

## Ombudsman's Determination

Applicant	Mr L
Scheme	ReAssure Number Three Personal Pension Plan ( <b>the Plan</b> )
Respondent	ReAssure Ltd ( <b>ReAssure</b> )

### Outcome

1. I do not uphold Mr L'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 L has complained that ReAssure did not immediately offer the option for him to transfer to a beneficiary drawdown arrangement and that, because of the delay in agreeing and implementing it, he has suffered a financial loss.

### Background information, including submissions from the parties

4. In October 2017, Mr L submitted a death benefit claim form, following his wife's death. The preferred option of a transfer to an alternative arrangement for beneficiary drawdown was not offered by ReAssure. Mr L challenged this position. Mr L's financial adviser (**the IFA**) represented him throughout the process.
5. ReAssure referred the IFA to the Terms & Conditions of the Plan which states:-

“16.1 On the death of a Member or a Survivor the Provider shall apply the Member's or Survivor's Individual Fund ... in such one or more of the ways set out in Rule 16.2 as the Provider in its absolute discretion may determine (subject to Rule 17.1 and any other restrictions imposed by or under the Rules).”
6. On 23 March 2018, following the suggestion that a complaint might be pursued, ReAssure changed its position and a transfer to Mr L's drawdown account was agreed. In order to achieve this, a new policy in Mr L's name needed to be established with ReAssure, the death benefits transferred into it, and then the fund value transferred to the alternative arrangement.

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7. In the process of setting up the new policy, a letter confirming the requirements to achieve this was sent to the wrong address. The IFA needed to chase ReAssure to prompt it to reissue the letter.
8. On 13 April 2018, the IFA received the letter which confirmed the next steps.
9. On 20 April 2018, the IFA completed the online application form to establish the new plan with ReAssure.
10. On 9 May 2018, ReAssure acknowledged the application and requested confirmation that the transfer from the new ReAssure plan to Mr L's existing drawdown arrangement would be on a like for like basis (that is beneficiary drawdown to beneficiary drawdown).
11. On 10 May 2018, the IFA called ReAssure to confirm the transfer would be on a like for like basis. The IFA was told that it was a special case and it had been delayed as a result.
12. On 22 May 2018, ReAssure wrote to the IFA again asking whether the transfer would be like for like.
13. On 29 May 2018, the IFA wrote to ReAssure confirming that was the case.
14. On 4 June 2018, ReAssure called the IFA and confirmed that the plan had been set up and benefits should be paid into it by 15 June 2018 at the latest.
15. On 5 June 2018, ReAssure issued the documents for the new plan.
16. On 12 June 2018, Mr L received the documentation for the new plan and the IFA called ReAssure to request the transfer into Mr L's alternative arrangement.
17. On 21 June 2018, the IFA chased ReAssure for the discharge forms but was told it was not named as the adviser and the discharge forms had been issued directly to Mr L instead.
18. On 22 June 2018, the IFA received the discharge forms from Mr L and forwarded them to the receiving scheme trustee for signature.
19. On 5 July 2018, the receiving scheme trustee returned the form directly to ReAssure.
20. On 17 July 2018, ReAssure issued a response to concerns raised by the IFA about the time it had taken to reach this point. ReAssure defended the initial decision to decline the requested transfer route, but upheld part of the complaint relating to documentation being sent to an incorrect address in March 2018. ReAssure offered Mr L the difference in unit cost caused by this error and £100 for the distress and inconvenience caused.
21. On 20 July 2018, the transfer was completed.

## Adjudicator's Opinion

22. Mr L'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 below:-

- For the period until March 2018, the Adjudicator did not consider it was a delay on the part of ReAssure. How the benefits were paid from the Plan was at ReAssure's absolute discretion, as set out in the Terms and Conditions, and it was within its rights to limit the ways in which Mr L could take the benefits. Whilst frustrating for Mr L, this was not maladministration, and eventually ReAssure decided to change its position on an exceptional basis.
- After March 2018, there had been a delay as post was sent to the wrong address, but that error had been addressed by way of an appropriate offer.
- For the period between April and July 2018, the Adjudicator concluded there were several steps that ReAssure had to complete in order to achieve Mr L's preferred method of accessing the Plan's benefits. A new plan needed to be established, the funds paid into it, and then the funds transferred to a separate pension arrangement. This was an exceptionally agreed arrangement and took place in the context of four parties' involvement; Mr L, the IFA, the receiving scheme trustee and ReAssure.
- The Adjudicator considered that there had been a delay between 10 and 22 May 2018, due to the IFA being asked to reconfirm that the transfer would be on a like for like basis but was not persuaded that this was maladministration. Requesting this information in writing was reasonable.
- Looking at the timeline more generally, the Adjudicator took the view that the other elements of the process were typical administrative timescales or outside of ReAssure's control. The Adjudicator noted that part of the reason the transfer took so long was caused by Mr L sharing documentation with the IFA and the receiving scheme trustee signing the discharge forms.
- Additionally, it would have been necessary for ReAssure to undertake due diligence on the receiving scheme and that would have added to the overall timescale.
- Although the Adjudicator appreciated Mr L's frustration at the length of time it took for the process to complete, this seemed to stem primarily from the initial decision not to offer his preferred option for transferring out of the Plan. The later period did take some time, but the Adjudicator could not see maladministration on the part of ReAssure beyond the error in sending the March letter to the wrong address, which had already been addressed. The Adjudicator noted that this was an exceptional arrangement and ReAssure had been pragmatic in agreeing to transfer in the way that it had.

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23. Mr L did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr L provided his further comments which do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr L for completeness.

### **Ombudsman's decision**

24. Mr L has highlighted that this was a death claim following his wife's death. It had taken six months for ReAssure to exercise its discretion and accept his preferred approach following significant pressure and the threat of a complaint to my Office. He says it should not have taken so long and the matter should have been prioritised.
25. Whilst I accept Mr L's frustration, it remains the case that under the Plan's Rules the decision as to whether to agree to Mr L's preferred route was at ReAssure's discretion, and ultimately a commercial decision on its part. It was not obliged to accept his request. As a result, its actions, and the length of time it took before changing its stance, cannot be said to be maladministration.
26. Once ReAssure changed its position it took four months for the transfer to complete. Part of this was a delay on ReAssure's part, which it has already offered to redress. Ignoring that element of the delay, I consider the remaining timescale was not excessive given a new plan needed to be set up, the death benefits paid into it, and then a transfer made to a different scheme. This was an exceptional arrangement and involved multiple parties.
27. Whilst I appreciate Mr L's frustrations, I consider it is understandable that this process would take some time overall and I do not find that this amounts to maladministration.
28. If Mr L has not already done so he may accept or decline the offer made to him by ReAssure for the delay in March/April 2018.
29. Therefore, I do not uphold Mr L's complaint.

### **Anthony Arter**

Pensions Ombudsman  
26 March 2019