

The complaint

Mr T complains that ReAssure Limited didn't accept a pension contribution which would've allowed him to benefit from tax relief and reduce his taxation for that year.

What happened

I set out the background to this complaint and my provisional findings in my provisional decision, for ease of reference this is included below:

Mr T sent a single premium of £80,000 to ReAssure on 4 April 2024. ReAssure wrote to Mr T asking for bank statements to show where the money had come from in order to satisfy money laundering requirements. This needed to be done by 5 July 2024. Mr T sent the statements to ReAssure on 27 June 2024 however they were photos of the statements, and not the originals, which couldn't be accepted.

On 20 August 2024, ReAssure returned the payment to Mr T as it still hadn't received a copy of his statements. Mr T provided copies of his ISA statements the next day, but the payment had already been returned. ReAssure paid Mr T £200 compensation plus 8% interest between the time it received the payment on 4 April 2024, to when it was returned on 20 August 2024. This amount was £2,401.

Mr T remained unhappy with this outcome so referred his complaint to our service for an impartial review. Upon our involvement, ReAssure wrote to us with an offer to proactively settle Mr T's complaint.

ReAssure offered to do the following:

- Pay an additional £250 compensation, bringing the total to £450
- Offer Mr T the opportunity to send his single premium back to ReAssure for it to be applied as of 4 April 2024
- However, in order to do this, Mr T would have to return the £2,401 interest payment, and provide copies of bank statements to show where the money has come from.

The investigator put this offer to Mr T but he didn't think it was acceptable. Mr T told us he has now reinvested the money and doesn't want to take it out again and send it back to ReAssure and risk problems with HMRC.

He says he's lost out on the following:

- The pension contribution and the actual gain on this.
- Tax planning completed around the contribution being made, thus resulting in an additional outlay of £47,456.76 in tax.
- Interest/return on investment/dividends that has been lost as a result of the additional balance of payments he has had to make.

Our investigator said she didn't think ReAssure had done anything wrong in relation to Mr T missing the opportunity to make the contribution. She said ReAssure had asked for bank statements by a

certain date and Mr T didn't meet their requirements and so they sent back the money as they said they would. And ReAssure made an offer that if Mr T returned the premium alongside the outstanding documents it would apply the premium at the date of 4 April. But Mr T doesn't want to do so. So no redress can be paid as she cannot ask ReAssure to make a payment to Mr T based on him getting tax advantages for having made a pension contribution – when he hasn't made that contribution.

Mr T's accountant disagreed he said:

- There seems to be some misunderstanding that putting £80,000 back into Mr T's pension puts him into the same position he would have been in had ReAssure made the investment. This still sees him lose out on 2020/21's carried forward pension contribution of £40,000 if it had been completed in 2023/24 as planned.
- There is also significant cashflow issues that Mr T has incurred and it was expected that he can find the additional £47,456.71 to resolve an issue caused by external factors. The £450 doesn't reflect the difficulties incurred in rearranging his finances or indeed the lost growth of the funds. I would like to reiterate that Mr T is not looking to recoup the entire £47,456.71 in additional taxes owed, nor was this his overall tax liability. This was never stated in previous correspondence. We anticipated that providing the total financial consequences would be simply taken into consideration when apportioning what you feel a reasonable compensation package would be.
- He disagreed with the investigator's statement "*I understand Mr T's main concern is reclaiming the tax relief, but if he sends the original premium to ReAssure I'm satisfied this will put him back into his desired financial position.*" Mr T has undertaken extensive work around his retirement and pension planning, utilising carried forward years in order to maximise the planning opportunities available to him and keeping within the limits available, the lack of communication in this matter has caused the loss of relief which cannot be reclaimed.

What I've provisionally 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 don't think ReAssure needs to do anything more to put things right, I'll explain why.

Mr T and his accountant are seeking redress on the basis that ReAssure are responsible for Mr T's single premium being returned but Mr T was told its requirements and didn't meet them. Whilst ReAssure could've communicated better and did make some errors in their communication, they did set out to Mr T what he needed to do and the consequences of not doing this. Mr T didn't meet their requirements, and the single premium was returned as it said it would be.

Furthermore, ReAssure offered to put Mr T back in the position he would've been in, if he returned the money and met their requirements regarding the documentation. But Mr T has since made other arrangements with this money – that seemingly he doesn't want to change or that are inflexible – and so has rejected this offer. I appreciate Mr T has had to pay a tax bill he wasn't expecting to pay and this has made things more difficult, but I don't think this is ReAssure's fault.

I've looked at what ReAssure said about its requirements prior to the premium being returned:

On 14 May ReAssure emailed Mr T to say 'Please provide a Bank statement for the last 6 months which shows the payment being made to ReAssure from the savings account the premium was paid from. Please return the above documents via post or email to Customers@reassure.co.uk.

Once we have received everything, we will apply your single premium at the date the money was received so there is no financial detriment to yourself.'

In response Mr T sent a photo of a letter from the bank which showed the payment slip to ReAssure of the single premium. So, Mr T did not send the information that was requested. I don't think he can

reasonably have thought this would be sufficient given what he was asked to provide.

On 21 June ReAssure emailed Mr T to say:

'...However, we require some further information to complete this request.

What do I need to do?

Please provide a full Bank statement for the last 3 months which shows the payment being made to ReAssure from the savings account the premium was paid from. Please return the above documents via post or email to Customers@reassure.co.uk.

Please return the above documents via post or email to Customers@reassure.co.uk.

Once we have received everything we need we will apply your single premium at the date the money was received.

Please note if we do not receive this information by 05 July 2024, we will refund the money to the account the premium was paid in from.'

On 27 June Mr T sent in bank statements but ReAssure said these were photographs and not the complete statements that were requested (Mr T was informed in calls that the evidence wasn't sufficient).

On 2 July a couple of telephone conversations took place, I've listened to these calls and they match what was recorded in ReAssure's call logs. Mr T was told the information he'd previously sent didn't meet their requirements, that what he had sent was a photo and they will require bank statements in PDF format that shows the origins of the money transferred to it. The call handler talked Mr T and his wife through how they could send the PDF as it appeared they were struggling to understand what they had to do at this point. The call handler said because it was a large amount of money they needed the information in a certain format to meet regulatory requirements. Mr T said that he'd already done enough and the call handler said she would feedback to the particular team but she couldn't guarantee without this information sent as a PDF whether the payment would be made. Mr T did not accept this and said he'd already made the payment and he was happy he had met HMRC's requirements in terms of timescales.

It was re-iterated to Mr T in a later call that he'd sent a photo and the call handler could see they had downloaded the PDF file from the bank but then sent a photo of it – and they needed to send the PDF to ReAssure. Mr T said he was previously told what he had done was sufficient. The call handler asked Mr T about the source of all the funds, and he said they were from more than one source, so the call handler said they would also need evidence of the other sources in PDF format. Mr T said he did not have this information and he said he didn't have to show them where the money had come from as it was his personal information.

I note Mr T said to us on the phone and in a call to ReAssure at that he'd previously been told what he'd sent in was ok. But though ReAssure had given mixed messages at an earlier stage, I can see that it did request more evidence from Mr T and it explained what it required. And Mr T knew there was a hold up with the payment being allocated yet didn't act to send the required statements in the required format.

In the days following the aforementioned calls, Mr T continued to chase regarding the payment being added to the account but did not provide the requested information. It's fair to say Mr T ought to have known at this point that the hold-up was because more information was required but he hadn't send this information in. So I don't think it was a reasonable expectation that the payment would be added to his pension. I can see on some calls – it seems that some of the call handlers weren't up to speed with what had happened and said they would chase up the payment to be allocated. But looking through the call notes on many occasions Mr T was told he needed to provide more information and that the evidence he'd send in wasn't sufficient. And so I think it is fair to say Mr T ought to have known that this was the issue. It seemed he'd hoped he could get the payment through without supplying this information if he continued to out pressure on ReAssure to apply it.

Then on 20 August ReAssure emailed Mr T to say the premium had been sent back to him. The explanation as to why was that it had discovered an overpayment. Which wasn't exactly the situation but nevertheless it had previously said this would occur if it didn't receive all its requirements.

Mr T called ReAssure the same day to say he didn't want it returned but the call handler explained it needed proof of how the £80,000 had been obtained and this is why it was being returned.

I understand that the next day Mr T did provide PDF statements showing the origins of at least one of the sources of money, but it was too late as the premium return had already been processed.

So it was communicated to Mr T a number of times that he needed to provide more information regarding the source(s) of the money. And he was told the premium would be returned in the event this information wasn't forthcoming. The requests could've been clearer about what was required and why, but Mr T ought to have known what he had sent didn't match what was requested. ReAssure also gave him a lot longer than it said it would to meet its requirements, so it wasn't a case that he didn't have time, and he ought to have been aware of the consequences of not providing this information. So, I think he is ultimately responsible for the payment not being accepted.

I don't think I need to comment on the finer points of the offer made by ReAssure and the position Mr T would have been in by accepting it or rejecting it because I don't think ReAssure is responsible for the situation Mr T is now in. I will say however that with the offer it made, I don't think there is anything more it reasonably could do in the circumstances to attempt to put Mr T back in the position he would've been in had he met its requirements before the money was returned. But Mr T chose to reject this offer and as this was made proactively to settle this complaint – I now have to consider whether ReAssure is required to make this offer to put things right.

Mr T was either unable or unwilling to accept this offer and I accept there may be practical and financial issues making this more difficult but if Mr T subsequently wishes to accept this offer (and it is still on the table) then he will have to contact ReAssure to arrange this. I say this because after looking at the evidence, I'm not minded to say that ReAssure did something wrong here in not applying the payment nor in returning it.

ReAssure didn't always communicate in a clear manner and give good customer service. Whilst I don't think this changed matters regarding the single premium being accepted, it will have caused undue frustration to Mr T – and therefore I agree an award for the trouble and upset caused was required. ReAssure has already paid Mr T £200 for the trouble and upset caused alongside interest for the time the money was held amounting to £2,401. The interest award seems quite generous considering the reason the funds were held so long was ultimately due to Mr T not supplying all the required information. However, I recognise it could have made it clearer at an earlier stage that it would require statements for all the sources of money that made up the £80,000 premium and that this was for money laundering requirements. Overall though I am satisfied that the compensation already paid to Mr T is fair and reasonable and sufficiently compensates Mr T for the trouble and upset caused by the errors in communication from ReAssure.

ReAssure once the case reached us, to settle the complaint offered an additional £250 for the trouble and upset caused plus the option to return the account to the position it would've been in had the single premium been added on 4 April 2024 (but it would obviously require the interest payment to be returned). This offer was rejected by Mr T. However, as I've said I am not minded to make any further award as I think what ReAssure has already paid is a fair and reasonable solution to the complaint.

In response to the provisional decision, ReAssure said they had nothing further to add. Mr T didn't respond.

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 see no reason to depart from the findings I set out above in my provisional decision.

I think the compensation already paid by ReAssure was sufficient to compensate Mr T for any trouble and upset it caused. Ultimately it gave Mr T plenty of opportunity to provide the required documentation but he didn't do so and it therefore acted fairly in returning the contribution to him. It since has also offered to set things back as if the contribution had been assigned to the policy before the end of the tax year but Mr T rejected this offer. I don't think it could have reasonably offered to do any more than that.

My final decision

For the reasons explained above and in my provisional decision, ReAssure Limited is not required to do anything more to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 15 January 2026.

Simon Hollingshead
Ombudsman