

## **The complaint**

Mr D complains about administration errors and delays in the surrender of an investment policy caused by ReAssure Limited.

## **What happened**

Mr D was dealing with ReAssure about the surrender of an investment policy after his brother sadly passed away. ReAssure said there were issues with how the policy had been arranged when it was transferred into their names some years before.

It took some time for the matter to be resolved and ReAssure eventually agreed that the policy could be surrendered.

When organising the surrender of the policy ReAssure sent an incorrect form and there was incomplete advice given about the need for a Grant of Probate (GoP). These issues delayed the surrender of the policy. Because of the issues, and the time it was taking, Mr D asked an Independent Financial Adviser (IFA) to act on his behalf to try and sort out the problems.

During this time Mr D complained about the problems and ReAssure paid an amount of £300 as an apology. A further £200 was offered as time went on. As things progressed Reassure offered another £200 making a total offer of £700 for the distress and inconvenience caused. ReAssure also said they would consider the costs incurred with the IFA subject to evidence being provided.

Remaining unhappy about everything that happened Mr D brought his complaint to this service where one of our Investigators looked into what happened.

Whilst the complaint was with our service ReAssure made a payment of £663.21 which they said covered the financial loss due to the delays caused.

Our Investigator considered the circumstances and thought the total of £700 was a fair and reasonable payment covering all aspects of the complaint.

They also said that the costs incurred by using the IFA should be covered once evidence had been provided. Mr D provided an invoice for the costs as well as an explanation of the work the IFA had done.

ReAssure provided a revised offer with a further payment of £1,256.24 covering the financial loss. This was due to an incorrect offset in the original calculations. Our Investigator was satisfied this ensured there was no financial detriment caused by the delays.

Whilst being in broad agreement about some aspects of the offer, Mr D provided comments on some of the dates used in the calculations and expressed his overall unhappiness with how Reassure had dealt with the issues.

Because an agreement couldn't be reached the matter has come to me for a 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.

Mr D has provided a lot of information about this complaint and it's clear how strongly he feels about what happened. I want to assure him that I've read and considered everything that has been provided even if I don't mention it all in detail. I've summarised some things which reflects the informal nature of our service.

Because an offer has been made by ReAssure, my decision will concentrate on whether I think the offer is fair. I won't be repeating all the detail of what happened, most of which isn't in dispute by either party.

Mr D asked if ReAssure has made any comment about the notes kept by their contact centre staff when dealing with the issues. ReAssure have accepted that errors happened and have made an offer to put things right. So I don't think any further comments from them are necessary for me to decide if I think the offer is fair.

There are three areas of the offer from ReAssure: the financial loss, the payments for the distress and inconvenience of what happened, and costs incurred by the IFA. I will deal with each of these areas in turn.

### Financial loss

In August 2024 ReAssure made a payment of £663.21 to cover the financial loss caused by the delays.

In December 2024 they made the below revised offer via our Investigator:

*The revised timeline confirmed that the payment should have been made using a liability date of 5 March 2024 which was £78,192.94 ( 2 x £39,096.47) The redress was calculated taking into account we paid £79,449.18 and offset the gain of £1,256.24 (£79.449.18 - £78,192.94). The 8% interest was calculated on £39,096.47 from 05 March 2024 to 18 July 2024 which is £1,156.04 gross and £39,096.47 from 5 March 2024 to 24 July 2024 which is £1,207.41 gross . The total was £2,363.45 - £1,256.24 = £1,107.21? – BoE+1% of £444.00 leaving £663.21 which was paid on 2 August 2024.*

*However, we shouldn't have offset the gain just the BoE+1%. Therefore £2,363.45 - £444.00 = £1,919.45 - £663.21 paid leaves **£1,256.24** still to pay.*

Having looked through the timeline of events, and considered everything that happened, I'm satisfied the remaining payment of £1,256.24 is a fair and reasonable offer to put things right.

Mr D raised some questions about the dates used in the calculations. This has to do with a difference between when the payments were processed and when they were received by him. It's usual practice for interest to be calculated up until the date the payment is processed by a business. There might be a few days delay before any payment reaches a customers bank account. I appreciated this can be frustrating as sometimes the number of days for the payment to arrive can vary. However I think paying interest up until the date of processing is a usual and fair procedure.

Reassure should also pay 8% simple interest from 24 July 2024 to the date on which the payment is processed.

## **Distress and inconvenience**

Mr D has asked for a payment of £1,200 for the time spent dealing with the complaint which he says reflects the rate per day of his job and the total time he has spent dealing with the matter.

Information on our website says:

*When considering your time and how you've been inconvenienced, we don't usually consider, for example, someone's hourly rate. Instead, we'll look at the overall impact the business's mistake had on you.*

Because of this I won't be making any award as Mr D has requested using the rate of pay from his work.

Our website also says: *We also can't compensate executors personally, as they only represent an estate.*

So I've considered the distress and inconvenience caused to Mr D in his own personal capacity and am satisfied that the payment of £700 is fair in all the circumstances.

It's not in doubt that mistakes were made and Mr D was put to some unnecessary effort. This was more upsetting for Mr D as it involved the estate of his brother so this was already an emotional time.

Mr D has said he estimates that he spent at least 1.5 days dealing with the matter. More time was spent by the IFA who was representing him.

There were certainly delays which caused stress, worry, and upset. There was also a period of time where the delay was caused while waiting for a GoP. So not all of the time taken was the responsibility of ReAssure.

Having taken into account everything that happened, including the time scales involved, I'm satisfied that the total of £700 is a fair offer for the distress and inconvenience caused.

ReAssure has confirmed that the initial offer of £300 has been paid, which means there is an outstanding payment to be made of £400.

## **IFA costs**

Reassure has said they will consider IFA costs incurred by what happened. They've explained what is required to assess this claim which has been passed to Mr D:

*In relation to your comments regarding compensation for the additional time you have spent on this matter, as a point of principle ReAssure does not normally consider paying fees associated with the representation of a client's case through a third party. However, where it is evident that the matter in question has been dealt with outside of normal service parameters and it is clear that the intervention of a third party has assisted in the resolution of the matter, then we will consider paying an element of compensation to that third party. In this regard there are a number of factors to be borne in mind:*

- a) As your service provision is to the clients with whom you have signed a contract you are not providing the firm with a service and therefore any claim should be not include VAT.*
- b) We will not pay your full hourly rate (this is normal for the industry); we will consider paying a maximum of a third of your hourly rate capped at £100 per hour.*

*c) Obviously any transaction will take a certain amount of time and would require a degree of effort on the part of the third party so we would not expect to be requested to compensate for all time spent on a case.*

*d) The breakdown must detail the time spent over and above what would be considered normal time in dealing with such a transaction.*

*In order to assess a claim for the additional time you have spent I will need a copy of the following documents:*

- *Terms of Business or confirmation of the hourly rates charged on company headed paper.*
- *A breakdown of the time you have spent on this issue which is over and above what you would normally expect. The breakdown will need to show what additional work was completed; the date and how long the work took to complete.*

*On receipt of the above information, we will then be able to assess your claim.*

Mr D has provided information about the work the IFA did and it's clear they were dealing with the matter and contacted ReAssure on multiple occasions. And it's agreed that ReAssure made mistakes along the way.

Mr D has provided a lengthy email with an explanation of the work done by the IFA however this doesn't satisfy the requirements ReAssure have set out.

I think the information ReAssure has asked for to assess the claim for costs is in line with the type of evidence I would expect to be requested in circumstances like this. Once this information is provided they should assess the claim and make the appropriate payment.

Overall I'm satisfied the offer made by ReAssure is a fair and reasonable way of resolving the complaint.

### **Putting things right**

ReAssure Limited should pay Mr D:

- £1,256.24 which is the outstanding financial loss
- 8% simple interest on the £1,256.24 from 24 July 2024 to the date the payment is processed
- The remaining £400 yet to be paid for the distress and inconvenience caused by what happened
- IFA costs subject to acceptable proof as explained above

### **My final decision**

My decision is that ReAssure Limited should pay Mr D the amounts explained above, and subject to acceptable proof of IFA costs they should be covered with the methodology explained.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and the estate of Mr D to accept or reject my decision before 12 September 2025.

Warren Wilson

**Ombudsman**