

## **The complaint**

Mr T's complaint is about a redress payment he received from ReAssure Limited ('RL') in February 2024 in relation to one of two RL pensions he previously held. He transferred those pensions to AJ Bell in 2022.

He mainly says the payment was made in the wrong method (paid net directly to him instead of being paid gross into his AJ Bell pension, thereby depriving the pension and disrupting his income tax management) and with the wrong redress interest component (interest at the rate of BoE plus 1%, instead of 8% simple). He also says RL has delayed (to date) resolution of the full payment due to him, so interest associated with that delay is also due. He seeks all payments due and compensation for the trouble and distress the matter has caused him.

## **What happened**

On 21 November I issued a Provisional Decision ('PD') on the complaint. Both parties were invited to comment on the PD. Both parties have now confirmed that they accept the PD.

Mr T's response included an answer to a redress related enquiry I had made in the PD, and a slight correction to a figure I had used in my provisional findings on redress – correction of a figure from £333 to £332.

The case then returned 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 have reviewed the complaint, and I welcome, with thanks, both parties' responses to the PD.

They both accept the PD, and I have found no grounds to alter its findings on merit. The details of the complaint's background and of my findings are set out in the PD. They are quite lengthy. Given that both parties have received the PD, are familiar with its contents and accept it, I have not seen any other reason to reproduce those details in the present decision. However, for the record, I retain all the details and findings on merit set out in the PD and I incorporate them all into the present decision.

In the main, I do the same with regards to the draft redress provisions I shared in the PD.

However, in this respect, I have noted Mr T's correction (as stated above) and will apply that in my orders below. I have also noted his response to the following enquiry I presented in the PD –

*"The amount owed is £333, so this is due to Mr T separately. In addition, interest on that amount at the rate of 8% simple per year from 24 January 2025 to the date of settlement is also due to him. In this respect, I can see Mr T has used the later date of 31 January 2025*

*(in the quote above). It is not clear to me why he has done so, perhaps he can explain and highlight anything I might have overlooked in this respect. Otherwise, the bank statement confirms that he settled his tax by payment on 24 January 2025, so this should be the start date for calculating the interest due to him.”*

In reply, Mr T said –

*“You ask on page 9 (bottom of the page) why I have used 31.1.25 as the date from which interest on the tax starts to run. This is because that is the date the tax was actually due to HMRC for the year 23-24 and I paid this a few days early (on 24.1.25) to make sure it was not late.*

*I have only claimed from 31.1.25 (due date) on the tax so as not to be unfair because of my (slightly) early payment to HMRC.”*

An argument might still exist to use the date of 24 January 2025 that I used in the PD, but I commend Mr T for his spirit of fairness in the matter, and I do not wish to interrupt that, so I will use the date of 31 January 2025 in my orders below as he has requested. I do not expect that RL will object to this, because the effect reduces the interest due, so it does not prejudice RL.

Other than the above changes, I retain all findings on compensation and redress in the PD and I incorporate them all into the present decision.

For the reasons given in the PD, I uphold Mr T’s complaint.

### **Putting things right**

I order RL to pay Mr T the two segments of redress for what I referred to as “The payments” in the PD, and to do so using the following approach –

- Calculate gross interest, at the rate of 8% simple per year, on the capital amount of £7,279.25 from the 2022 start date to the 2024 end date [as both dates are defined in the PD]. The result is ‘A’.
- If A is greater than the £616.37 gross interest payment in February 2024, then the difference – ‘B’ – is due to him as the first segment of redress.

Pay B to Mr T, but as B will likely be treated, for tax purposes, as gross interest income for him, RL can deduct tax at source. If RL deducts tax from B at source it must ensure it calculates the correct amount of interest income tax to deduct from it, and it must remit the correct net balance to Mr T as redress.

If the £616.37 gross interest payment in February 2024 is greater than A, no redress is due to him and B no longer exists.

- Calculate interest on B at the rate of 8% simple per year from the 2024 end date to the date Mr T receives payment of B. The result is ‘C’.

Pay C to Mr T on the same terms as above.

I order RL to pay Mr T £332 in settlement of the tax related detriment it caused him by pushing part of his 2023/2024 tax liability into the higher rate tax bracket.

I also order RL to pay Mr T interest on the £332 amount at the rate of 8% simple per year from 31 January 2025 to the date the £332 amount is received by him.

I order RL to pay Mr T compensation of £900 for the trouble, inconvenience and distress the complaint has caused him.

I order RL to provide Mr T with calculations of all redress payments in a clear and simple format.

I order RL to pay Mr T interest on the total of all redress payments (not including the trouble, inconvenience and distress award) at the rate of 8% simple per year if it does not make those payments to him within 28 days of being informed that he has accepted my final decision. This is to compensate Mr T if RL unduly delays in settling the redress payments, but it will not apply if those payments are made within the stated 28 days.

### **My final decision**

I uphold Mr T's complaint, and I order ReAssure Limited to calculate and pay him compensation and redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 1 January 2026.

Roy Kuku  
**Ombudsman**