

## Ombudsman's Determination

Applicant	Mr S
Scheme	ReAssure Pension (Group Stakeholder Pension Plan) ( <b>the Plan</b> )
Respondents	ReAssure Limited ( <b>ReAssure</b> )

## Outcome

1. I do not uphold Mr S' complaint and no further action is required by ReAssure Limited.

## Complaint summary

2. Mr S' complaint is that ReAssure did not transfer his pension in a timely manner, resulting in a financial loss and causing him distress and inconvenience, for which he seeks compensation.

## Background information, including submissions from the parties

3. The sequence of events is not in dispute, so I have only set out the salient points. I acknowledge there were other exchanges of information between all the parties.
4. Mr S was a member of a Group Stakeholder Pension Plan provided by ReAssure. He was living abroad when he requested the transfer of his pension to a Qualifying Recognised Overseas Pension Scheme (**QROPS**).
5. On 6 August 2019, Reassure sent Mr S' adviser in Malta a letter explaining:-
  - The current value of Mr S' Plan on 6 August 2019 was £152,270.16.
  - The options open to Mr S.
  - The requirement to return to it all of the necessary documents within 60 days from the date ReAssure received the signed Transfer Payment Release form.
  - Mr S also needed to complete and return the following forms before the transfer could take place:-

- An Overseas Transfer Payment Release Form – Mr S would need to ask the receiving scheme to complete the sections that related to them, and an authorised signatory would also need to sign it before it could be sent to ReAssure.
  - An Overseas Pension Transfer Questionnaire.
  - HM Revenue & Customs (**HMRC**) Form APSS263.
  - A copy of the HMRC APSS251 Form from the receiving scheme. The receiving scheme would also need to provide its QROPS reference number, along with a copy of the acknowledgement letter from HMRC that confirmed this number.
6. On 15 November 2019, ReAssure wrote directly to Mr S about his intention to transfer his pension to a Self-Invested Personal Pension (**SIPP**). It confirmed the value of his policy was now £158,294.78, net of charges and any potential final bonus.
7. ReAssure also confirmed that the value was not guaranteed as it moved in line with the stock market, and would be revalued on the day after receipt of all the requested documents. It also reminded Mr S of the requirement to send the signed Transfer Payment Release Form and the Original Policy Schedule before it could proceed. It also required evidence that the receiving scheme had been registered with HMRC.
8. On 5 December 2019, Mr S signed the necessary forms, and they were sent to ReAssure by PSG SIPP Limited, (**the SIPP provider**) which was the intended recipient of the transfer. However, the forms were not received by ReAssure, so the transfer was delayed.
9. On 24 January 2020, the SIPP provider wrote to ReAssure confirming Mr S' intention to transfer the Plan as follows:-
- It asked ReAssure to complete the Ceding Scheme form attached to its letter.
  - It enclosed the following bundle of documents:-
    - Authority to release information signed by Mr S and dated by him on 19 November 2019.
    - The Ceding Scheme Form.
    - The signed and completed discharge form and Declaration for the Receiving Scheme.
    - A copy of the HMRC Approval letter confirming the receiving scheme's Pension Scheme Tax Reference.
    - Identity evidence for Mr S.
    - Section 2 page 2 of the Transfer Payment Release Form, signed and dated by Mr S on 10 January 2020.

- Section 2 page 4 of the Transfer Payment Release Form was signed by the Trustee of the Receiving Scheme on 24 January 2020.
10. On 28 January 2020, ReAssure received the letter from the SIPP provider dated 24 January 2020, which it accepted as evidence that Mr S had sent the forms when he claimed to have done so. ReAssure agreed to proceed on receipt of this evidence.
  11. On 6 February 2020 Mr S had a telephone conversation with ReAssure about the remaining due diligence requirements.
  12. Following the telephone call, Mr S emailed ReAssure that day, saying he intended to take action against it for any financial losses he might incur that could be attributable to the delay.
  13. On 10 February 2020, ReAssure wrote to Mr S confirming that it had paid the transfer value of £167,636.03 to his SIPP.
  14. On 12 February 2020, Mr S emailed the SIPP provider to ask for assumed rates of growth on his transfer on the following basis:-
    - A period of delay of approximately three months from December 2019.
    - Loss of growth on £302,000, the approximate total amount he was transferring to the SIPP, including external funds not part of the Plan.
    - He acknowledged the ReAssure fund grew during this period and that he had added further contributions during the period.
    - He was sure there would have been greater growth than had been suggested by ReAssure.
  15. The SIPP provider responded by return as follows:-
    - A lump sum of £302,000 achieving an assumed growth rate of 5% would have grown to £317,100 or an increase of £15,100 during the period Mr S had specified.
    - The Plan had grown in value over the same period by approximately £6,342 net of the two months' contributions Mr S had made in December and January, totalling £3,000.
  16. On 12 February 2020, Mr S forwarded the SIPP provider's email to ReAssure.
  17. On 17 February 2020, Mr S telephoned ReAssure to discuss the delay in transferring the Plan, which he contended had resulted in a financial loss to him. ReAssure did not agree that there was a financial loss on the Plan value, which had increased since 5 December 2019, when Mr S had signed the original forms. It did not accept any liability for losses incurred on external funds that Mr S had chosen not to invest until receipt of the Plan value into the SIPP.

18. On 20 February 2020, Mr S followed up the telephone call with an email to ReAssure about the points they had discussed during the telephone conversation, saying:-
- The money from the Plan had not been received into the SIPP until that week.
  - In its calculation of the growth in transfer value during the period of delay, ReAssure seemed to have forgotten the two contributions he had made, totalling £3,000.
  - The delay in transferring the Plan had caused him to delay, by the same period of time, the transfer of some external fund holdings into the SIPP, causing a further loss which he considered ReAssure should make good.
  - ReAssure was wrong about there being no loss because the total of the Plan value plus the value of external funds was the figure that should be used for any loss calculation.
  - He believed ReAssure had adopted delaying tactics in 2019 for its own benefit and he had found it necessary to raise the matter with ReAssure's directors before obtaining any progress.
  - ReAssure needed to admit it did not carry out the requested transfer in a timely manner and compensate him for his loss.
19. On the same day, ReAssure emailed Mr S to thank him for his email and earlier telephone call. It stated that:-
- It accepted that Mr S had sent the necessary paperwork to complete the transfer in December 2019, and although it had not received those forms, it was willing to review the matter.
  - It agreed to consider the assumed financial loss as indicated by the SIPP provider.
  - It agreed to assume it had received the transfer forms on 7 December 2019.
  - It would calculate the difference between the values on 7 December 2019 and 28 January 2020 to establish whether, or not, a loss had been incurred.
20. ReAssure sent a further email Mr S on that day as follows:-
- It apologised for the delay in carrying out the transfer and for any losses incurred as a result.
  - It confirmed it had not received the transfer forms he had sent on 5 December 2019 which was the reason why the transfer did not proceed earlier.
  - However, as the SIPP provider had now sent a copy of the forms signed by Mr S and sent on 5 December 2019, it was willing to accept they were sent, and would treat them as if they had been received.

- As a gesture of goodwill, it was willing to make an assessment of investment losses Mr S may have incurred, but only on the Plan value. This did not extend to non-ReAssure funds.
- It would make good on any investment losses incurred had the Plan transfer been initiated on 7 December 2019.
- It was pleased to note that Mr S was willing to accept this offer and would be in touch as soon as it had assessed the figures.

21. Also on 20 February 2020, ReAssure provided a loss calculation to Mr S as follows:-

- Dealing first with the loss approach used by Mr S and his SIPP provider, it confirmed that:-
  - The transfer value as at 7 December 2019 was £156,820.02 which was the sum that would have been transferred if it had received the transfer forms in December 2019.
  - The transfer value as at 28 January 2020 was £167,636.03, which is the sum that was paid to the SIPP provider.
  - It confirmed the unit price for Mr S' fund was higher on 28 January 2020 than it had been on 7 December 2019, producing a transfer value that was higher by £7,816 than the transfer available on 7 December 2019. This additional growth was net of the £3,000 contributions Mr S had made in the interval.
  - If it had transferred £167,636.03 in December 2019 (ignoring the two premiums totalling £3,000 Mr S had paid between 7 December 2019 and 28 January 2020) and assuming 5% growth during the delay period, the loss calculated would have been £6,342.
  - However, the figure of £167,636.03 could not be used for the investment loss calculation because it was not the value Mr S would have obtained had the funds been transferred in December 2019. The transfer value that should have been transferred in December 2019 was £156,820.03.
  - The transfer value in January 2020 was £167,636.03. However, £3,000 had to be deducted for contributions made during the delay period. As the unit price had grown during the delay period, Mr S' fund value had increased by a net amount of £7,816.00, meaning he had not incurred a financial loss.
  - Even based on the loss approach used by the SIPP provider, the gain of £7,816.00 was greater than the projected loss of £6,342 assuming an estimated 5% growth rate in the interval.
  - This meant Mr S had incurred no financial loss and was in a better financial position than he would have been had the transfer proceeded in December 2019.

22. On the same day, Mr S emailed the SIPP provider again, saying he needed a “very real” calculation of balanced fund growth or “even slightly higher” from December to date, based on £293,000 actually invested plus the “added amount he had paid in”.
23. On 21 February 2019, the SIPP provider responded as follows:-
- If it had invested the sum of £293,000 and if it had achieved 5% growth, Mr S’ fund would be valued at £307,650.
  - The figure of £6,342 was not the calculated loss it had produced. Rather this was the amount it had estimated the Plan had grown by between 7 December 2019 and the actual date of transfer, net of his two contributions totalling £3,000.
  - It noted ReAssure had confirmed the actual growth for the same period as £7,816 net of the £3,000 contributions he had made.
  - Assuming the transfer had completed on time, the entire fund would have been approximately £293,000 including external funds. Had this amount grown by the assumed 5% figure it had used for illustration purposes, the entire fund would be worth £307,650 at the date of transfer.
  - This meant an assumed growth of £14,650. If the actual net growth of the ReAssure fund was deducted from that estimated growth, it would leave a loss of £6,834.
24. On that day, Mr S forwarded the SIPP provider’s figures to ReAssure, saying its calculations were wrong and demanding the money representing the estimated loss as set out by the SIPP provider.
25. On 24 February 2020, ReAssure emailed Mr S to confirm it was not upholding his complaint and stated:-
- It had not received the transfer forms sent to it in December 2019. It would not normally be held responsible for forms not received. Accordingly, it would not normally agree to conduct an assessment for losses. This was because no errors had been made by ReAssure.
  - As a gesture of goodwill, having received a copy of his signed forms from the SIPP provider, it had agreed to assess any losses. However, this only applied to ReAssure funds, as it had pointed out to Mr S in earlier emails.
  - ReAssure had no control over actions or decisions Mr S or any third party had made on the transfer of non-ReAssure funds and how these were treated by the SIPP provider.
  - There was no evidence to suggest it had caused any subsequent delays and losses to Mr S’ non-ReAssure investments.

- Using the same theory of assumed growth, the correct backdated value of £156,820.33 would have produced a gross increase of £10,816 which, less the £3,000 premiums paid in the interval, meant the actual positive value was greater than the assumed loss calculated by the SIPP provider.
- Any assumed losses were covered by the actual growth achieved by the ReAssure funds in the interval.

26. On 25 February 2020, Mr S emailed ReAssure to refute its findings.

27. Also on 25 February 2020, ReAssure responded to Mr S as follows:-

- It acknowledged his dissatisfaction with its responses to date and his belief that its delay in paying the transfer had also caused the delay of investment funds he held with other providers while he waited for the Plan to transfer.
- Its records indicated transfer forms were sent to Mr S in November 2019, although Mr S' IFA had to chase these twice before they were sent. It apologised for this lapse in standards and offered Mr S £200 in respect of any distress and inconvenience he had experienced.
- It noted the SIPP provider had confirmed Mr S signed the forms on 20 November 2019 and it posted them to ReAssure on 5 December 2019. However, It had no record of having received the signed forms sent by the SIPP provider. It had confirmed this situation with the SIPP provider on 10 December 2019, 7 January 2020 and 10 January 2020.
- On 10 January 2020, during a telephone conversation, the SIPP provider confirmed that it would arrange for Mr S to re-sign the forms, which happened that day.
- It received the re-signed forms on 28 January 2020.
- Its due diligence checks on the transfer were completed by telephone with Mr S on 6 February 2020 and the final transfer value of £167,636.03 was sent via BACS to the SIPP provider on that day. This process was completed within seven days of receipt of Mr S' completed and signed forms, which fell within ReAssure's standard processing times for transfer payments.
- It confirmed Mr S' ReAssure funds had grown by £7,816 between 7 December 2019 and 28 January 2020, meaning there was no financial loss to address.
- It would not provide compensation for any investment decisions made by Mr S to delay payment of external funds to the SIPP.
- It would send a formal written response shortly.

28. On 26 February 2020, ReAssure sent Mr S its final response in similar terms to its email of 24 February 2020, as set out in paragraph 25 above.

29. Mr S' position:-

- He incurred losses on the overall amount of his fund holdings as he delayed transferring the external funds until the SIPP provider had received the ReAssure funds.
- He delayed investing the sum of £137,000 of external funds in order to save on charges by making both investment tranches to the new destination fund in one transaction.
- He considered ReAssure had "conveniently lost" the original forms, and had delayed the transfer for its own financial benefit.

### **Adjudicator's Opinion**

30. Mr S' complaint was considered by one of our Adjudicators who concluded that no further action was required by ReAssure Limited. The Adjudicator's findings are summarised below:-

- There was no evidence of a deliberate delay on the part of ReAssure. There was no reason to doubt ReAssure's assertion that it had not received the original forms, as no advantage was to be gained by delaying. The Adjudicator explained that product providers make money out of the service, not by holding onto client monies. Mr S' assertion of deliberate delay was therefore unreasonable in her view.
- There was no evidence to support Mr S' assertion of financial loss. The Plan had increased in value, net of any additional contributions, by £7,816 between 7 December 2019, the assumed date on which the forms were treated as having been received, and 28 January 2020, the date on which the replacement forms were received.
- The funds were then paid to the SIPP provider within seven working days of receipt of the necessary paperwork. The length of time taken to transmit funds and for them to clear into the SIPP provider's bank account was due to banking processes and was nothing to do with ReAssure.
- Mr S' decision to delay investing the £137,000 of external funds until the ReAssure funds had been sent was not the responsibility of ReAssure. It was his choice to save on charges and take the risk of a fall in the value of his external funds rather than to invest that money when it was available to him. Any loss arising from his decision to delay could not be blamed upon ReAssure.
- For the delay caused at the outset by not responding immediately to Mr S' adviser, ReAssure offered Mr S the sum of £200. The Adjudicator was of the opinion this sum was adequate for the extent of the distress and inconvenience he was caused by ReAssure's initial delays. She did not consider it appropriate to



award any further payment as ReAssure carried out the rest of the process without delay.

31. ReAssure confirmed it accepted the outcome and had no further comments to make.
32. Mr S did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr S provided his further comments which do not change the outcome. I agree with the Adjudicator's Opinion and note the additional points raised by Mr S, which are summarised below:-
  - He did not agree with the Adjudicator's findings, and totally disagreed that he had not made a loss, as ReAssure had not transferred the monies in a timely manner.
  - ReAssure should have released the funds at the same time as the other, external funds he held. Instead, ReAssure delayed releasing them, and was aware of this delay.
  - He and his adviser had contacted the external fund holder and ReAssure at the same time to request the closure of pension plans and the moving of funds. This was to avoid the cost of reinvesting individual amounts.
  - This delay was a major issue in setting up the final pension and it did cause a loss in what the total sum could have earned, regardless of what the total did actually earn when it was invested. This was the main point of the complaint.
  - It took many emails and other contact to push ReAssure into sending the monies, which arrived some three months later than the external funds. This meant the external funds sat in a holding account until ReAssure's monies were received.
  - Had he carried out the transactions as two separate investments, the set-up costs would have been greater than if the two tranches were invested together.

### **Ombudsman's decision**

33. Mr S contends that he had to delay investing his external funds because it would have been more expensive to invest them separately from the ReAssure funds. He argues that ReAssure is responsible for any losses incurred in the investment of those external funds.
34. However, ReAssure has demonstrated that he made a gain, not a loss, as a result of the delay in the transfer of his ReAssure funds. It also stated it was not responsible for any losses incurred, or any decisions made, by him or any other party, in relation to non-ReAssure funds.
35. In Mr S' response to the Adjudicator he continues to maintain that, regardless of the actual return, he had made a loss through the delay and was denied the opportunity to make a positive return or earn income on the external funds. I will only award compensation for actual losses. ReAssure has established that no loss occurred in

respect of funds under its control. It rightly takes no responsibility for funds not under its control.

36. I do not find that ReAssure is responsible for investment decisions Mr S made in relation to his external funds. It was his choice to make as to whether he wanted to pay two sets of fees for two separate tranches of investment or whether he wanted to hold back one tranche and leave it disinvested until the other had arrived, taking a risk on the market position remaining stable in the interval. The risk was his to take, not one that ReAssure had guaranteed to cover.
37. In any event, there is no evidence that ReAssure caused a delay; it stated the forms were not received. In spite of this, as a gesture of goodwill, it agreed to make good any losses, but only on funds for which it was responsible. No losses were incurred. Instead, a gain was produced as a result of the delay. Mr S has benefitted from this gain. He is not due anything from ReAssure in respect of any losses, whether real or projected, regarding the external funds.
38. In respect of maladministration, I agree that the sum of £200 already offered for the tardy response to the adviser's initial request is adequate and I do not award any further monies in this respect.
39. I do not uphold Mr S' complaint.

**Anthony Arter**

Pensions Ombudsman  
28 February 2022