

Ombudsman's Determination

Applicant	Mr N
Scheme	ReAssure Personal Pension Scheme (the Scheme)
Respondent	ReAssure Limited (ReAssure)

Outcome

1. I do not uphold Mr N's complaint and no further action is required by ReAssure.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr N has complained that ReAssure has said he is unable to take his benefits as a lump sum, because he has already started receiving an annuity from the Scheme.

Background information, including submissions from the parties

4. Mr N held a policy with ReAssure and in early 2011, he began exploring the options of taking his benefits as an annuity.
5. Mr N's benefits from the Scheme came into payment in April 2011.
6. In October 2017, Mr N raised a complaint about his benefits. He believed they should have been uplifted due to his ill health.
7. On 15 November 2017, ReAssure wrote to Mr N and agreed that his benefits should have been uplifted. It calculated the loss, and provided this to Mr N including backdated payment with interest.
8. Mr N accepted this, but he raised a further complaint that he would like to receive his benefits as a one-off lump sum, as opposed to an annuity.
9. ReAssure responded and said that it would not be able to agree to change how Mr N originally agreed to start taking his benefits. It also explained it was under no legal obligation to pay him a lump sum.
10. Mr N remained dissatisfied and brought his complaint to the Pensions Ombudsman to be independently reviewed.

Adjudicator's Opinion

11. Mr N's complaint was considered by one of our Adjudicators who concluded that no further action was required by ReAssure. The Adjudicator's findings are summarised briefly below:-
 - ReAssure has not done anything wrong in not allowing Mr N to take his benefits as a one-off lump sum payment. It is under no legal obligation to facilitate this request.
 - Mr N has not suffered an actual loss. He will continue to receive annuity payments in line with his original request.
12. Mr N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider.
13. Mr N believes that ReAssure should still pay his benefits as a one-off lump sum. I do not believe this changes the outcome.
14. I agree with the Adjudicator's Opinion and I will therefore only respond to the key point made by Mr N for completeness.

Ombudsman's decision

15. Mr N is dissatisfied that ReAssure will not allow him the option of commuting his annuity into a lump sum payment. ReAssure cannot do this because the annuity has been in payment since April 2011.
16. ReAssure has explained that it would not allow someone the option of commutation for annuities that are already in payment. I do not consider that ReAssure is required to pay Mr N a lump sum. He is receiving his annuity as previously arranged. ReAssure can therefore not be found to be in the wrong because of its refusal.
17. I understand Mr N believes it would be better for him to receive the money as a one-off payment, but this does not mean ReAssure has to do this. I do not consider that the position Mr N finds himself in, is as a result of any maladministration by ReAssure.
18. Further, I agree that Mr N has not suffered a loss. He will continue to receive his annuity payment in accordance with his original request to ReAssure which it acted on. I appreciate that this is now not his preferred method of receiving his benefits. But this is what he originally agreed to and there is no obligation on ReAssure to change it, in order to suit his new request.

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19. Accordingly, I do not uphold Mr N's complaint.

Karen Johnston

Deputy Pensions Ombudsman
26 March 2019