

The complaint

Mr C complains that ReAssure Limited ("ReAssure") provided incorrect information about his pension, and caused delays which resulted in him experiencing financial difficulty and embarrassment.

What happened

Mr C held a pension with ReAssure. In February 2024 he started the process of a withdrawal to purchase a new car. The amount required was £12,000. ReAssure issued Mr C with the relevant application form to make a withdrawal from his pension as a one off fully taxable payment. On 18 April 2024, ReAssure sent a letter to Mr C confirming that the process was "*almost complete*", and asking him to sign a pension withdrawal request form.

Mr C identified that the tax due on the payment would have an impact therefore on 9 May 2024 he submitted an updated application form for a withdrawal of £20,000 from his pension, to be paid immediately.

Due to the type of pension Mr C held, he was limited to £4,972.20 income from his fund per year, therefore the only option available to him in order to obtain the amount required from the existing pension plan was to withdraw the entire fund.

This was communicated to Mr C on 21 May 2024 in a letter which referred to his recent request for £20,000, and confirmed that the maximum that could be withdrawn in any one policy year was £4,970.20. The letter stated that if he wanted to, he could encash the policy which in that letter was stated to have a value of £45,221.65. On 28 May 2024, a withdrawal pack was issued to him which also stated that the current value on that date was £45,221.65. On 29 May 2024 he completed an application form to withdraw the full fund.

On 5 June 2024, the full encashment of Mr C's pension was completed, and Mr C received a payment of £34,677.53 gross (£27,742.13 net of tax).

On 28 May 2024, Mr C submitted a complaint in relation to the delays he had experienced. On 2 June 2024, ReAssure issued their final response. Within this they apologised for their poor communication and for having provided incorrect information and documentation in relation to Mr C's withdrawal. ReAssure paid Mr C £400 to reflect the inconvenience caused by their errors. On 20 June 2024, Mr C wrote to ReAssure requesting an explanation of the discrepancy between the valuations he had been sent and the amount he had received. On 4 July 2024 ReAssure responded to confirm that the discrepancy was due to an error on their part, and apologised for any stress or embarrassment caused. Mr C was unhappy with the responses from ReAssure, and submitted his complaint to this service.

Having carried out an investigation, our investigator provided her view. She concluded that ReAssure had made errors, both in the information they provided to Mr C, and by causing delays in Mr C accessing his pension funds. In addition to asking ReAssure to honour the £750 payment to Mr C in respect of the inconvenience caused by their errors (£400 already paid and £350 offered), she asked ReAssure to carry out a loss calculation to identify

whether there was any loss in value to Mr C's pension during the delays. ReAssure carried out a loss calculation, which showed that between 7 May 2024 and 5 June 2024 (the settlement date), the value of Mr C's pension increased by £161.42, therefore he did not lose out financially so there was nothing in respect of this due to Mr C.

Mr C did not accept this outcome, therefore the complaint has been forwarded to me for a final decision.

Provisional findings

I issued my provisional decision on 3 June 2025. It said;

"I have considered all of the evidence and arguments provided to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I am in agreement with the investigator, and for broadly the same reasons. However, I intend to differ slightly in relation to the redress payable to Mr C. Mr C's complaint comprises two elements – the delays in the processing of the withdrawal of his pension, and the fact that he was told conflicting fund values of his pension. Although ReAssure have not provided a full final response to Mr C in respect of the discrepancies in the pension fund value, they have carried out an investigation and provided an explanation for the discrepancies in fund value in their submissions to this service. I have therefore considered both elements of Mr C's complaint in my decision.

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 have firstly considered the element of Mr C's complaint relating to the inconsistent fund values provided. During early 2024, Mr C was provided with a number of documents from ReAssure. On 15 February 2024, ReAssure sent Mr C his annual statement for his pension, which stated that the current value of his pension was £36,831.71. This was shown to be an increase from £35,975.09 on 23 April 2023. On 19 February 2024 ReAssure sent a letter to Mr C confirming that the maximum annual income he could take from his pension was £4,972.20.

Following Mr C's enquiries in relation to accessing a lump sum from his pension, on 18 April 2024 ReAssure wrote to him with the withdrawal forms and stated that at that date, the value of the pension was stated to be £33,828.20.

However, on both 21 May 2024 and 28 May 2024 Mr C was sent documentation which stated the value of his pension as £45,221.65. On 12 June 2024, he received a further letter stating the value of his pension to be paid was £34,677.

ReAssure have accepted that they made errors when sending out application forms for Mr C to make a lump sum withdrawal from his pension and have apologised for this. They have explained that the reason for the incorrect figures being provided to Mr C in May was due to the fact that the value of his policy should have been manually calculated, however this was erroneously not done when the letters in May 2024 were sent to Mr C. The system generated value did not take account of annual income payments that Mr C had taken in previous years. I have been provided evidence showing that the withdrawals to which they are referring took place between February 2022 and April 2023, when the value of the policy reduced from £49,460.53 to £35,975.09. ReAssure confirmed that Mr C's pension was

subsequently manually calculated and they are confident that the figure of £45,221.65 was incorrect.

Mr C has asserted that he had always been told the value of his pension was around £45,000, and ReAssure never made him aware of the lower value of his pension until the end of the process. Mr C states that when he received the letters showing the value of his pension to be around £45,000, he looked at previous statements which showed around £50,000, so £45,000 seemed reasonable. He states that had he been aware that the value was lower, he would not have accessed his pension fund. I cannot find evidence to support the assertion that Mr C had never been made aware of the lower value of his pension. In the annual statement sent to Mr C in February 2024, the value at that time was stated to be £36,831.71. Within the 2024 statement, the value as at April 2023 was shown to have been £35,975.09. When Mr C commenced the process of accessing his pension in April 2024, he was sent an application form. Although it subsequently transpired that this was the incorrect form, it was accompanied by an illustration which showed that the value at that time was £33,828.20. I cannot find any evidence to suggest that Mr C raised any concerns at that time that the stated value at that time was not in line with his expectations.

I am therefore satisfied that although ReAssure did make errors when sending out the valuations in May 2024, there had been sufficient correspondence provided to Mr C with the correct valuation of his pension that should have reasonably highlighted the fact that the documents provided to him in May 2024 may have been incorrect. Mr C is understandably distrustful of the actual valuations being provided by ReAssure. However, given that the value ultimately communicated and paid to Mr C in June 2024 was consistent with the previous statements and valuations provided, I have no reason to doubt their accuracy. This has been supported by the recent manual calculations carried out.

I have considered the impact that ReAssure's actions have had on Mr C. Whilst I appreciate how disappointing it must have been for Mr C to learn that his policy value was the lower of the two values he had been told, I cannot conclude that Mr C made any significant financial decisions as a result of the incorrect information. Mr C has stated he had committed to the purchase of the new car in February 2024. The evidence provided to me demonstrates that at that time, fund value advised to Mr C was £36,831.71, followed by a statement showing £33,828.20 being issued in April 2024. The earliest date Mr C was advised the incorrect fund value was 21 May 2024, by which point Mr C had taken steps to access funds from his pension in order to meet his financial objectives. As he required a higher amount than this plan would allow, and had already attempted to increase the amount to allow for tax, I am satisfied that he would have been more likely than not to continue to access the fund (his only option) even without the incorrect fund value being advised to him. For the reasons above, I uphold Mr C's complaint in relation to ReAssure's errors in providing him with conflicting information but do not agree that he was impacted financially as a result of these errors.

Turning now to the delays experienced by Mr C in accessing the funds from his pension. Prior to starting the arrangements for the purchase of his car, Mr C states that he contacted ReAssure in February 2024 and was told that the process would be likely to take seven to ten days, up to 15 days. He reconfirmed this information on 26 March 2024 in another call to ReAssure. Mr C states that he submitted his claim on 12 April 2024, and received the proceeds of his pension on 13 June. However I note that although Mr C had started his enquiry to withdraw his pension and ReAssure sent documentation to him on 18 April 2024, the first application form submitted by Mr C is dated 9 May 2024. I have therefore used this date as the starting point when considering whether the time taken to provide Mr C with his pension funds was unreasonable. There were 26 working days between 9 May 2024 and 13 June 2024, the date Mr C received his funds, longer than the maximum of 15 working days anticipated. When the correct forms were issued to Mr C and returned on 29 May 2024, it

took until 13 June 2024 for Mr C to receive the money, a total of 12 working days. Therefore I am of the opinion that if it weren't for ReAssure's errors in providing Mr C with incorrect information in relation to the amount of money he could access from his pension (and incorrect forms to complete), I think the earliest date he could reasonably have expected to receive the funds was 25 May 2024, 12 working days after 9 May 2024 when Mr C initially submitted his signed application form. It therefore follows that I uphold this element of Mr C's complaint, and require ReAssure to take the steps below to put things right for him.

It is not in any doubt that the errors made by ReAssure caused significant stress and inconvenience to Mr C. ReAssure have paid £400 and offered a further £350 to Mr C to recognise their errors and the inconvenience caused. I understand that to date Mr C has not accepted the additional £350 offered. The payments already made and offered are in line with what this service would direct a business to pay for an error such as this so although I am asking ReAssure to honour the £350 payment previously offered, I will not be asking them to increase this offer.

Putting things right

In order to fairly compensate Mr C for the delays caused in paying him his pension funds, ReAssure should pay interest at 8%pa simple from 25 May 2024 to 13 June 2024. If HM Revenue & Customs requires ReAssure to take off tax from this interest, ReAssure must give Mr C a certificate showing how much tax they've taken off if he asks for one.

In addition to this, ReAssure should pay Mr C the additional £350 previously offered in respect of the distress and inconvenience caused by their errors."

Responses to my provisional decision

I have received responses from both ReAssure and Mr C following my provisional decision being issued. ReAssure have raised two points in relation to the proposed redress due to Mr C. Firstly, in relation to the dates to be used for the calculation. In my provisional decision, I indicated that interest should be paid from 25 May 2024 to 13 June 2024, the date that Mr C received his funds. ReAssure have stated that they believe the end date should be 5 June 2024, as this was the date the funds left them.

Secondly, they have questioned the provisional decision to award interest to Mr C, rather than a loss calculation being carried out which would consider the difference between the value of the funds at the date they should have been paid to Mr C with interest and the amount that was actually paid to Mr C.

Mr C has confirmed he has no further comments or evidence for my consideration.

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.

I acknowledge ReAssure's comments in relation to the interest being payable to the date the funds left them, rather than the date they were received by Mr C and agree that it is fair for the date used for any calculations to be the date the funds left them, that is, 5 June 2024.

I have further considered the various approaches to redress available when a business has made a mistake, and the purpose of this service, which is to put an individual back in the position they would have been in had the mistake not been made. Due to the delays, Mr C's pension remained invested for an additional period of time. I have considered whether it is

appropriate to carry out a loss assessment rather than adding interest to the payment made to Mr C and I agree with ReAssure's comments relating to this. Mr C has been made aware of the proposed change of approach and has confirmed that he does not have any further comments to add.

ReAssure have demonstrated that during the time that the payment of Mr C's pension funds were delayed, the fund increased in value, from £34,476.91 on 7 May 2024, to £34,677.53 on 5 June 2024, meaning that the growth of the fund has exceeded the interest that would have been payable from the date the payment should have been made, to the date it was actually paid.

Although I am changing the approach to be followed in calculating the redress, as neither party have added any further comments or information in relation to the decision itself, I see no reason to change my mind. It follows that I uphold this complaint.

Putting things right

In order to fairly compensate Mr C for the delays caused in paying him his pension funds, ReAssure should carry out a calculation as follows;

- a) Calculate the payment Mr C should have received from his pension, net of his marginal rate of tax as at 7 May 2024 (the date the payment should have been made)
- b) Calculate interest at 8% per year simple from 7 May 2024 to the date of payment (5 June)
- c) ReAssure can deduct basic rate tax from the interest payment. Add the interest to the payment that Mr C should have received.
- d) Compare this with the actual payment Mr C received from his pension, net of his marginal rate of tax. If the amount actually paid to Mr C was less than the amount calculated in (c), above, this is the loss amount, which should be paid to Mr C (D).
- e) If (D) shows that Mr C suffered a loss, interest should be added to this at 8% per year simple from 5 June 2024 to the date that Mr C accepts my final decision.
- f) ReAssure can deduct tax from the interest payment (in e) if required to do so by HMRC.
- g) ReAssure should provide a copy of the calculation to Mr C.

In addition to this, ReAssure should pay Mr C the additional £350 previously offered in respect of the distress and inconvenience caused by their errors.

My final decision

For the reasons explained above, I uphold Mr C's complaint against ReAssure Limited, and they should pay the amount calculated as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 1 September 2025.

Joanne Molloy
Ombudsman