

The complaint

Mrs F complains that ReAssure Limited has failed to account to her for the proceeds of a pension policy she held with it.

What happened

Mrs F had a pension policy with ReAssure Limited. The policy was initially taken out with Legal & General in or about 1989 but is now managed by ReAssure. So, ReAssure is responsible for dealing with this complaint.

Mrs F says she only recently became aware that the Department for Work and Pensions (DWP) has been making deductions from her state pension. She asked it to explain why this was the case. It told her it made the deductions because of her policy with ReAssure.

Mrs F made enquiries with ReAssure about the policy. It said the policy had been terminated in 2008 and it had no value. Mrs F complained to ReAssure.

ReAssure investigated her complaint. It said it had checked the records which it held. The records included details about letters sent to Mrs F in 2008 where she'd been told the policy had no value and it was terminated. It said this could happen where the charges on the policy had eroded the value. It said it didn't have any further information.

Mrs F remained dissatisfied. She referred her complaint to our service.

Our investigator looked into her complaint. She noted firstly that although the event complained about here had happened more than six years ago, Mrs F had only become aware she had cause to complain in 2025 when she contacted the DWP. So, she thought our service could investigate Mrs F's complaint because Mrs F had referred her complaint to our service within three years from the date on which she became aware she had cause for complaint.

Our investigator noted that when Mrs F took out her pension policy she had contracted out of the State Earnings-Related Pension Scheme (SERPS). She had remained contracted out until 1995. SERPS was a top-up to the basic pension payable at state pension age. However, Mrs F had contracted out of SERPS for around six years and during that period some of her National Insurance contributions would have been paid into her pension policy. When Mrs F reached state pension age a contracted-out deduction (COD) would have been applied to her pension.

Our investigator had been provided with documents which were signed by Mrs F in 1989 when she'd contracted out of SERPS and further documents dated 1995 when she'd opted back into SERPS. ReAssure also provided extracts from its records which showed that letters had been sent to Mrs F in 2008 informing her that her policy had no value and it was going to be terminated. Our investigator couldn't be certain, based on the information that was available what address these letters had been sent to or whether Mrs F had received them. However, she thought it was likely, on balance of probabilities, that the policy had been terminated due to it not having any value. She hadn't been provided with any evidence

to indicate that wasn't the case. So, she didn't think it was fair or reasonable to require ReAssure to have to do anything further to resolve Mrs F's complaint.

Mrs F didn't agree, so the complaint has been passed to me to decide.

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.

At the outset, I'd just comment that ReAssure has consented to our service investigating this complaint. So, in these circumstances, I don't intend to comment any further about whether this complaint has been brought inside the time periods set out in our Rules.

Because of the passage of time here, there is limited information available to me. So, my decision is based on the evidence that has been provided and what I think is most likely, on balance of probabilities, to have happened.

In or about 1989 Mrs F took out a pension policy. She says it was taken out through her employer at the time. I haven't been provided with a copy of the policy. But I have been provided with a copy of a document signed by Mrs F dated March 1989. The document is called "Step by step to contracting out of SERPS Application." I've noted that it was Mrs F herself, rather than her employer, who completed and signed this application form. And there's nothing to indicate there were any guaranteed minimum benefits payable under the policy which she took out.

It's not clear how much Mrs F paid into her pension policy each month. The application form she signed in 1989 stated the "DSS (Department of Social Security) minimum contributions" were to be invested in the with-profits fund.

So, having considered everything, I'm persuaded, on balance, that the pension payable under the policy Mrs F took out depended upon how well the money she invested performed. I haven't been provided with any evidence to suggest there were any guarantees about how much her policy might be worth or that it would be equal to or greater than what she would have received had she not contracted out of SERPS.

Mrs F requested that she be returned to SERPS in 1995. So, she was contracted-out of SERPS for around six years.

It appears that Mrs F would have reached state pension age on her 60th birthday (2008). And that's also the year when ReAssure says she was sent correspondence about her pension policy. There are limited records from the period, but ReAssure has provided the following extract which it holds on its archived records:

"[Jan 2008] No Rets 4 month pack issued as case holds no value..."

"[April 2008] No Rets 8 week letter issued as case holds no value."

ReAssure says it has no further information or copies of the letters issued. However, it has suggested that the policy may have had no value because charges on the policy eroded any value it may have held.

As our investigator said, it's not clear what address the letters referred to above were sent to or whether Mrs F received them. However, that doesn't change the fact that the records show that the policy had no value. And Mrs F hasn't provided any documentation or other

evidence which contradicts this.

I've also noted that Mrs F doesn't appear to have raised any queries at the time – or subsequently (until around the start of 2025) even though contracted-out deductions would have been made from her state pension from the date when she first started receiving it.

Having considered everything here, I'm satisfied, on balance, that Mrs F's policy was terminated in 2008 because it had no value. In these circumstances, although I know it will disappoint Mrs F, I'm not persuaded that ReAssure has done anything wrong here or that it has acted unfairly or unreasonably.

My final decision

For the reasons stated above, I do not uphold this complaint about ReAssure Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 24 November 2025.

Irene Martin
Ombudsman