

The complaint

Mr H complains that ReAssure Limited unreasonably delayed the transfer of some pension savings between pension plans he held with the firm.

What happened

Mr H held pension savings with ReAssure in two separate pension plans. Those plans were administered by separate offices of ReAssure – in Telford and Romford. In October 2023 Mr H asked ReAssure to transfer his pension savings from the plan that was administered in Telford to the plan administered in Romford. Mr H wished to make that transfer so, once it was complete, he could take a pension commencement lump sum (“PCLS” – otherwise known as tax free cash) from his transferred pension savings.

ReAssure did not handle Mr H’s request well. It appears that there were a number of communication breakdowns between its two offices. Mr H says that he spent significant efforts in liaising between the two offices to enable the transfer to proceed. And then, the payment made by the Telford office was misdirected to an internal account. The transfer didn’t complete until 4 January, and the PCLS was not then paid until 17 January.

Mr H complained to ReAssure about the impacts of the delay. He said that he had needed to postpone some family activities planned over the Christmas period as a result of the delayed payment. He said that he had spent significant amounts of time, meaning he was unable to perform his employment for extended periods, in discussing the transfer with the two ReAssure offices. And Mr H said that he had needed to take a loan from a family member in early January 2024 to bridge the gap before his PCLS was received.

ReAssure issued final response letters to Mr H from each of its offices. ReAssure accepted that it had unreasonably delayed the transfer of Mr H’s pension savings. It told him that it had back valued the transfer amount to the date it received his instruction. And it paid him some interest to reflect the delay in the payment of the PCLS. ReAssure also told Mr H that it would consider any other direct losses he might have incurred if he provided more information about them. In total, across the two offices, ReAssure paid, or offered, £800 in compensation to Mr H for the inconvenience he’d been caused. Unhappy with those responses Mr H brought his complaint to us.

Mr H’s complaint has been assessed by one of our investigators. Largely he thought that what ReAssure had done to put things right was fair and reasonable. But the investigator thought that the PCLS could have been paid a little earlier than the date ReAssure had used when calculating the compensation it paid to Mr H. So he asked ReAssure to pay an additional sum of interest for the extra delay. The investigator thought that the compensation ReAssure had offered or paid for Mr H’s inconvenience was fair.

ReAssure accepted the investigator’s findings and calculated the additional interest it would need to pay to Mr H. But Mr H didn’t agree with the assessment. He didn’t think the compensation the investigator said was fair came close to covering the financial impacts that he had experienced. 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 Mr H 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 Mr H and by ReAssure. If any evidence is unclear, or there are conflicts, I will make my decision based on the balance of probabilities. In other words I will look 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.

I think it is clear that Mr H's experience during the transfer of his pension savings was far from what ReAssure would have wanted. Transferring a pension to a new provider is normally a relatively straightforward and well-rehearsed process. I don't think things should have been any different – and if anything things should have been easier – when Mr H asked to transfer from one ReAssure pension product to another. It seems it should have been for ReAssure to manage its internal communications to allow the transfer to progress. I don't think it appropriate that Mr H should be expected to liaise between the two ReAssure offices to ease their communication shortcomings.

ReAssure has accepted that it didn't progress the transfer as quickly as it should have. It received the completed instruction from Mr H on 27 October 2023. And based on ReAssure's normal processing timescales, that I think are reasonable here, the transfer should have completed by 10 November. That would then have allowed Mr H to request the payment of the PCLS from those funds. So, in line with what happened when the transfer did complete in January 2024, I think it's reasonable to conclude that Mr H should have received his PCLS by 17 November.

Those are the same dates that our investigator derived when he considered the complaint. ReAssure has also agreed they are reasonable, and I haven't seen anything from Mr H that would make me think alternative dates should be used. So what is left for me to decide here is to what extent the delay has caused Mr H to lose out.

I think part of that decision is relatively straightforward. ReAssure revalued the transferred funds to what they would have been worth had the transfer taken place in line with the above timescales. That led to a small uplift in the transfer value. And ReAssure has agreed to pay, following our investigator's assessment, interest compensation to reflect the full delay in Mr H receiving his PCLS. I note that the interest ReAssure has now agreed to pay is a little greater than its original offer to Mr H. So I will make a direction to that effect at the end of this decision. So I think, in terms of the direct impact of the delay, Mr H will be put back into the position he should have been by the redress I am directing.

What is less straightforward, and what is the nub of Mr H's continued dissatisfaction, are the indirect costs that he says he has incurred. Although I am only summarising here the main

points of those claims, I want to confirm to Mr H that I have read, and carefully considered, all the submissions he has made both to us and ReAssure on the matter. I have also seen that Mr H asked to speak with me about these matters before I issued this decision. As our investigator explained to Mr H I don't think that necessary. I don't say that to show any discourtesy to Mr H, but it is only fair that each party is given an equal opportunity to present any evidence to me. And here I am satisfied that has been fairly achieved through the submissions that Mr H and ReAssure have already made.

Mr H is a self-employed tradesman. So he says that in order to deal with ReAssure during its telephone opening hours he has needed to take time away from his paying work. And Mr H has provided us with evidence that a family member transferred £5,000 to him in the week before his PCLS was ultimately paid. Mr H says that was a short-term loan, and it would have no doubt resulted in some lost interest for that family member.

When looking at compensation of this nature, I wouldn't normally expect to provide some sort of detailed breakdown of how any indirect costs are derived. There is little doubt that Mr H will have suffered disruption to his working and home lives. But that would be the norm for the majority of complaints that I see. And given Mr H took what was essentially an interest free loan from a family member it doesn't seem that has resulted in any direct financial cost to him.

As I said earlier, each office of ReAssure has either offered, or paid, Mr H compensation for the inconvenience he was caused. I think that in itself might underline the reason behind this complaint – an inability for the two offices of ReAssure to coordinate their activities. But that has resulted in ReAssure confirming that it has offered, or will pay, a total of £800 compensation to Mr H for his inconvenience.

We have set out on our website some general principles that we will adopt when considering compensation for distress and inconvenience. We of course consider every complaint on its own merits, so those principles are no more than a general guide. But they do underpin my consideration of what might be considered fair and reasonable. And I have also taken account of awards that I have previously made in complaints relatively similar to what we see here.

I think that the total compensation Mr H will ultimately receive from ReAssure for his inconvenience is far in excess of what I would normally award in circumstances such as these. I entirely appreciate the strength of Mr H's feelings on this matter, and that my decision will be greatly disappointing for him. But I'm not persuaded that the circumstances he has set out are such that I should ask ReAssure to pay more than the £800 that has been offered.

Putting things right

I think that, had nothing gone wrong, Mr H would have received his PCLS by 17 November 2023. ReAssure has already paid Mr H compensatory interest, based on an expected payment date of 24 November. So ReAssure should pay Mr H simple interest at a rate of 8% per annum on the value of his PCLS for a further period of seven days. HM Revenue & Customs requires ReAssure to take off tax from this interest. ReAssure must give Mr H a certificate showing how much tax it's taken off if he asks for one.

As I have set out above, ReAssure has agreed to pay a total of £800 to Mr H for the inconvenience he has suffered. It isn't clear whether all that amount has yet been paid. So ReAssure should pay any outstanding amount of that compensation to Mr H.

My final decision

My final decision is that I uphold Mr H'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 Mr H to accept or reject my decision before 7 April 2025.

Paul Reilly
Ombudsman