR would be removed

in its initial correspondence to our investigator and in response to the investigator's view.

I am satisfied on balance that its statement regarding the removal of the MVR was incorrect, as whether an MVR is applied to a with-profits fund is dependent on market conditions and fund performance, save for where there is a specific provision providing an MVR free date. Whether an MVR is applied at any particular time is a decision for those managing the fund and is taken with a view to ensuring fairness to all those invested in the fund. So I agree with ReAssure that it can't remove the MVR for an individual plan holder except for at an MVR free date when it wouldn't apply.

So while I do sympathise with Mr D's position, particularly given the change in stance by ReAssure, I don't think it would be fair and reasonable for me to conclude that ReAssure has to act as if that incorrect information was in fact correct. The right basis for compensation would be the position Mr D would be in if the mistake hadn't been made, namely if the correct information had been given to him.

I think the consequences for Mr D were that he was caused distress and inconvenience by being given incorrect information. He was led to believe that the MVR would be removed, and the value of his plan would rise accordingly, and I think it would have been very disappointing to discover that wasn't the case, particularly considering the amounts quoted for the MVR in recent years have been in the thousands.

ReAssure has offered a further £750 for the distress and inconvenience caused and I consider that to be a fair and reasonable sum in the circumstances given the impact on Mr D and the time taken to correct the error, namely from October 2023 to November 2024.

How should ReAssure put Mr D back to the position he would have been, if no error had been made?

I think the position would have been, it is more likely than not, that Mr D would have deferred his retirement and remained in the with-profits fund. So, ReAssure should recalculate the value of his fund as if that had been the case.

ReAssure should reconfigure Mr D's plan and backdate it as if he had remained invested in the with-profits fund throughout and the value of his plan should reflect this and should also give account for the payments he has made since he deferred his retirement.

So, Mr D's plan should be put back in the position as if no switch of the fund had occurred, he had remained invested and made the contributions he has since made.

Distress and inconvenience caused to Mr D by unclear and incorrect information

As I have said, I consider that at times ReAssure provided Mr D with unclear information. I don't think it was made clear to him that his fund had been switched and there was subsequently a large fluctuation in value which wasn't explained as fully as it could have been, taking into account Mr D's obvious concern. I also note at times the correspondence and the portal showed him invested in the deposit fund after he had been informed by ReAssure that his plan had been switched back to with-profits.

ReAssure offered Mr D £350 in October 2023, and I understand a cheque was sent to him at that time. Our investigator said this should be increased to £500, which was accepted by ReAssure.

I agree that £500 is fair and reasonable compensation for the unclear information provided noting what I have said about the nature of that information, the time period involved and the

impact on Mr D.

As I have said, I consider the £750 offered by ReAssure for the incorrect information it gave to Mr D about the MVR being removed from his plan, to be fair and reasonable for the reasons I have outlined.

So ReAssure should pay Mr D a total of £1,250 for distress and inconvenience. It may however deduct any amounts paid to Mr D in respect of that distress and inconvenience, for instance the £350 it paid to Mr D if that cheque was in fact, cashed.

Putting things right

ReAssure should backdate the plan as if Mr D had remained invested in the with-profits fund throughout and when doing so it should ensure any premiums paid by him after his initial retirement are also accounted for in that value.

ReAssure should also pay Mr D £1,250 for the distress and inconvenience caused to him by the switch and the unclear and incorrect information it has provided him including where he was led to believe that the MVR would be removed from his plan. I understand ReAssure has already paid Mr D £350. If that is the case, then it may deduct that amount from the distress and inconvenience payment.”

Putting things right

As set out in my provisional decision:

ReAssure should backdate and reconfigure the plan as if Mr D had remained invested in the with-profits fund throughout and when doing so it should ensure any premiums paid by him after he deferred his retirement date, are also accounted for in that value.

ReAssure should also pay Mr D £1,250 for the distress and inconvenience caused to him by the switch and the unclear and incorrect information it has provided to Mr D, including where he was led to believe that the MVR would be removed from his plan. I understand ReAssure has already paid Mr D £350. If that is the case, then it may deduct that amount from the distress and inconvenience payment.

My final decision

My final decision is that Mr D's complaint against ReAssure Limited is upheld in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 7 March 2025.

Julia Chittenden
Ombudsman