

The complaint

Mr S complains that he was incorrectly advised by ReAssure Limited ('ReAssure') to transfer his pension with his former employer to a personal pension and as a result he has lost out financially.

What happened

Mr S held a final salary pension with a former employer. In 1993, Mr S was advised by a representative of Legal and General (subsequently ReAssure) to transfer his benefits to a Personal Pension. An agreement was made to make pension contributions of £100 per month, however due to affordability, Mr S did not continue with these contributions.

In October 1994, the then regulator, the Securities and Investment Board (SIB) established an industry-wide review of particular pension business carried out by authorised firms between 29 April 1988 and 30 June 1994 because of concerns that consumers had been badly advised to transfer from, opt out of, or not join a workplace pension scheme. There were two main phases of the review – Mr S's pension fell within phase 2, meaning that his pension was reviewed in 2001. The aim of the review was to address concerns about the possible widespread mis selling of Personal Pension Plans between the above dates. Where mis selling was identified, the regulator set out the method and assumptions that firms had to use to determine the level of any redress due.

In March 2002, the review was concluded, the outcome of which was that it was determined that Mr S did not receive suitable advice in relation to the transfer of his pension. An offer of a top up payment to Mr S's personal pension of £8,166.35 was made. Mr S accepted the offer, and a payment was made, backdated to 1 February 2002.

In early 2025, Mr S became aware from an ex colleague that had he remained in the final salary pension, his annual pension income would have been higher than that available from his personal pension. He submitted a complaint to ReAssure. ReAssure did not uphold the complaint. They stated that as part of the Pension Review, they had found that Mr S didn't receive the best advice, and as a result suffered a loss. They stated that they had carried out the review and subsequent calculation according to the regulator's guidelines and assumptions to be used in calculations. ReAssure concluded that they were satisfied that they had acted within the parameters set by the regulator at the time.

Mr S was not happy with this outcome and in June 2025, he referred his complaint to this service. Having carried out an investigation, our investigator provided his view. He concluded that there was no evidence to suggest that ReAssure had not done what they were required to do. He reiterated that firms were required to follow assumptions set by the regulator, and that although the assumptions haven't mirrored reality, it did not mean that ReAssure are required to undergo a further loss calculation.

Having thought about this, Mr S was not happy with the outcome of the investigation. He stated that he felt the compensation amount was not right, and that he was taken advantage of. Because Mr S remained dissatisfied with the outcome, the complaint has been forwarded to me for a 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.

Having done so I am in agreement with the investigator's view and for broadly the same reasons, and do not uphold Mr S' complaint.

Mr S' complaint stems from the fact that he believes he would have been better off staying in his former employer's final salary scheme, rather than transferring out following advice from ReAssure to do so. It is not in any dispute that staying within the final salary scheme may have been in Mr S' best interests – ReAssure have agreed to this when carrying out the pension review, and carried out a loss assessment at that time. I have therefore not considered this element of the complaint further, and concentrated instead on what I believe is the crux of Mr S' complaint, that is, whether the compensation amount paid into Mr S' pension was appropriate.

ReAssure have stated that they carried out an assessment in line with the guidance at the time. The calculations carried out used a number of assumptions to calculate loss, with the intention of ensuring a customer didn't lose out as a consequence of the unsuitable transfer. The calculation aimed to identify the sum required to ensure Mr S' lost DB benefits could be matched by the Personal Pension when he reached the normal retirement age of the scheme he had transferred out of. The calculations used assumptions that were considered reasonable at the time. Unfortunately investment performance has not matched the rates considered reasonable at the time of the pension review, however there is nothing to indicate that this could have reasonably been foreseen at that time. This means that Mr S' personal pension benefits are now unlikely to match the benefits he could have received had he not transferred out his deferred benefits (notwithstanding the fact that he has since made at least one withdrawal from the fund). However, this does not mean that it would be appropriate or fair for me to instruct ReAssure to revisit the review.

I do not consider that there are grounds to suggest the review and calculations guidance as outlined at the time of the review were not followed. Mr S has not provided me with any evidence or information explaining why he believes that the calculations completed were incorrect or incomplete. Mr S is unhappy because he feels he has been unfairly treated in respect of the advice to transfer, and now is not in the position that he thinks he ought to be. I can understand that Mr S is likely to feel disappointed when he looks at how his personal pension has performed against the benefits he feels he would otherwise have received from his previous employer's pension scheme. However, the pension review was designed as a one off exercise and I am satisfied that ReAssure have acted in accordance with the relevant guidance at the time in reviewing Mr S' transfer. Having done so, this means on balance they calculated and paid Mr S as they were required by the regulator at the time. Mr S accepted the settlement at the time, and there are limited circumstances where I would look beyond that agreement, which are not met here. I take into consideration the fact that Mr S has stated a number of times within his submissions to this service that he did not have pension knowledge or experience, however most consumers wouldn't. The review methodology was designed to ensure consumers could rely on the regulator's process, regardless of their level of pension expertise and I have no reason to challenge the methodology or assumptions used.

In his correspondence with this service, Mr S has made a comparison between his pension following the transfer, and a former colleague of his who retained their benefits within the same money purchase pension. I can understand how frustrating it must be for Mr S to now be aware of the value of another person's pension which he believes should be broadly

comparable to his own, but that isn't a reliable indicator of what Mr S's benefits should have been; it is important to bear in mind that there are a number of factors which will influence the pension payable, including, but not limited to, the length of service, salary, contributions and age of the individual in receipt of the scheme pension. Alongside this, it must be remembered that following the transfer, the choice of investment will have had an impact on Mr S' pension, alongside the fact that no further contributions were made, and Mr S took the tax free cash at the earliest opportunity. I cannot comment on the appropriateness of this, however these factors will all have an impact on the fund value available to Mr S in retirement.

My final decision

For the reasons above, I do not uphold Mr S' complaint against ReAssure Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 February 2026.

Joanne Molloy
Ombudsman