

The complaint

Mr L complains ReAssure Limited ('ReAssure') hasn't correctly reported the pension income he took in March 2024, leaving him unable to reclaim tax paid on that sum.

What happened

Mr L has a personal pension with ReAssure, from which he withdrew a gross lump sum of £5,000 in March 2024. ReAssure deducted tax from this sum and paid Mr L net.

Across June and July 2024, Mr L contacted ReAssure to request a P60 certificate to show the tax he'd paid in the financial year 2023/24. After many messages and calls, ReAssure emailed this to him. It showed the £5,000 payment and the £952.47 tax deducted from it.

In September 2024 Mr L contacted ReAssure again as he was trying to reclaim the £952.47 tax from HMRC; he said HMRC had told him that ReAssure had sent HMRC a submission in March 2024, but had then sent another which showed he'd paid no tax and which overwrote the previous submission. So Mr L told ReAssure it looked to HMRC as if he hadn't paid any tax, and that HMRC said ReAssure should make a further correct submission so he could reclaim £952.47 tax.

Mr L and ReAssure had further communication about this across September and December 2024. In this, ReAssure said it had escalated his tax matter as a priority and confirmed he'd withdrawn £5,000 gross, that £952.47 tax was deducted and £4,047.53 net was paid to him. ReAssure also said it hadn't yet reported the payment to HMRC but it was working with HMRC to resolve the issue, though it couldn't give Mr L a timescale for this.

While these communications were ongoing, it seems Mr L expressed his concerns online, which ReAssure acknowledged to him. And that ReAssure made a 'dummy' withdrawal of £1,000 from Mr L's pension to try and understand how to fix the issue by triggering his payroll number, though this withdrawal was not in fact made.

On 23 December 2024, Mr L emailed ReAssure to chase for an update and to share a copy of a letter HMRC had sent him, which said, *"Unfortunately, until your pension provider has submitted the correct figures for 2023 to 2024, we are unable to repay any refunds due. I understand this can be frustrating, but your pension provider originally sent the correct figures of £5000 payment with tax deducted £952.47 on 27 March 2024, however they then sent a further 3 submissions on 2 April 2024, 5 April 2024 and 27 July 2024 showing £0.00 which meant there was nothing to reissue as each submission overwrites the previous one.*

Your provider needs to send the end of year figures again showing amount paid £5000 and tax deducted £952.47, which they do electronically. Once they have done this, we can then repay instantly. We cannot repay the amount back with the details you have attached by adding them in as this can cause further issues when re-reconciling tax years and could cause either an underpayment of tax to occur or an over repayment being issued."

In January 2025, ReAssure paid Mr L's further pension withdrawal of £6,250 gross. And they had further communication about the tax reporting, as it still wasn't fixed. ReAssure said it

couldn't yet address this but hoped to soon and gave Mr L referral rights to the Financial Ombudsman Service. ReAssure then told Mr L it was still resolving the issue with HMRC and would contact him when this was done, but it didn't have a timescale for this yet.

Unhappy, Mr L brought his complaint to our Service in January 2025. He thought ReAssure couldn't fix the issue and suggested it should pay him the equivalent of his tax refund. He said his pension was his only income, and this issue had caused him inconvenience at a time when he was already distressed by close family members having very serious health issues.

ReAssure told us the tax reporting issue had been resolved and had been a system issue requiring manual intervention from its system architects. But that Mr L had been waiting since April 2024 with no timescale for resolution, he'd needed to chase ReAssure many times, and there'd been a large delay and multiple points of error. So ReAssure offered Mr L compensation of £1,250 for the distress, uncertainty and inconvenience it had caused him.

Mr L rejected this offer and said HMRC still hadn't received what it needed from ReAssure. Our Service queried this with ReAssure; it said it had re-submitted Mr L's correct information for 2023/24 to HMRC on 16 February 2025 under transaction reference ending 'F3CB'.

But Mr L maintained that ReAssure had only fixed the tax reporting issue for the pension income of £6,250 gross he'd taken in 2024/25; it was still unresolved for 2023/24 and HMRC had told him ReAssure should call its Employer Helpline. Mr L added he'd like to withdraw the rest of his ReAssure pension but ReAssure might then stop responding to him entirely.

We again queried matters with ReAssure. It said it recently had a long call with HMRC in which HMRC said it couldn't find transaction F3CB. So ReAssure had re-submitted the correct information to HMRC on 14 May 2025 under transaction reference ending 'B385'.

Our Investigator gave her view of Mr L's complaint. She said ReAssure's service had been poor, but it now seemed to have taken the necessary steps to correct its errors. That its offer of £1,250 was fair and reasonable compensation for the distress and inconvenience it had caused Mr L. And ReAssure didn't need to pay late payment interest on his potential tax reclaim, because she didn't know when this might be paid, couldn't say HMRC hadn't also contributed to a delay, and the £1,250 more than covered any potential interest that would be paid. She said Mr L could contact HMRC with transaction reference B385 so it could take its necessary steps, and that he could complain to HMRC if he was unhappy with it.

But Mr L said ReAssure should contact HMRC to discuss and fix the issue, because HMRC would only tell him it hadn't received anything to correct the issue and wouldn't discuss it with him further. He queried whether ReAssure had used correct references in its HMRC submissions, and said ReAssure hadn't provided evidence it had fixed the issue. He said that if he accepted its compensation, ReAssure would wash its hands of him and he'd never be able to reclaim the £952.47 tax. He added that he'd recently asked to withdraw the rest of his pension but was having difficulties with this after ReAssure sent him incorrect forms; this was also why he didn't want to accept ReAssure's compensation before it had checked everything was fixed with HMRC.

ReAssure told us the May 2025 submission had a different transaction reference to the February 2025 one because it was a re-submission. And it couldn't contact HMRC for Mr L because it was his tax account, and ReAssure wasn't a tax expert and couldn't comment on tax returns.

Mr L sent us copies of letters he'd recently received. ReAssure's 18 June 2025 letter said all necessary reporting for Mr L regarding 2023/24 had been reported correctly to HMRC on 16

February 2025 under transaction reference F3CB. And HMRC's 23 June 2025 letters said, in summary, that ReAssure had told HMRC Mr L's total income and total tax for financial year 2023/24 were both £0, that HMRC hadn't received any correction from ReAssure and so it must send HMRC a revised 'Full Payment Submission', as this was the only way to correct his pay and tax details and ReAssure could call HMRC if it was struggling with this.

As agreement couldn't be reached, Mr L's complaint was passed to me for a decision. I issued a provisional decision in which I explained why I intended to uphold the complaint and that I intended to ask ReAssure to put things right in a slightly different way to the Investigator who had previously looked at it.

In response Mr L asked for copies of some of the evidence I'd relied on and for clarification about transaction references F3CB and B385, which our Service provided. Mr L also provided some further comments, in summary that:

- ReAssure hadn't done everything possible as HMRC's letters showed it had received nothing from ReAssure. ReAssure should've kept checking with HMRC after each submission to check it had worked, not just checking two or three times.
- He'd shared HMRC's letters with ReAssure, and it said it would look into things. But despite several further calls with ReAssure, it hasn't given him any answer.
- ReAssure should provide him with the correct information it says it's sent to HMRC. Otherwise, he can't get to the bottom of things with HMRC.
- He'd now taken his final payment from his ReAssure pension. Only its reporting for financial year 2023/24 remained incorrect.

ReAssure didn't provide any further comments or evidence regarding the merits of Mr L's complaint.

As both parties have had the opportunity to respond to the provisional decision, I'm now in a position to issue the final 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.

First, I'd like to acknowledge what Mr L has told us about the health difficulties within his family. I was very sorry to hear of these and I don't doubt they've caused Mr L a great deal of worry and upset. I also acknowledge that the matter he's complained of has great importance to him, as he says he relies on this pension.

In considering Mr L's complaint, I've taken into account relevant law and regulations, Regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time. This includes the Principles for Businesses and the Conduct of Business Sourcebook. And where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

I note Mr L has previously suggested ReAssure may also have caused a tax reporting issue for the payment of £6,250 gross he took in 2024/25, but he's more recently told our Service that is fixed and only its reporting for 2023/24 remains incorrect. And while I see Mr L has

recently mentioned he's experienced problems withdrawing the balance of his ReAssure pension, I've not seen that this is something he's complained to ReAssure about or that ReAssure has had the opportunity to address such a complaint, so that's not something this decision will address. Therefore, for clarity, the matter in dispute and which this decision will address is the matter of ReAssure's tax reporting regarding the pension income of £5,000 gross that Mr L took in March 2024.

Mr L maintains that HMRC has essentially told him the issue lies with ReAssure – that while ReAssure reported correct income and tax information to start with regarding 2023/24, it then reported incorrect information that overwrote this and which it has not yet corrected. To support this, Mr L has most recently provided copies of the letters HMRC sent him on 23 June 2025.

ReAssure has explained to our Service that the information it originally submitted to HMRC for Mr L regarding 2023/24 was a duplicate of what it held for him using another payroll number, and so it reversed that original submission to HMRC. And that later, on 16 February 2025, it submitted the information to HMRC using the correct payroll number under transaction reference F3CB. ReAssure says it called HMRC's employer helpline on 6 May 2025 to validate the F3CB submission, but HMRC could not trace it and asked ReAssure to re-submit the information in a new Full Payment Submission. ReAssure says it did so on 12 May 2025, which generated a new transaction reference of B385.

To support this, ReAssure has provided our Service with system screenshots of the Full Payment Submissions it sent to HMRC on both 16 February 2025 and 12 May 2025. I can see that they both contain Mr L's correct personal identifying details and the amount of £5,000 gross income and £952.47 tax in respect of his ReAssure pension for the financial year 2023/24, amounts which are not in dispute. I appreciate Mr L wants ReAssure to continue liaising with HMRC about this matter and feels ReAssure hasn't done everything he thinks it should have. But based on the evidence provided, I remain of the view that ReAssure has now taken fair and reasonable steps to correct its tax reporting to HMRC for Mr L regarding financial year 2023/24, and I'm not persuaded that ReAssure is responsible for whatever difficulty remains in that matter.

ReAssure has told our Service that it believes the current issue is that HMRC cannot find the Full Payment Submissions ReAssure sent to it on 16 February 2025 (under reference F3CB) and 12 May 2025 (under reference B385). At Mr L's request, we've provided him with copies of some of the information ReAssure submitted to HMRC and the full transaction references. But I must be clear that I can only look into ReAssure's actions in this matter; our Service does not have jurisdiction to investigate the part HMRC may or may not have played here. However, Mr L may want to himself contact HMRC again and if he's not satisfied with what it says, he could raise a complaint with HMRC. It is my understanding that when HMRC has investigated and addressed any such concerns Mr L may raise, it will explain to Mr L if and where he can escalate his complaint to, in the event he remains dissatisfied.

But returning to ReAssure, I note ReAssure itself accepts that it made errors in the matter of Mr L's tax reporting for 2023/24. I say this because it has told us that there was a system issue that required manual intervention from its system architects. That Mr L had been waiting since April 2024 with no timescale for resolution and had chased ReAssure multiple times, and there had been a large delay and multiple points of error. So it's not disputed ReAssure did make errors to start with here.

And I think these errors had a significant impact on Mr L. I've seen that he had to chase ReAssure many times to correct them, through messages and calls over very many months in which he was left worried, uncertain and frustrated, given ReAssure's scant explanations of what the issue was or when it might be fixed. In addition, I'm mindful that Mr L says he

relied on these pension monies, and that all this happened at an already distressing time for him given several of his close family members, including his wife, were experiencing very serious health issues. I've taken all of this into account and in these particular circumstances, I still think the £1,250 ReAssure has itself already offered Mr L is a fair and reasonable amount of compensation for the distress and inconvenience its errors have caused him. ReAssure should therefore pay Mr L this amount.

Mr L suggests ReAssure should also pay him an amount equivalent to the tax he expects to be able to reclaim from HMRC, i.e. £952.47. But I don't think it would be fair or reasonable for me to say ReAssure should do this. That's because I've not seen enough evidence to persuade me the potential tax reclaim will more likely than not be paid to Mr L, as I understand this is something HMRC has yet to determine for 2023/24. In addition, if a tax reclaim is paid to Mr L, then he will have been overcompensated if ReAssure has also already paid an equivalent amount to him.

I've also thought about whether ReAssure should pay late payment interest on Mr L's potential tax reclaim. As I say, ReAssure itself accepts it has made errors and caused delays here. So I think it's fair and reasonable to say that *if* Mr L subsequently reclaims the £952.47 tax he has paid from HMRC, then upon Mr L providing ReAssure with evidence of this, ReAssure should also then pay Mr L interest of 8% simple on the sum of £952.47, calculated from the point in time when HMRC first told Mr L that his reclaim request was unsuccessful (which appears to have been in September 2024, and neither party has disputed this) through until the date ReAssure first submitted the corrected Full Payment Submission to HMRC on 16 February 2025.

My final decision

For the reasons set out above, I uphold this complaint. ReAssure Limited should put things right for Mr L as I've set out above.

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

Ailsa Wiltshire
Ombudsman