

The complaint

Mr K has complained that ReAssure Limited delayed the transfer of pension funds from two separate schemes into the group personal pension (GPP) he held with it. Mr K has said that he suffered a financial loss as a result.

What happened

On 2 October 2021, Mr K contacted ReAssure by email to request combining two of his ReAssure pension policies. He also mentioned he then intended to combine pension funds he also held with two external pension schemes and asked how to do this.

ReAssure responded to this request on 5 October 2021, saying that it wasn't possible to merge the two ReAssure policies.

Mr K followed up the next day to clarify some questions he felt were left unanswered by ReAssure. ReAssure provided another response on 7 October 2021.

On 22 October 2021, Mr K called ReAssure to request "transfer in" forms and to ask that the requirements for the transfers to be emailed to him.

ReAssure provided some information to Mr K on 3 November 2021, explaining that it needed some information about the transfers. ReAssure requested the ceding scheme names, the value of the transfers, and information about safeguarded benefits. ReAssure said that, upon receipt of this information, it would notify Mr K of its requirements.

On 3 November 2021, Mr K contacted ReAssure by email outlining the pension pots he would like to transfer into his GPP: another GPP held with ReAssure, a Legal & General pension plan and defined benefits held within the Universities Superannuation Scheme (USS).

Mr K followed up on this query on 13 November 2021 as he hadn't received a response. The same day, ReAssure issued two letters to Mr K, one saying that it wasn't possible for him to combine his two ReAssure pensions, and another including an annual statement.

ReAssure explained that, because both pensions were in the same scheme and that both plans carried identical charges, it would make no difference combining these pots, so it wasn't something that ReAssure would do.

ReAssure then issued transfer forms on 17 and 26 November 2021. Mr K said that he was unsure at the time which form related to which of his pensions.

On 11 December 2021, Mr K returned the completed form for the ReAssure-to-ReAssure transfer, and ReAssure responded via email enclosing its letter of 13 November 2021, saying that the internal transfer was not possible. It appears that Mr K hadn't received this letter.

Mr K queried this issue on 15 December 2021, saying that he'd received conflicting advice over the phone. ReAssure responded the following day, explaining that this could not be reconsidered, and the transfer wasn't possible.

On 18 January 2022, USS contacted ReAssure to chase the transfer process. In this letter it said that if the transfer documentation wasn't processed by 23 May 2022, a new cash equivalent transfer value (CETV) would be required, at a fee of £235.

ReAssure then sent a letter to Mr K on 21 January 2022, which referred to a qualifying recognised overseas pension scheme (QROPS) transfer. Mr K was unsure whether this was the correct form as all of his pensions were UK based.

On 28 January 2022, ReAssure contacted Mr K to inform him they it had been contacted by the USS in relation to a transfer. It asked him to complete the transfer form which had been enclosed in its letter to him.

Mr K then queried which form he needed to complete on 13 February 2022, as he'd received multiple forms with no indication of which one related to which transfer. Mr K also mentioned in this email that he'd returned all the forms he'd received and if outstanding forms had been sent from ReAssure by post, it would be unlikely he would receive them in a reasonable timeframe.

In the same email he also queried whether he needed to complete the QROPS form sent back in January.

The following day, ReAssure informed Mr K to direct his query to a different area of the business. Mr K forwarded his query to the new email address on 15 February 2022.

ReAssure replied on 26 February 2022, saying that Mr K needed to complete the application form it had previously sent to him.

Frustrated at the lack of clarity, Mr K restarted the process on 13 March 2022, and after discussions with Legal & General, queried with ReAssure whether an Origo transfer would be possible.

ReAssure responded on 17 March 2022, informing Mr K that his request had been passed to a different team. ReAssure then requested the transfer amounts for the Legal & General transfer on 18 March 2022.

Mr K has said that he responded to this email the same day, providing the requested information.

Mr K chased ReAssure on 30 March 2022 in relation to the USS transfer. In this email he attached a letter from USS which said that USS was waiting for ReAssure to complete its discharge forms.

Mr K chased ReAssure in relation to the Legal & General transfer on 12 April 2022. ReAssure responded the following day, saying that it had sent a letter to USS requesting that the transfer be completed. It also said that it had requested an update on the Legal & General transfer.

Mr K returned the transfer forms for the Legal & General transfer on 25 May 2022. On 10 June 2022, £6,519 was sent to ReAssure from Legal & General, however Mr K wasn't notified that this had been completed.

Mr K contacted ReAssure on 25 June 2022 asking for an urgent update on both his Legal & General and USS transfer. Mr K complained to ReAssure that, as the deadline provided by USS of 23 May 2022 had passed, he would now need to pay for a new CETV calculation to be completed.

ReAssure then contacted Mr K to inform him his Legal & General transfer was now complete.

Mr K chased ReAssure on 16 July 2022 in relation to his complaint. He then called ReAssure on 29 July 2022 to chase again. During this call, he requested his complaint be escalated to a senior manager.

ReAssure contacted Mr K on 10 August 2022 to inform him that his complaint was still being investigated. On 19 August 2022, it informed Mr K he could refer his complaint to this service.

ReAssure issued its first "final response" letter on 24 August 2022. It upheld Mr K's complaint and offered £325 by way of an apology. In the letter, ReAssure acknowledged that both parties declining to complete the other's respective transfer forms was the main cause for the USS transfer being delayed.

Mr K responded to this on 2 September 2022, with some objections. Having receiving no response, he chased this on 4 October 2022. ReAssure issued an automated response on 6 October 2022.

ReAssure issued its second final response letter on 11 October 2022. ReAssure acknowledged delays on the USS transfer but didn't say that it had caused any delays in processing the Legal & General transfer. It agreed to increase its payment by way of an apology to £500, pay £235 for a new CETV quotation and £15 for currency fluctuations. It also agreed to conduct a loss assessment once the transfer was completed.

On 16 October 2022, Mr K requested a new pension transfer statement from USS. Mr K made a payment of £235 to USS on 1 November 2022 for a new CETV quote to be generated. USS provided the quote on 23 November 2022.

ReAssure contacted Mr K on 8 December 2022 to inform him that it had completed the USS transfer forms. On 21 December 2022, ReAssure updated Mr K, saying that USS hadn't received the transfer forms yet. ReAssure also incorrectly said that Mr K's ReAssure pension was being transferred over to Legal & General.

After some back and forth over the next two days, ReAssure clarified that this was an error, and that Mr K's policy wasn't being transferred to Legal & General.

ReAssure emailed Mr K on 12 January 2023 saying that it had received his bank details and would be paying the compensation awarded in the previous final response letters shortly.

ReAssure provided an update on the USS transfer on 26 January 2023, in which it said that it was still awaiting the funds from USS.

Mr K chased for an update on 2 March 2023. He queried why no separate investigation into the distress caused by ReAssure's errors over the Christmas period had been conducted, why the outstanding compensation still hadn't been paid, and why his USS transfer still wasn't completed.

The USS transfer then completed on 21 March 2023, with £1,742 being sent to ReAssure by

USS.

ReAssure then issued a further complaint response letter on 22 March 2023. It acknowledged that it hadn't sent the correct amount of compensation to Mr K, underpaying him by £175. As well as the outstanding £175, an additional £275 was sent in compensation by way of an apology, as well as a further £15 being sent to cover the currency fluctuations.

Across its complaint responses, ReAssure offered Mr K a total of £775 for distress and inconvenience, with a further £30 being sent to cover any fluctuations in currency and £235 for a new CETV quotation.

Mr K chased for an update on the loss assessment ReAssure informed him would be conducted. Mr K then referred his complaint to our service in August 2023.

Having considered the matter, our investigator thought that the complaint should be upheld. He said the following in summary:

- He was aware that there were other parties involved in the transfer, but he could only consider the responsibilities of ReAssure in this complaint.
- There'd been significant confusion regarding the transfer forms which were to be used for the different transfers. This had impacted both the USS and Legal & General transfers. He would consider them separately.
- Although ReAssure could have better explained which form was for which transfer, it had nevertheless previously confirmed that it wasn't possible for the ReAssure policies to be merged.
- ReAssure had enclosed with the respective transfer forms illustrations for the amounts relating to the USS and Legal & General transfers, and so it would be reasonable to assume that the forms would apply to those transfers rather than the ReAssure policies. As such, the investigator didn't think that ReAssure could be held responsible for any confusion deriving from the provision of several transfer forms, and any delay this may have caused.
- In terms of what happened next, with regard to the Legal & General transfer, had things happened as they should, the transfer forms would have been issued within ReAssure's service level timeframe, Mr K would have returned them, and the transfer would have been processed ten working days later.
- But this didn't happen. And although ReAssure had identified a 15 day delay which it had caused, the investigator thought that it was longer than this.
- ReAssure should have issued the relevant transfer forms within ten working days of 22 October 2021 – the date of the explicit instruction to transfer – and so by 5 November 2021. But this didn't happen until 23 November 2021, 12 working days late.
- Although there was then some correspondence relating to the USS transfer and the incorrect QROPS notification, there was no specific communication relating to the Legal & General transfer. So from ReAssure's perspective, it had sent the relevant forms and it was then up to Mr K to action and return them.

- Mr K then contacted ReAssure on 13 March 2022 to “restart” the process. Although ReAssure responded within a reasonable timeframe asking for an approximate value for the transfer, it didn’t remind Mr K that there were outstanding transfer forms for completion and return.
- Taking account of the initial 12 day delay caused by ReAssure, and assuming that Mr K had therefore restarted the process on 25 February 2022 rather than on 13 March 2022, ReAssure could have responded on 4 March 2022 explaining that Mr K needed to provide the approximate transfer value and resend its transfer forms. Mr K would then have returned the forms one month later (as he in fact did) on 4 April 2022. The transfer would then have been processed ten working days later on 18 April 2022.
- The investigator said that, to resolve the matter, ReAssure should contact Legal & General to compare the fund value which was transferred on 10 June 2022 to that which could have been transferred earlier on 18 April 2022, but for the delays incurred.
- ReAssure should also consider whether there had been an investment loss due to differences in the unit prices which the transfer could have bought between those dates.
- Regarding the USS transfer, the investigator didn’t think that ReAssure had fully accounted for the delays. And had everything gone as it should, Mr K would have been able to transfer before the CETV deadline of 25 May 2022.
- He noted that Mr K sent the USS transfer forms to ReAssure on 5 January 2022. Thereafter, the main issue seemed to have stemmed from both USS and ReAssure declining to complete each other’s transfer forms. Ultimately ReAssure made the business decision to complete the USS forms on 23 August 2022, but the investigator considered that this could have been made sooner.
- ReAssure had said that, but for the delays, the transfer could have completed in February 2022, and the investigator agreed.
- ReAssure could have made the concession to complete the USS forms within ten working days of receiving them on 21 January 2022. It would then have taken a further 15 days to facilitate and complete the transfer. And so the transfer could have completed by 25 February 2022.
- The transfer didn’t complete until 27 January 2023, almost a year later. But the investigator didn’t think that the whole delay could be attributable to ReAssure. The investigator reiterated that he could only consider the actions of ReAssure, but he considered that it should be responsible for 50% of the delays here. He suggested that Mr K may wish to consider raising a complaint with the Pensions Ombudsman about the other parties involved in the USS transfer.
- The investigator was pleased to note that ReAssure had covered the cost of Mr K requesting the CETV (£235). But to fully resolve the matter, he considered that ReAssure should meet half the reduction in the value of the second CETV.
- It should also investigate as to whether there had been an investment loss as a result of the delayed transfer, by comparing the unit prices as at 22 February 2022 and those when the USS transfer was made. If there was a loss, ReAssure should in the

first instance pay into Mr K's pension plan 50% of the loss. If this wasn't possible, it should pay the amount directly to Mr K, with a deduction for the assumed 20% income tax that Mr K would pay on the pension benefits.

The investigator also considered the amount which ReAssure had paid in respect of the distress and inconvenience caused to Mr K as a result of the delays - £775 – and he thought that, taking into account awards which this service might make in similar circumstances of extended delays, this was appropriate.

In response, Mr K commented in summary as follows:

- ReAssure had failed to inform him that there was an issue between it and USS. Had it done so, he could have intervened earlier and resolved matters. ReAssure's poor communication and lack of responses had led to the CETV expiring.
- The payment in respect of the distress and inconvenience didn't cover the anxiety he'd been caused, along with the time consumed by the matter. The long awaited loss assessment still hadn't been completed. It also wasn't consistent with the types of award set out on our website for circumstances which were similar to these.
- In addition to the distress caused, Mr K said that he would need to take further time researching how to transfer his pension funds away from ReAssure due to the breakdown in trust.

The investigator noted Mr K's comments, but said that although ReAssure could have kept Mr K better informed, it was ReAssure which ultimately made the concession to complete the USS form – and USS could also have made the concession to avoid delays. And so he maintained that 50% responsibility was appropriate here.

As to the amount offered in respect of distress and inconvenience, the investigator thought that this was consistent with the content on our website which referred to similar sums where a business' error had caused substantial distress, upset and worry and where the impact had been felt over many months, or sometimes over a year.

ReAssure agreed with the principle of it being responsible for 50% of losses incurred by the delays in the USS transfer, but suggested a different timeline with regard to the Legal & General transfer. It said that, when the process restarted in March 2022, new transfer values would need to be sought before reissuing the transfer forms. Taking this into account, it considered that the transfer would have happened on 11 May 2022.

Mr K then submitted further comments as follows:

- ReAssure had said that it would ensure that he wouldn't lose out by the delays in the USS transfer, and he'd reasonably inferred that this meant he wouldn't be financially disadvantaged. There had been no mention of proportioning this loss between ReAssure and USS, and this couldn't ensure that he wouldn't lose out by instructing USS to make the remaining 50% payment.
- He'd raised a complaint with the Pensions Ombudsman, but sought clarification on what a finalisation of matters with this service might mean for such a referral.

Having considered the matter further, the investigator set out a revised assessment, in which he said the following in summary:

- ReAssure had demonstrated that it had the facility to make the concession on completing the USS forms, and this could have been made sooner. As such, he considered that ReAssure should be responsible for 100% of any losses arising from the delays in the USS transfer.
- He didn't agree with ReAssure's revised date for the notional completion of the Legal & General transfer, saying that the request for the value of the transfer and the transfer forms could have been sent to Mr K on the same day. The 21 working day which Mr K then took to return the forms would adequately have catered for this information to be returned.
- But the investigator didn't think that his original timeline adequately represented what happened after Mr K returned the completed transfer forms. Allowing for the initial 12 working day delay caused by ReAssure, Mr K would have restarted the transfer process on 24 February 2022. Allowing for five working days, ReAssure could then have requested the updated transfer values and issued the transfer forms. Mr K would have returned the information and forms 21 working days later, and the Origo request would have been created on 12 April 2022. The funds would then have been transferred one week later on 19 April 2022.

Mr K accepted the investigator's revised recommendation. But ReAssure didn't, saying the following in summary:

- It enquired as to what additional evidence had been provided which had led to the conclusion that it should now be held 100% responsible for the delays incurred in the USS transfer.
- It maintained that USS had been inflexible in providing the necessary transfer paperwork and it hadn't been prepared to compromise on completing ReAssure's discharge forms. It enquired as to whether a complaint had been raised about USS.
- It also said that, with regard to the Legal & General transfer, it didn't agree with the investigator's revised timeline. It said that it would need the transfer value from Mr K before it issued the transfer forms.

As agreement couldn't be reached on the matter, it was referred to me for review.

I issued a provisional decision on the matter on 7 August 2024, in which I set out my reasons as to why I considered that the complaint should be upheld. The following is an extract from that decision.

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

At my request, the investigator has contacted Mr K to recommend that he refer the USS transfer part of this transfer to the Pensions Ombudsman, as it would be better for that party to be able to consider the responsibilities of both parties at the same time. Mr K has agreed with this and the investigator is assisting Mr K in achieving this.

And so the remaining matter for me to consider here is that relating to the Legal & General transfer. I've thought carefully about what the parties have said about what should have happened, and I'm setting out my view as follows.

I'd initially comment that I don't think the 12 days initial delay has much relevance, given that

the process was then paused for several months and was then reinitiated on 13 March 2022. I think that what prompted Mr K to reinitiate the process in March 2022 was unconnected to that initial 12 day delay. Had the process run from that initial 12 day delay without interruption, then I think it might reasonably be included, but in this instance, where there was a significant pause, I don't think it had a bearing on the finalisation date for the process.

At my further request, the investigator has also enquired of ReAssure as to why it needed the updated fund value before it could issue the required documentation to process the transfer. ReAssure has said that it needed it to be able to initiate the Origo process to facilitate the transfer.

I've thought carefully about this, and whilst I do have some reservations as to whether ReAssure should have needed to request the fund value again, I do need to also consider that some time had passed between its receipt of the previous valuation details, and so on balance I don't think its request was necessarily unreasonable.

My proposed timeline for resolving the matter fairly and reasonably is therefore set out below.

13 March 2022 – The process restarts.

18 March 2022 – Allowing for four working days, ReAssure emails Mr K to request the current fund value.

4 April 2022 – Mr K emails ReAssure with the valuation information 12 working days later.

8 April 2022 – ReAssure sends Mr K the transfer forms four working days later. In its proposed timeline, ReAssure has allowed itself ten working days for this, but I don't think that's justified, and I don't think that there's a reasonable expectation that it should take ten working days for every step in the process.

10 May 2022 – Mr K emails the transfer forms to ReAssure 21 working days later.

19 May 2022 – Origo sends the transfer request to Legal & General seven working days later.

26 May 2022 – The funds are received five working days later.

And so I consider that the redress methodology set out below would be appropriate here.

My aim is to put Mr K in the position he would now be, but for the delays incurred by ReAssure Limited.

ReAssure should therefore compare the notional value of Mr K's pension plan, had the transfer process completed on 26 May 2022, with its actual value, as at the date of any final decision along these lines. ReAssure Limited will need to approach Legal & General to establish the value of the transfer at that earlier point in order to determine that notional value.

If there's a loss to Mr K, ReAssure Limited should, in the first instance, make up that loss within Mr K's pension plan, taking account of any charges for doing so, annual allowance issues, any available tax relief, and protections which might be in place.

If it's not possible to pay into the pension plan, ReAssure Limited should pay the amount of the loss directly to Mr K, with a deduction for the post tax free cash income tax which Mr K

would pay on the pension benefits, presumed to be basic rate. This equates to an overall notional deduction of 15%.”

Both parties agreed with my provisional findings, but Mr K enquired as to the timescales for calculating and providing redress.

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.

As both parties have agreed with my findings, I see no reason to depart from those set out in the provisional decision.

Putting things right

As set out in the provisional decision, my aim is to put Mr K in the position he would now be, but for the delays incurred by ReAssure Limited.

ReAssure Limited should therefore compare the notional value of Mr K's pension plan, had the transfer process completed on 26 May 2022, with its actual value, as at the date of this final decision. ReAssure Limited will need to approach Legal & General to establish the value of the transfer at that earlier point in order to determine that notional value.

If there's a loss to Mr K, ReAssure Limited should, in the first instance, make up that loss within Mr K's pension plan, taking account of any charges for doing so, annual allowance issues, any available tax relief, and protections which might be in place.

If it's not possible to pay into the pension plan, ReAssure Limited should pay the amount of the loss directly to Mr K, with a deduction for the post tax free cash income tax which Mr K would pay on the pension benefits, presumed to be basic rate. This equates to an overall notional deduction of 15%.

To address Mr K's query about the timescales involved for payment of any redress, the expectation is that ReAssure Limited will swiftly comply with the direction above, and I have no reason to believe that it won't.

But any redress due should in any case be paid to Mr K within 28 days of ReAssure Limited being notified of Mr K's acceptance of this decision. If it isn't, then interest at the rate of 8% simple pa should be applied to any loss amount from the date of this decision up to the date of settlement.

My final decision

My final decision is that I uphold the complaint and direct ReAssure Limited to undertake the above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 September 2024.

Philip Miller
Ombudsman