

## The complaint

Mr S has complained that ReAssure Limited hasn't administered his fund correctly, saying that the return he's received on his investments doesn't seem to be correct. He's also said that he asked for the terms and conditions for his pension plan in September 2022, but hasn't received a response. Further, Mr S has said that the fees he's paying on his pension plan are higher than when the plan was administered by Legal & General (L&G).

## What happened

The investigator who considered this matter set out the background to the complaint in her assessment of the case. I'm broadly setting out the same background below, with some amendments for the purposes of this decision.

Mr S has been invested in the L&G Managed Pension Accumulator series 17 with his ReAssure pension plan, and he's said that, over the last three years, it has achieved a return of 15.3%, yet this hasn't been reflected in the increase in the value of his pension plan.

Mr S has also said that he has a similar pension plan with another pension provider which has performed better than his ReAssure pension plan.

Mr S first queried this with ReAssure on 19 September 2023 and ReAssure responded on 12 October 2023. ReAssure responded to Mr S' complaint and apologised for the delay in responding to this question and offered him £150 compensation in recognition of the poor service he'd received in that regard.

ReAssure explained that the fact sheet Mr S had obtained from the internet uses cumulative returns, whereas the factsheet ReAssure uses has annualised returns. In its response of 12 October 2023, ReAssure said the following:

*"The annualised return is the average over three years whereas the cumulative return is the total return over the three years. The three year annualised return is 3.96 on the ReAssure fund factsheet and the three year cumulative return is 12.4%."*

Regarding the fees which have been charged on his plan, ReAssure said that charges were deducted on a daily basis at a total annual amount of 0.38%. It said that, although in 2019 when the policy was managed by L&G Mr S paid £552.88, compared to £640.17 in 2022 when ReAssure managed the plan, this was because the value of his pension had increased. The fee would be higher because 0.38% of, say, £153,824.01 compared with 0.38% of £164,297.33 was a larger figure.

Dissatisfied with the response, however, Mr S referred the matter to this service.

Having assessed the complaint, the investigator didn't think that it should be upheld, saying the following in summary:

- She noted that Mr S had raised complaint points which had already been addressed in a previous complaint referred to this service and decided by an ombudsman's

decision. As such, she wouldn't be considering these points again. She also noted that Mr S had raised questions relating to the death benefits of the plan, but she said that, as these hadn't formed part of the original complaint, these would need to be referred to ReAssure first for its comments. If Mr S remained dissatisfied with the response, he could refer the matter to this service.

- Although Mr S had said that his fund value ought to have increased by 15.3%, she hadn't seen evidence of where this information had come from. But looking at "Trustnet", the three year cumulative return was around 15.7%.
- She thought it likely that Mr S and ReAssure were looking at different time periods, and ReAssure would look at the years based upon when its fact sheet was updated, whereas Trustnet would calculate the cumulative return up to the current date. There had been a recent increase in the unit price, which wouldn't be accounted for in the fund fact sheet used by ReAssure. This would explain why Mr S's updated figure of 15.3% was higher than the 12.4% quoted by ReAssure.
- But the value of Mr S's plan wouldn't in any case precisely match the percentage change in the unit price, as charges and administration fees would be deducted from his account.
- Although Mr S had been comparing the performance of this plan with a plan he held with another provider, it was unlikely that the other plan was invested in exactly the same way as this one, and so they wouldn't be directly comparable. But the investigator didn't think that the evidence suggested that the ReAssure pension plan had been mismanaged.
- Whilst the information ReAssure had provided was correct, it could have been more descriptive. Nevertheless, it hadn't done anything wrong in providing that information. But it could have provided it sooner, and so she would take this into account when deciding whether the compensation ReAssure had offered in respect of this was fair.
- Regarding the fees, the investigator was satisfied that the same percentage applied to a larger fund value accounted for the higher fees being paid. ReAssure had confirmed that the fee remained the same and that Mr S's pension plan hadn't changed in any way. The available evidence didn't suggest that the fees had been charged incorrectly.
- The investigator did note, however, that if Mr S was unhappy with the level of fees being charged, he was free to transfer to another provider.
- The investigator also noted that Mr S had said he'd requested the terms and conditions for the online portal. She was unsure as to when this had been first requested of ReAssure, but she could see that Mr S had requested them in his email to ReAssure of 26 September 2022.
- ReAssure hadn't replied with the terms and conditions, which wasn't fair, but the investigator since asked ReAssure to provide these. ReAssure had said that there weren't terms and conditions specific to the online portal, but it had provided the terms and conditions for the pension plan, and the investigator sent these to Mr S.

Overall, the investigator could see that Mr S was frustrated with the responses ReAssure had provided, and she agreed that it could have replied sooner than it did. But she felt that the amount of £150 was appropriate in this instance.

Mr S disagreed, however, saying the following in summary:

- He'd provided evidence of the 47% increase in his management fees, along with the letter from ReAssure confirming that he'd been overcharged, along with statements from L&G showing a fee of £522 in 2019. This compared with £751 charged by ReAssure in 2022. However, no refund had been made, as had been promised by ReAssure.
- Mr S said that his complaint points hadn't been answered, specifically why his pension plan had underperformed when the fund in which he was invested had increased by 15.3% over the last three years. Mr S asked that ReAssure confirm the "SEDOL" and "ISIN" codes for the fund were correct.
- There was a named pension fund manager when his plan was administered by L&G, but there seemed to be no named fund manager on the fund fact sheet produced by ReAssure. And the securities held within the fund seemed to have changed after 2021, and those held before would have provided the growth of more than 15%.

Mr S requested that the matter be referred to an ombudsman for review. Mr S also enquired in further correspondence as to whether there were time limits after an ombudsman's decision to start court action.

The investigator responded to say the following:

- She'd asked Mr S to provide a copy of the letter in which ReAssure had told him that it had overcharged him for fees, but this hadn't been forthcoming. She provided Mr S with another opportunity to send this if he wished it to be considered.
- She noted that ReAssure hadn't answered his questions about the fund codes, and would ask it to provide the requested confirmation. But she also noted that the question Mr S had raised about the named fund manager hadn't formed part of his original complaint - but she in any case named the fund manager as of March 2024 for Mr S.
- Regarding Mr S's option to take the matter to court, the investigator said that she couldn't comment on those time limits, but that if an ombudsman issued a final decision, then Mr S wouldn't be able to take the matter to court. He would only be able to enforce the decision in court, she added.

Mr S confirmed that he would like the matter to be referred to an ombudsman for review. As such, it's been referred to me.

### **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, whilst I'm sorry to disappoint Mr S, I've reached broadly the same conclusions as the investigator, and for similar reasons.

There isn't in fact much I consider I can meaningfully add to the investigator's findings. Mr S says that his complaint points haven't been answered, but the investigator has addressed these and set out her reasoning for not upholding them.

I'd initially reiterate the investigator's comment that we wouldn't reconsider the matters which have already been decided by way of an ombudsman's determination.

But to address the other points, firstly regarding what Mr S has said is the relative underperformance of his plan, ReAssure has since confirmed that the SEDOL and ISIN codes are correct and so Mr S is indeed referring to the same fund. But I think the investigator's explanation as to why ReAssure's fund performance figures are different from those Mr S has quoted is entirely plausible. The same fund will have produced the same return, albeit, as noted by the investigator, showing different percentages for different time periods, along with the impact of the fees charged.

Turning to the matter of the fees, my understanding is that Mr S hasn't provided the letter from ReAssure in which he said it had confirmed it had overcharged him. In the absence of that evidence, I can't fairly or reasonably conclude that this has been, or at least remains, the case, and again I think the investigator's rationale is sound. ReAssure has confirmed that the fee percentage has remained the same on his plan, and any increase in the amount paid is likely to have reflected an increase in the fund value, as set out in the investigator's assessment. I note that Mr S hasn't specifically commented on that rationale, but instead has repeated his original complaint point. However, if as asserted by Mr S, ReAssure has overcharged him and told him that it would refund some fees, then it should of course do so.

The terms and conditions for the policy have now been provided, and the investigator has answered the question relating to the fund manager. The securities held within the fund will have been at the discretion of the fund manager, but ReAssure would have no direct influence over this.

However, as noted by the investigator, there have been some delays in ReAssure providing its responses to Mr S, and I do agree that compensation in respect of this would be warranted. This will have understandably caused Mr S frustration, but in thinking about awards which this service might make in similar situations, I think the amount of £150 is probably appropriate in the circumstances.

It hopefully goes without saying, but for the avoidance of doubt, although some matters may have already been addressed, ReAssure Limited should also answer any remaining questions Mr S may have about his plan, including death benefits and retirement age, promptly, and endeavour to assist him with these matters where possible.

In closing, I should clarify the point about Mr S being able to take the matter to court if he wishes following this decision. If Mr S accepts this decision, then it will be legally binding upon him and ReAssure Limited. Mr S would then be able to enforce payment of the £150 in court if ReAssure Limited didn't pay this to him.

However, if Mr S doesn't accept this decision, he will still be able to refer his complaints to court, subject to the usual time limits for doing so.

### **My final decision**

My final decision is that I don't uphold the complaint. I leave it to Mr S to decide whether to accept ReAssure Limited's offer of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 October 2024.

Philip Miller

**Ombudsman**