

## The complaint

Mr P complains about the financial losses he suffered when ReAssure Limited (ReAssure) both delayed his pension transfer to a new self-invested personal pension (SIPP) and used the wrong transfer value in the first place. He says that the redress methodology that ReAssure was subsequently told to use to put things right hasn't led to the appropriate compensation.

## What happened

Mr P held a pension plan with ReAssure which he wanted to transfer to a SIPP with a new provider. ReAssure issued a transfer pack to Mr P dated 9 December 2024 which noted a transfer value of £153,703.33. An electronic transfer request was set up by the new provider on 23 December 2024 – which was the date ReAssure then used to calculate the final transfer value. But it also identified that Mr P may be entitled to enhanced tax free cash (TFC), so it wrote to him on 13 January 2025 for confirmation of his position and to request some other missing information.

ReAssure subsequently confirmed receipt of some information on 20 January 2025 but still hadn't resolved the issue of the enhanced TFC. It contacted Mr P on 12 February 2025 when it noted his preferred position and the transfer progressed. On 26 February 2025 ReAssure paid £150,262.37 to the new provider in respect of the transfer value of Mr P's plan.

But Mr P complained as he felt the transfer value was lower than he expected. He said he'd been able to view his policy online and was aware of its current value prior to the transfer – which was significantly greater than what had been transferred.

ReAssure said that its normal procedure with transfers was to set the transfer value on the date it received the initial request (23 December 2024). In this case it thought it had acted within its usual terms and conditions but explained that it was usual practice for the plan details and value to remain "live" online in case there were any subsequent alterations – such as cancellation of the transfer. But ReAssure did accept that it had failed to pay the transfer value within its current service standards and paid Mr P £200 for the delay in issuing a form that needed to be completed and not providing Mr P with all the necessary information in the call of 12 February 2025.

Subsequently ReAssure carried out a loss assessment to see if Mr P had been financially disadvantaged because of a 14-day delay in the transfer process. The calculation showed that Mr P was better off a result of the delay and therefore no further redress was payable. But Mr P didn't accept this outcome and brought his complaint to us where one of our investigators looked into the matter. He didn't think the complaint should be upheld making the following points in support of his assessment:

- The transfer did take longer than typical industry timescales, but he thought that was largely due to additional information that was required and additional checks that ReAssure was required to make. However ReAssure had identified that it did cause some avoidable delays and carried out a loss assessment to see if Mr P had

suffered any investment loss as a result. But the calculation showed that Mr P was in fact better off as a result of the two-week delay.

- The transfer value had been calculated on the date the transfer request was received and he didn't think there was any concern that Mr P could still see the value of his plan fluctuating online. He thought the transfer value was calculated on a specific date and there was no evidence ReAssure delayed the transfer after all outstanding information had been provided.
- ReAssure could have provided Mr P with better communication around the date to be used to calculate the transfer value, but he didn't think it had misled Mr P or failed to follow its rules.
- He thought Mr P's suggestion that he would have invested differently had the funds been sent two weeks earlier was made largely in hindsight. But in any case, there was no evidence to demonstrate that alternative choices would have led to a different outcome.
- ReAssure's payment of £200 for the inconvenience caused by the matter was fair and reasonable.

Mr P didn't agree. He said it wasn't fair for ReAssure to base the transfer value on the date the request was submitted as there was outstanding information required following the transfer request. He also felt it wasn't fair to assume he would have made the same investment choices had the funds been received two weeks earlier.

The investigator then reviewed all the evidence again and thought the complaint should be upheld. He said:

- ReAssure's own documentation said that it would recalculate a transfer value on the day *after* it received all the outstanding documentation. It also said that the value would be based on the bid price of units on that day. He thought this was inconsistent with ReAssure's previous position that a transfer value is determined by the date it receives an initial transfer request.
- So the transfer value ought to have been calculated the day after the missing and outstanding information had been provided, and the transfer process was ready to begin.
- In addition, ReAssure caused total avoidable delays of 10 working days (above the industry standard) to the transfer process. This meant that the transfer value should have been calculated on 31 January 2025.
- But no allowance had been made for the time it took Mr P to return the Standard Information Form which meant that a redress calculation would put him back as close to the position he'd now be in had the transfer been handled correctly using the transfer value Mr P was entitled to receive.
- So ReAssure needed to recalculate the transfer value as of 31 January 2025 and rerun a loss assessment assuming the funds were received by the new provider on 13 February 2025.
- He thought the £200 compensation ReAssure had paid for the trouble and upset caused was within the range we'd expect to see for errors and delays such as these.

Both parties accepted the investigators findings and ReAssure carried out the loss assessment. But Mr P didn't accept the outcome of the calculation – or the way the redress methodology had been applied. He thought ReAssure should have paid him at least £6,870.66 for the difference in the two transfer values, but also an additional £872.74 to reflect the investment return he would have received had then transfer completed on the

earlier date set out by the investigator. He thought it was unfair that ReAssure said that it would have cost more to purchase the new investments on the earlier date, so this “gain” had been subtracted from the difference in transfer values to reduce his compensation. He thought this meant that ReAssure had benefited from mishandling his pension transfer.

Mr P further asserted that while he accepted his new investments were made when the prices were lower than if they’d been made earlier, this also supported his claim that he wouldn’t have made the same investment choices at the higher prices. So he thought this demonstrated that the redress methodology was flawed.

The investigator said that the redress figure that ReAssure arrived at wasn’t to reflect the two separate corrections, but represented the overall position Mr P would now be in had the transfer gone ahead when it should have done. So the complaint was referred to an ombudsman and it’s been passed to me to review.

### **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.

And having done so I’ve reached the same conclusion as the investigator. I imagine Mr P will be disappointed with this outcome and I’ve seen the strength of his feelings around the redress methodology and calculation that’s been used here. But I think it’s fair and reasonable in the circumstances and has been carried out in line with our normal approach to such situations. So I’ll explain my reasons below.

#### *The delay in the transfer process and the issue of the transfer value to be used*

ReAssure received a request to transfer Mr P’s plan on 23 December 2024, but the funds weren’t sent to the new provider until 26 February 2025 – so I think Mr P is right to complain that the transfer took longer than would otherwise be expected. I’ve looked carefully at the evidence I’ve been provided with around the transfer process, and I’ve seen that it took ReAssure from 23 December 2024 to 13 January 2025 to identify that it required some further or missing information. That was a period of 12 working days.

Thereafter when it received this (incomplete) information on 20 January it took ReAssure until 12 February 2025 to contact Mr P for the additional missing information and confirm his position regarding the enhanced TFC. The information was then provided the following day. That was a period of 18 working days. When the information was finally received by ReAssure on 13 February 2025 it then progressed the transfer – which I understand completed from ReAssure’s end on 26 February 2025. That was a period of 10 working days.

But ReAssure accepted this position in its final response when it said would carry out a loss assessment to see if Mr P had been financially disadvantaged as a result of any delays. ReAssure said it should have completed the transferred 14 calendar days earlier.

It arrived at this number by comparing how long it took to complete the administrative tasks (such as delaying a request for further information) and comparing this to its usual 10 day service standards for completing the individual tasks. I think that’s a fair and reasonable position to adopt and gives a clear benchmark for what should have happened – at least for what ReAssure was responsible for – in the circumstances of this transfer process.

Each delay involved ReAssure identifying a request for further information and then making that request and awaiting the response. It seems to me that a period of 10 working days per

action is reasonable in this scenario. That means that ReAssure took a total of 10 working days over its standard service levels for the first two of the actions. However the payment of the final cash transfer value was completed within the normal service levels.

I'll return to the loss assessment later in this decision, but I'm satisfied that the correct and appropriate length of delay has been identified by ReAssure – and subsequently supported by the investigator – in this case.

But the other aspect of Mr P's complaint about the way his transfer was handled by ReAssure related to the transfer value that was used. ReAssure used the date that the transfer was initially requested by the new provider to calculate the transfer value but Mr P didn't think that fair. He said that after that initial request there was outstanding and further information that was required before the transfer could progress. And it was unfair that he effectively remained uninvested during the time it took to provide the outstanding information. In addition he says that during this time he was able to view his plan online and watched it fluctuate in value. He said this gave him reassurance that the transfer value hadn't been set at that time and some comfort that, if the value fell sharply for example, he could pause the transfer to mitigate possible losses on transferring.

So I've looked at the information ReAssure set out in its literature and documentation to determine the date on which it should have based the transfer value.

The transfer release form that ReAssure issued and needed to be completed said – in the "notes" section under "current value details" – that, "*the current value is calculated as at 10 December 2024. The current value is not guaranteed and we will re-calculate it on the day after we receive all the documents we've requested.*"

And the transfer out section of the "pension welcome pack" that would have been issued when the plan originally began said, "*there are no penalties incurred on transferring out and your 'cash equivalent' transfer value will be the value of the units at bid price allocated to your account on the day that the transfer takes place.*"

So, in the case of this particular pension plan, I think this written information is clear in setting out that ReAssure's own process should have been to calculate the transfer value when *all* the documents and outstanding information had been received. And based on the letter that ReAssure wrote to Mr P on 13 January 2025 it was clear that not all the requirements had been met at that time. I also haven't been provided with any alternative written evidence to support the idea that ReAssure was obliged to use the date the transfer request was received to calculate the transfer value. So I think ReAssure should have used the day after which all the outstanding queries were eventually satisfied to calculate the final transfer value.

#### *The redress methodology and subsequent calculation*

I'm satisfied from my own findings that the investigators final recommendation for how to put things right was appropriate – and in line with our usual approach.

He said ReAssure should complete another loss assessment – with a completion date 10 working days earlier than actually happened – but based on a transfer value calculated the day after the outstanding information was provided. This meant using a transfer value calculation date of 31 January and assuming the funds reached the new provider on 13 February 2025, thus bringing the whole process back by the 10-working day delay.

ReAssure carried out the loss assessment and confirmed a total loss to Mr P of just under £3,500. But Mr P didn't think this was right. He said if it was accepted that he should have

received the higher transfer value with an additional £6,870.66 then that ought to be the minimum compensation he received. He thought he should also receive redress for any investment loss he suffered from not being able to invest 10 working days earlier and ReAssure shouldn't have been allowed to offset one gain against a loss.

I've looked carefully at ReAssure's calculation here and I'm satisfied it's been carried out correctly. We don't have the capability or indeed the resources to check the individual fund prices involved, but I'm satisfied that overall ReAssure's redress calculation is in line with what we asked it to do. I say that because the aim of our redress methodology is to put Mr P back as close to the position he would now be in had no avoidable delays occurred and the transfer value had been calculated on the appropriate date. So if Mr P's new provider instructed a transfer request on 23 December 2024 and no avoidable delays had occurred, ReAssure would have received the outstanding information and been ready to progress the transfer on 31 January 2025 – when it ought then to have recalculated the final transfer value – before completing the transfer of funds 10 working days before it did.

This outcome puts Mr P as close to the position he'd now be in had the transfer progressed as it should have done following his initial request. But Mr P's view is that he should be paid the higher transfer value and then growth should simply be added – and he has provided evidence of the returns that his investment made during this time – to his new investment choices for the period that the growth hasn't been included in his SIPP – which is a period of around eight months.

But this doesn't reflect what would have happened here, because if the process had completed as it should have, then Mr P would have received the unit prices on investing 10 working days earlier than he did and not the lower prices that, in the main, he did actually receive. Of course the unfortunate consequence of this is that Mr P hasn't received as much as he expected and believes ReAssure has "profited" from mishandling his pension transfer and by offsetting the gains from its second mistake against the losses from its miscalculation of the transfer value. I can understand Mr P's position here and his frustration that he doesn't think ReAssure has correctly reimbursed him for the full extent of its actions. But I think the redress methodology does now put Mr P as close as possible to the position that he would now be in after the transfer completed in the time it should have done and with the correct valuation figure.

However Mr P also raised the question of what actions he would have taken had the funds been available for investment two weeks earlier. He said that the situation with the financial markets two weeks earlier would have led to him making other investment choices, and so it wasn't fair to base the comparison calculation on the assets that he did actually purchase. Again I understand why Mr P has raised this issue, but there's no evidence to support the claim that he would have made different choices two weeks earlier. Mr P hasn't told us what he would have done differently – just that he would have made different choices. But I think this is with the benefit of hindsight into what happened in the financial markets during this time. If Mr P had the opportunity to invest two weeks earlier, it wouldn't have been possible for him to foresee what would happen to the unit prices of the stocks he purchased, and based on the information he had at the time I'm not sufficiently persuaded he would have made different choices.

But even if I am wrong about what Mr P would have done, it wouldn't be fair or reasonable to tell ReAssure to carry out a loss assessment based on a hypothetical scenario of what Mr P might have done as opposed to what he actually did and, on balance, what I think he most likely would have done 10 working days earlier.

### **Putting things right**

ReAssure made errors here. It calculated Mr P's final transfer value on the date it received

his transfer request instead of the date it received all the outstanding requirements to progress the transfer. It also caused avoidable delays of 10 working days to the actual transfer process.

We've already asked ReAssure to conduct a loss assessment calculation to quantify any financial loss that was caused by the actions set out above. I've seen no evidence to support the idea that the loss assessment hasn't been carried out correctly and in line with what we said. So, if it hasn't already paid Mr P the redress, that's what it should do.

In addition I've carefully considered the compensation ReAssure paid Mr P for the trouble and upset the matter caused. I'm satisfied it was within the range of what I'd expect to see for errors and delays such as these, so I think it was a fair and reasonable payment in the overall circumstances of Mr P's complaint.

### **My final decision**

I uphold Mr P's complaint against ReAssure Limited in respect of the incorrect transfer value that it used and the avoidable delay it caused to his pension transfer. But I think the redress calculation that's been provided to Mr P has been set out in line with what we asked ReAssure Limited to do, so I think that's a fair and reasonable outcome.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 December 2025.

Keith Lawrence  
**Ombudsman**