

The complaint

Mr G complains that ReAssure's delay in transferring his pension benefits caused a £2,478 loss in value of his seven 'P35' series policies between 12 April and 17 June 2022, and a £1,296 loss in the value of his 'P50' series policy between 17 February and 15 June 2022. In addition, exchange rates moved against him over this time causing a further £3,305 loss.

He also seeks £10,000 compensation for the distress and inconvenience caused including:} Being unwilling to engage with his overseas adviser despite having a written authority.

- Fragmenting its operations so that the P50 policy was left out of the transfer as it was dealt with by a different department.
- Sending letters from Estonia and Jersey which took 42 and 30 days, respectively, to arrive, and other postal delays which could have been avoided by using email.
- Providing vague reasons why it wouldn't transfer his policies until he sought guidance from the UK Government affiliated guidance service, MoneyHelper.
- Failing to meet the timescales it set out in the transfer process.
- Taking too long to clarify the position regarding who should complete an Appropriate Advice Declaration.
- Seeking further confirmation from him to transfer the P35 policies, even after this declaration had been correctly completed.

What happened

In 2021 Mr G had passed his 60th birthday and was looking into transferring his eight ReAssure pension policies to a Qualifying Recognised Overseas Pension Scheme (QROPS) administered by Zurich Life in his home country, which was outside the UK. Three of the P35 policies provided a guaranteed annual income at retirement (from which a transfer value was available), and the remaining policies (including the P50 policy) were based on a fund value.

ReAssure initially acknowledged contact from Mr G online on 15 March 2021. Firstly, there was an issue with updating the postcode in his address which resulted in a separate change of address notification being issued for each policy. As ReAssure separately settled a complaint about this with compensation for the inconvenience caused, I'm not looking at that issue again here.

Mr G followed this up with an email to ReAssure on 4 May which explained, *"I need information on my policies and QROPS so that I can plan for my retirement (I am in my 61st year)." ReAssure then apologised on 17 May: "We do apologise for the delay in issuing out this information.... Please note transfer forms will follow under a separate cover".* It then posted him a transfer pack dated 1 June, but it used a European print fulfilment/courier service which routed the letter via Estonia, and he didn't receive it until 13 July.

The pack initially quoted one of his P35 policy numbers and a total transfer value of £70,563. But it also confirmed, *"This is a Versatile IPP policy so all 7 policies [each P35 number was listed] must be treated as one and taken at the same time in the same manner."* The letter reminded him that there were some valuable guarantees attached if he retired at age 65, and that because of these, under government legislation in order to transfer he'd need to show he'd taken advice from *"an accredited UK financial adviser"*. An Appropriate Advice Declaration (AAD) form for that UK adviser to complete was enclosed, as well as (amongst

other things) an overseas transfer questionnaire and HMRC overseas transfer form.

Mr G says that he found the amount of information overwhelming but he was 'fairly sure' that other policies were included in the £70,563 valuation provided. As he couldn't make sense of the information, he decided to engage a regulated adviser in the country in which he lives, rather than the UK. This evidently took some time. They contacted ReAssure on 1 October enclosing a letter of authority from Mr G, quoting all eight policy numbers, and asking again what documents it required to make the transfer.

The Zurich Life QROPS then emailed ReAssure direct on 14 October, confirming its UK HMRC reference number and giving undertakings that it would adhere to the restrictions on accessing benefits that would ensure that QROPS registration would be maintained. All eight policy numbers were also quoted on Zurich Life's letter.

On 3 November 2021 the part of ReAssure which dealt with the P35 policies issued a further transfer pack giving a total transfer value of £73,454 as at 27 October. All the same forms as previously were included. On 1 December Zurich Life posted a further copy of the same transfer request it had emailed previously, by letter. Unlike Zurich Life's previous email, and potentially in reaction to ReAssure's documents, the letter only mentioned the P35 policies.

It's important to note as part of this background that on 30 November, the UK Government implemented the Pension Schemes Act 2021 and particularly the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021. In so far as they apply to Mr G's case, these regulations limited the statutory right to transfer to a QROPS to situations where the member was resident in the host country and there was no evidence they had been cold-called, offered incentives or pressured to make the transfer. Additionally if further warning signs were present, known as amber flags, the member had to be referred to the government endorsed guidance service 'MoneyHelper' before they could exercise that statutory right.

Alongside this, further guidance on processing transfer requests was issued by The Pensions Regulator (TPR) – the intention of which was to mirror these legal regulations, and also to assist with providers' assessments of whether they should grant a non-statutory transfer where that was available under the policy terms.

On 21 December Mr G completed and submitted the transfer forms for the P35 policies, which had been countersigned by Zurich Life. These included the AAD form which his overseas adviser, rather than a UK authorised adviser, had signed. They also included an overseas transfer questionnaire on which he again listed the P35 policy numbers. This explained his reasons for transferring as *"I want my pension assets to be in [country] where I live"*. Mr G answered "Yes" to the question *"Have you been told you can access your pension before the normal retirement age of 55?"*. Mr G also confirmed that he had initiated the transfer and was able to explain where his funds were going to be invested and what the charges were, including the fee payable to his adviser.

Mr G's overseas adviser emailed these forms to ReAssure on 31 December 2021, and also chased why the P50 policy had been omitted. There was an apparent misunderstanding at this point which led to ReAssure's department for the P35 policies on 21 January 2022 issuing Mr G a further copy of its November 2021 transfer pack, confirming that *"we have quoted all 7 policies correctly within these forms"*. But Mr G established in several phone calls that the eighth (P50) policy hadn't been included because it was administered by a separate department. Mr G has given the dates of these calls variously as 24 and 28 January, or 24 and 28 February.

On 1 February ReAssure emailed Mr G confirming that it had begun the overseas transfer

process for the P35 policies, saying this would take 10-15 working days. (It doesn't appear that ReAssure had identified that the adviser on the AAD form wasn't UK authorised.) Confusingly, through an online query on ReAssure's website on 3 February, Mr G relayed some questions his adviser had about his policies that would normally be relevant in order to give that advice – such as whether they were on a defined benefit (DB) basis.

Having not been able to get any more information from ReAssure, Mr G complained about the delay in transferring all the policies on 28 February. He included with his complaint the same request to confirm key pieces of policy information which were required by his adviser.

Another department within ReAssure then issued a transfer pack for the P50 policy on 11 March. The transfer value at that date was £29,474. This policy didn't contain any guarantees, so advice from a UK authorised adviser wasn't required. But otherwise, similar warnings and the same documentation was required as the other transfer packs, with the new addition of evidence to prove a residency link as required under the Conditions for Transfers Regulations I've referred to above.

On 15 March Mr G belatedly received an information pack for all his P35 policies explaining what he would receive if he drew benefits directly from ReAssure, dated 15 February and postmarked in Jersey. The total transfer value was £73,491. (It's not clear why this was sent but potentially it was with a view to addressing the further questions Mr G had asked about his policies on 3 February.) Mr G says he was also sent annual statements for some of his policies at around this time, also from Jersey. He refers to a valuation given for his P50 policy of £30,402 on 15 February.

On 28 March ReAssure responded to Mr G's complaint, explaining that it had found there was an issue because his adviser wasn't regulated by the Financial Conduct Authority (FCA) in the UK. It made him aware that under HMRC rules the transfer process would have to be aborted and restarted if it couldn't be completed in 60 days, or it would incur an overseas transfer tax charge. ReAssure said the delay was a mistake on its part which shouldn't have happened, and it would be looking to carry out a loss calculation to see if he'd lost out once the funds had been transferred. In the meantime it sent him a cheque for £165 including £15 currency conversion costs *"to say sorry"*.

Mr G signed the transfer forms for his P50 policy on 29 March, giving a different answer on his transfer questionnaire that he hadn't been told he could access funds before age 55. But enclosed was the transfer request letter from Zurich Life referring to the P35 policies rather than the P50 policy, and omitting Zurich Life's part of the HMRC forms. Hard copies of these were posted and emailed by Mr G's overseas adviser to ReAssure on 1 April. Mr G says he provided Zurich Life's part of the HMRC form immediately when asked to do so on 5 April. On the same day, ReAssure wrote to Mr G's adviser asking if he had any FCA approval, to avoid the need for it to restart the 60-day transfer process for the P35 policies.

On 11 April ReAssure acknowledged that Mr G had returned its £165 cheque, adding *"I acknowledge the time it's taken for ReAssure to clarify the position regarding your [AAD] form and who should complete this"*, and *"I agree when you challenged this in February 2022, we didn't reply within our current timescales to confirm whether we could accept the [overseas adviser]"*. Nevertheless it also highlighted that *"we confirmed on two occasions the criteria for the completion of the [AAD] form."*

Mr G located a separate UK authorised firm to advise him and sought a breakdown of the P35 values contained in the transfer quote, which was supplied to that authorised adviser as at 12 April, totalling £73,664. That adviser recommended that Mr G transfer his seven P35 policies, and Mr G sent ReAssure the required AAD form completed by this adviser on 18 May.

On 31 May ReAssure sent Mr G a letter with the heading *"We won't transfer your pension to the scheme you've selected"*. In summary the letter said ReAssure was concerned Mr G might become the victim of a pension scam, and it was bound by the FCA's rules to avoid taking action which could significantly disadvantage him. It referred to the Conditions for Transfers Regulations, and explained that it required him to book an appointment with MoneyHelper in order to complete the transfer because of the following:

"Following our review it is unclear if the scheme facilitates access to overseas funds, this raises a warning under the regulations requiring you take specific guidance before the transfer can proceed

...

If you do not take the required guidance (or do not send us evidence following your appointment), you will not have a statutory right to transfer to this scheme and we will not transfer your pension."

Mr G confirmed to ReAssure on 1 June that he'd booked a MoneyHelper appointment for 13 June. But he took issue with ReAssure's request as he thought it had enough information for the question of overseas investments not to still remain 'unclear' – and if not, it should have clarified this point with Zurich Life. He thought this brought ReAssure's competency into question, it had unfairly cast aspersions on his choice of destination scheme, and in any event the heading of its letter was contradictory.

On 13 June Mr G emailed ReAssure confirmation of his completed MoneyHelper appointment and transfer forms for the P50 policy. The transfer of this policy was then completed two days later for £29,106.73.

Meanwhile, Mr G had chased ReAssure again on 8 June for an update on the transfer of his P35 policies. ReAssure phoned him on 15 June to double check he wanted to proceed with this transfer, and it went ahead on 17 June for £71,013. Mr G has questioned the need for this further call, why ReAssure told him on 20 June that it had no record of the call taking place, and why it was unable to confirm to him until 28 June that the transfer had in fact happened. He didn't receive the letter confirming this (dated 17 June) until 29 June, and questions why this (and previous) documents couldn't simply have been emailed.

ReAssure responded to Mr G's further complaints on 9 August, maintaining that it had already offered adequate compensation, and would contact Zurich Life to establish if "the delays we've caused" had led to financial loss. But whilst Mr G referred his complaint to our service the following month, ReAssure also wrote to Mr G on 8 November 2022 to propose a simpler method of compensation based on the fall in value of any of the P35 policies that fell between in value between 15 May and 15 June 2022 (resulting in £158 compensation).

However, one of our investigators noted (amongst other things) that this didn't take into account the performance of the funds Mr G invested in within the QROPS, and the earlier transfer date of 15 May 2022 seemed to have been selected arbitrarily as ReAssure had caused other delays, including to the transfer of the P50 policy. He also said that the loss calculation should also take into account the change in the exchange rates between earlier dates he concluded the transfers should have happened, and dates they actually happened.

Mr G also felt the investigator's proposed payment for distress and inconvenience was 'grossly inadequate'. At various points he's said:

- *"It has been a complete nightmare dealing with ReAssure in trying to get information, communicate at even a basic level and to get them to carry out my instructions."*
- *"Compensation of £150 would seem to trivialise the ordeal that ReAssure have put me through. Furthermore, such a small penalty for ReAssure does not provide a*

deterrent from them continuing to treat their customers so badly.”

- “They were earning in excess of £1000 per annum in fees & commission (1% x (£73k+£30k)) and it was in their interest to delay any transfer request as long as possible in the knowledge that they would not have to pay more than £150...”

ReAssure added, “*A business decision was reached and these plans were transferred together to the same Scheme.*” This appears to be a reference to the fact that the letter from Zurich Life agreeing to accept the transfer, which was attached to Mr G’s P50 transfer forms, only listed the P35 numbers – but that Mr G’s intentions were clear from the wider correspondence.

Although £150 proposed for distress and inconvenience was subsequently increased to £300, which Mr G was willing to accept, ReAssure wasn’t willing to comply with the rest of the investigator’s findings on how loss should be calculated. So the complaint was referred to me for a decision.

Mr G asked for it to be noted that his UK registered adviser experienced considerable delays in getting information from ReAssure. Mr G had always dealt with communications promptly, and he considered this as indicative as to how he would have engaged with ReAssure if the paperwork had been sent earlier.

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.

I issued a Provisional Decision on 29 November 2023 amending how redress was calculated, but maintaining the compensation for distress and inconvenience at £300. I asked for responses by 13 December 2023.

ReAssure didn’t respond within the timescale requested. Mr G did respond, asking how he could access details of the FTSE UK Private Investors Income Total Return index that I proposed be used to calculate compensation. He said he was happy accept my Provisional Decision on the basis that only a positive return on this index would be added to his compensation.

I’ll repeat the findings of my Provisional Decision below, which have been adapted to take into account Mr G’s comments.

Delay in transferring the P35 policies

I agree with the investigator that it wasn’t clear Mr G was potentially looking to transfer these policies until his email to ReAssure of 4 May 2021. Even with that, I think the request could have been put more clearly by Mr G. It said he was looking for “*information on my policies and QROPS*”. I’m not aware that ReAssure provides a QROPS itself and Mr G’s request could be read as him wanting to find out more about this type of policy – which is something he’d have to go to an independent adviser for.

So, I’m not surprised that there was some delay before ReAssure realised it would need to log a request to produce a transfer pack. And as three of Mr G’s policies included guaranteed benefits, this wasn’t the most straightforward transfer pack to produce. Allowing also for the fact that the COVID pandemic had just hit, I don’t think that the timescale for ReAssure issuing this pack on 1 June was unreasonable – particularly as it wrote to update Mr G on 17 May that the paperwork would be on the way. I think that ReAssure’s apology for a delay at this point was it aiming to provide good customer service, despite the challenges

facing all companies at this time, and doesn't automatically mean compensation is payable.

ReAssure sent the transfer pack of 1 June from Estonia to the country Mr G resided in, but I haven't been able to safely conclude that this was entirely within its control. Most offices were closed or operating with substantial social distancing measures at this time, which clearly posed a specific problem to printing and collating large amounts of post. We've asked ReAssure about this, and it says its printing services during lockdown were sometimes provided by a third party but that Royal Mail was typically used.

I suspect the issue here was that Mr G's mailing needed to be posted outside the UK, and this may have resulted in the third party selecting a different fulfilment centre and/or carrier in cognisance of where the bottlenecks were in the postal services – I'm mindful that the UK's sorting offices were significantly affected by the lockdown at that time. It's going to be difficult to get to the bottom of what happened, but I very much doubt these steps were taken with the intention of delaying receipt of the transfer pack, as Mr G suggests. I'm satisfied they were taken in good faith in order to avoid hold ups in more conventional postal routes. A similar point applies to some later documents which were posted from Jersey (although they weren't as pivotal to the transfer process.)

In any event, this delay didn't impacted on the 60 day period Mr G had to complete a transfer request: as ReAssure's transfer pack itself said, that period began when Mr G *returned* the transfer request form – not when he asked for the forms.

A more pertinent question is why these and other forms couldn't be issued by email. To answer that I first need to consider why these forms were normally being posted. There are a large number to complete, much of it being required by the UK tax authorities, regulations to protect against the threat of scams, and to ensure that financial advice is obtained where required by law. The threat of scams in particular means I don't think it's unreasonable that ReAssure wanted to ensure that the forms went directly to the policyholder's home address rather than potentially being intercepted by email. The transfer pack itself was required to include a scam warning insert which it was important for Mr G to read, rather than being overlooked as part of an email that he might simply have passed to an adviser.

That being the case, ReAssure's systems were set up to issue these documents by post and it would not have been straightforward to switch to an email dispatch method when the pandemic hit. If it was that straightforward, I doubt ReAssure would have been needing to locate a third party which was able to fulfil its printing operation when its offices were closed. I'm sure that was not without its challenges.

Ultimately it isn't for me as an ombudsman to set out how ReAssure should have structured its operations – as that's a matter for the regulator (the FCA). However I accept that under the FCA's rules to treat customers fairly, there might have been specific situations where ReAssure *would* reasonably have needed to adapt its communications in light of specific feedback from Mr G – perhaps to use email. But I don't think this is one of those situations.

The impact of COVID on services was changing all the time, its worst impact was relatively short lived, and I note that not all of Mr G's letters were delayed to the same extent. And Mr G's location doesn't appear to be one where even normally letters would be an unreliable communication method. Whilst it's clearly unfortunate that the longest delay was to the initial transfer pack, I'm satisfied that was largely because of its timing during the pandemic. And unfortunately, much of the delays after that point were because the messages in this transfer pack about getting UK registered advice weren't heeded by Mr G or his overseas adviser.

That this advice is required isn't something I can change, as it has been a UK government requirement since 2015 (whether Mr G lives in the UK or not). Mr G evidently hadn't

anticipated that taking advice would be necessary at all, and the subsequent delay until 1 October in doing so (and then choosing an overseas rather than a UK adviser) isn't something for which it's fair to hold ReAssure responsible.

I don't think ReAssure was wrong to issue a new transfer pack when Mr G appointed the overseas adviser, as that was in effect what they'd requested. ReAssure was now being contacted by a different party – the previous request came from Mr G directly – and it wasn't to know what that adviser already had in their possession. I understand Mr G's point that further delays were then caused here: it took nearly a month to issue the second transfer pack, at a time when it's more reasonable to expect communication times to have fallen back to pre-COVID levels. However I'm not satisfied that the delays at this stage were solely ReAssure's fault when, as I've said, Mr G ought to have known that he should go direct to a UK authorised adviser if he intended to transfer these policies.

As the P35 policies would always have been transferred after the point that the Conditions for Transfers Regulations had been introduced (in November 2021), ReAssure would also have been required to check Mr G's residency status and that there were no other amber flags applying to the transfer that might necessitate him booking an appointment with MoneyHelper. (Ultimately those subsequent checks were satisfied by ReAssure's separate scrutiny of the P50 policy transfer – so I'll discuss them in the next section.)

However at the time on the P35 policies, ReAssure instead identified the more significant problem of Mr G's adviser not being UK authorised. It's admitted to a delay in doing this, but has also pointed out that this was a delay Mr G could himself have avoided. I think that's right, and whilst there was a process ReAssure was expecting to go through the forms Mr G had submitted to check for the wider risk of a scam, I don't think the first thing it would have expected – given the instructions it gave in the transfer pack – was that the signed AAD form he'd submitted wasn't signed by an appropriate person.

I note Mr G's point that ReAssure's delay in responding to questions further delayed the UK adviser providing their advice. But in my view the purpose of the information provided in the transfer pack was to set out what the guarantees were in some of the P35 policies, how they applied, and what the total transfer value was of all the policies. I've seen that the UK adviser sought a breakdown of the individual policy values, but as all the policies either had to be transferred together or not at all, I'm not persuaded this was necessary.

Mr G provided his confirmation of UK authorised advice on 18 May 2022 but the P35 funds weren't transferred for a further month. This time seems to have been taken up by the parallel checks ReAssure was making into the risk of a scam in the transfer of the P50 policy. Those same risks, which potentially affected whether Mr G had a statutory right to transfer, applied to all his policies – even if he'd obtained the required UK authorised advice on the P35 policies. So I'll consider in the next section what the timescale should have been for identifying these risks on the P50 transfer.

Delay in transferring the P50 policy

I'll reiterate here that it's not for me to dictate how ReAssure organises its business, which includes the fact that Mr G's section-32 policies and his P50 policy (which was funded differently, from opting out of part of the State pension scheme) are administered by different departments. But I agree with the investigator that if ReAssure had interpreted Mr G's email of 4 May 2021 as a request for QROPS transfer forms, it should have duplicated that request to the departments administering all of the policies Mr G had numbered on his email.

A further opportunity to do this was also missed by ReAssure when Mr G's overseas adviser requested the same on 1 October 2021. However, I've also taken into account that all the

numbers of the policies featured were listed in the transfer packs and the P50 number was absent each time. Mr G was evidently aware that he had a P50 policy, so I think he also missed an opportunity to highlight clearly to ReAssure at an earlier stage that this P50 transfer pack had been overlooked and specifically request that it sent this too. It took Mr G's overseas adviser until 31 December 2021 to query this.

But what I think is more galling is that when Mr G's overseas adviser asked the question, ReAssure denied that there was another policy for it to include in the transfer. I don't think administering different policies from different departments should be a barrier to answering questions accurately, particularly when the absence of the P50 policy was being specifically questioned. Mr G clearly had to make a number of phone calls to ReAssure to impress this point and I agree he was caused distress and inconvenience by this.

ReAssure says that Mr G didn't request the P50 transfer until it logged receipt of all the necessary forms from him on 5 April 2022. That may be the case but it was only because ReAssure had denied Mr G and his adviser's previous efforts to obtain the necessary transfer pack to return these forms.

On the balance of probabilities, even if ReAssure had provided a transfer pack on 1 June 2021 for the P50 policy I find it unlikely that anything different would have happened in respect of transferring it before Mr G appointed his adviser in October 2021 and that adviser asked for the transfer forms again. No criticism of Mr G is intended here – transferring pensions is a complicated matter, and most often done under advice. Even if a second set of P50 forms had been sent to the overseas adviser and Mr G returned them on 21 December 2021 – as he did for the P35 policies – ReAssure would still have been obliged to carry out the checks for residency, red and amber flags under the Conditions for Transfer Regulations which had been introduced in the meantime.

The fact that Mr G answered – in the forms we can see he completed for the P35 policies – that he'd been told he could access his pension before the normal retirement age of 55, would have caused a problem here. Whilst I expect this was a mistake by Mr G in completing the form, it would have caused ReAssure to refuse his statutory right to transfer the P50 policy because it constituted a red flag under the regulations. It would have appeared as Mr G being offered an incentive to make the transfer, as access to benefits before age 55 wouldn't be permitted as a condition of a legitimate QROPS.

This therefore presents me with some difficulty in being able to conclude that Mr G would have been able to transfer the P50 policy significantly sooner, as it wasn't until 29 March 2022 that he corrected this mistake on the forms he sent from the P50 transfer pack ReAssure actually issued. (If Mr G had sent the P35 and P50 forms at the same time on 21 December 2021, it doesn't appear likely he'd have given a different answer for each policy, so the answer he actually gave on 21 December 2021 seems to me the most likely answer he'd have given.)

ReAssure also raised an amber flag because it lacked sufficient information about whether the QROPS would invest in overseas funds. TPR's guidance at the time read as follows:

"You may take a risk-based decision, on the balance of probabilities, that amber flags... are not likely to be present where you consider you already have enough information to make that decision. If you are not able to reach such a decision, you can make a formal request for further information from the member. After making this formal request, you must decide if you have reason to believe that any of the amber flags are present. If you decide they are, the member will be required to attend a guidance session with MoneyHelper before the transfer can proceed."

ReAssure had already asked Mr G on its questionnaire “Please tell us how you’ve asked your new scheme to invest your money”, but his response wasn’t particularly specific on what funds were going to be used: he said “I want it invested in a medium risk multi asset fund with Zurich”. TPR’s guidance on this point went on to say:

“Amber flag 6: Overseas investments are included in the scheme

The specific concern here is not whether the investment is in, for example, a global equity fund but whether the investment is in assets or funds where there is a lax, or non-existent, regulatory environment or in jurisdictions which allow opaque corporate structures.

*Some overseas advisers recommend members invest their pension funds in an offshore investment bond in an international self-invested personal pension. **The FCA has warned that this may expose members to high or unnecessary charges** and has stated that the tax benefits of such arrangements are redundant for a member investing in a UK personal pension.”*

It would have been possible for ReAssure to ask Mr G for more information about what his adviser was recommending he invest in, before drawing conclusions about whether this flag applied. On the one hand he was investing in a QROPS outside the UK, so it was unlikely that all of the funds would still be UK onshore funds. And the country in which his QROPS was established wouldn’t reasonably be considered to have a lax regulatory environment. But on the other, ReAssure wasn’t to know whether Mr G was selecting funds managed by Zurich Life itself, or less mainstream offshore funds that might be allowed on Zurich Life’s QROPS platform.

Concerns have also been raised in the UK pensions industry that this guidance from TPR doesn’t precisely mirror the underlying legislation, which is more widely drafted. Some businesses have interpreted the legislation as meaning that it applies to any fund investing overseas, and also that it can be interpreted as including investments that other members of the receiving scheme are already making. I’m not going to comment specifically on what a business should do here. Ultimately, ReAssure decided that it did have reason to believe that this amber flag was present – and it decided to take that decision without spending more time asking Mr G questions first.

That was a decision for ReAssure to make, and in forming a view on this I’ve taken into account that Mr G was able to obtain a MoneyHelper appointment relatively quickly, and did so without undue protest. I say this as if ReAssure had asked Mr G for further information first, that wasn’t guaranteed to remove the potential obstacle to his transfer. ReAssure wouldn’t know whether that might reveal further matters of concern – for instance if any of the investments appeared to be high risk or unregulated. It couldn’t guarantee that continuing to ask questions would move matters forward as quickly as Mr G attending the appointment. In the event, Mr G attending the appointment did move the process forward. On balance, therefore, I’m not minded to say that ReAssure acted unreasonably here.

I understand why Mr G thinks that ReAssure was casting aspersions on his choice of receiving scheme, but these regulations and guidance were put in place by the UK authorities to guard against what was a growing and serious threat of pension scams at that time. From what I can see, ReAssure was doing its best to adhere to these regulations and guidance, and I’m not persuaded that it treated Mr G unfairly in asking him to attend a MoneyHelper appointment – which was the one thing that could remove a potential obstacle in the way of transferring.

Putting things right

ReAssure has already agreed to the investigator’s proposal to use 28 March 2022 as the exit date for Mr G’s P35 policies. I think that’s fair and reasonable. Weighing up Mr G’s contribution to the delay from not seeking UK authorised advice at the first opportunity he

was warned he should do so, with ReAssure's administrative delays, on balance I find it unlikely the transfer would have completed sooner had ReAssure treated Mr G fairly.

I don't agree with the investigator's proposal that the timescale for transferring the P50 policy would have come so much earlier – at 8 July 2021. I think the investigator overlooked that even Mr G was arguing that this transfer would still have happened in 2022. July 2021 predates Mr G receiving the P35 transfer pack.

I've concluded that Mr G would likely have completed the forms to transfer the P50 policy on 21 December, or slightly sooner if some of ReAssure's delays in issuing the second transfer pack could have been avoided. But I'm satisfied that these forms would more likely than not have revealed a concerning answer about Mr G having access to his benefits before age 55. It would have been possible for Mr G to correct that answer – either through ReAssure clarifying it, or seeking to refuse the transfer and Mr G having to explain he'd made a mistake. However, some discussion would have been needed and that would have potentially taken a significant time.

ReAssure was also entitled to raise the query about overseas investments that it subsequently did – and for the reasons that I've explained above and in the circumstances of this particular complaint, it didn't act unreasonably in deciding it was most expedient to ask Mr G to attend a MoneyHelper appointment. I'm satisfied Mr G would likely have been able to do that quickly – as he in fact did.

All of this means in my view that the P50 policy transfer couldn't have been completed much sooner than 28 March 2022. But by completing this transfer sooner it would also have resolved any obstacles in the Conditions for Transfers Regulations that would have otherwise held up the P35 transfers. So in summary, I'm persuaded it's a fair and reasonable conclusion that all of Mr G's transfers could have been valued on 28 March 2022.

Mr G says that the transfer proceeds were going to be invested in a medium risk multi-asset portfolio. So, I think a benchmark representing a mixture of shares, bonds, property and cash will best reflect how those funds might have grown within Mr G's QROPS if they had been transferred sooner. The FTSE UK Private Investors Income Total Return index would in my view most closely correspond to Mr G's stated attitude to risk. This doesn't mean that Mr G was investing specifically for income, or would have invested exactly in line with this index. Rather, it's being used as a proxy for the types of investments he'd likely have made.

I need to clarify to Mr G that as with any investment benchmark, this index can go both up and down in line with market movements. Where I referred in my Provisional Decision to "adding a return" in line with this index, this return can be a positive or negative adjustment. The aim of any compensation is to put Mr G back into the position he would have been in but for ReAssure's errors, which means modelling the performance a medium risk multi-asset portfolio would likely have achieved whether that was upwards or downwards.

As I said in my Provisional Decision, the values of the ReAssure policies may have dropped between March and June 2022, but so did markets generally to some extent. In other words, the FTSE UK Private Investors Income Total Return index may also have dropped. Exchange rates also fell, so this may also give rise to some loss overall. However it wouldn't be consistent with the aim of calculating compensation to only make an adjustment to the amounts Mr G could have received from ReAssure in March 2022 if the markets went up.

To resolve this complaint, ReAssure should therefore do the following:

1. Calculate the transfer value of the P35 and P50 policies as at 28 March 2022.
2. Multiply these values by the historical Pound to Euro exchange rate published on

xe.com for 28 March 2022.

3. Apply the further return to these values in line with the FTSE UK Private Investors Income Total Return index from 28 March 2022 until the dates the actual ReAssure exit values were calculated.
4. Multiply the actual ReAssure exit values by the historical Pound to Euro exchange rate published on xe.com for those actual exit dates.
5. Any loss Mr G has suffered in Euros on the actual exit dates is determined from (3) – (4). If the result is negative, there is a gain and no compensation is payable.
6. This loss in Euros should be updated up to the date of my Final Decision, again in line with the FTSE UK Private Investors Income Total Return index.

If there is a loss, the method that puts Mr G as close as possible to the position he should be in, is if ReAssure pays a sufficient amount into his QROPS to increase its value (after any tax relief and charges) by the amount of the loss as at the date of my Final Decision. If ReAssure is unwilling or unable to do this, it should pay the loss amount direct to Mr G. But had it been possible to pay into the QROPS, it would have provided a taxable income. Therefore, the compensation should be reduced to notionally allow for any income tax that would otherwise have been paid.

In Mr G's country there's a monetary limit of funds that are payable from a pension tax-free, and funds above that amount are initially taxable at 20%. It's therefore my view that the extra funds represented by any loss would be taxable in Mr G's hands at 20%, and so it would be reasonable for ReAssure to make a notional reduction of 20% to any compensation it pays Mr G in cash.

If ReAssure is unable to make the payment – however it is made – in Euros, it may divide the amount payable by the exchange rate published on xe.com on the date payment is made and make the payment in Pounds.

Data for the FTSE UK Private Investors Income Total Return index is available under licence from FTSE and usually available to financial organisations via third party data providers. ReAssure should also provide the details of the calculation to Mr G in a clear, simple format which shows how it determined the change in value of that index.

Distress and inconvenience

The investigator obtained an improved offer of £300 from ReAssure. This is somewhere between the level of awards we would make where there has been a material impact on the consumer (more than minor inconvenience), or a more considerable impact. I've considered the delays ReAssure caused, but also taken into account Mr G's contribution to those delays as a result of the information he provided and documents that were completed by the wrong adviser. Further, there are some allowances to be made for the impact of the COVID pandemic, as I've set out above.

None of these in my view provide an excuse for ReAssure failing to identify the request for the P50 transfer pack or providing such unhelpful answers when Mr G or his adviser queried this. Nor the longer delay than I would expect in providing the November 2021 transfer pack. However, the loss calculation I've proposed is designed to put right those delays.

I appreciate Mr G feels that ReAssure was more widely obstructive throughout the process, such as claiming to make phone calls he hadn't received or not having records of calls he had made. Clearly, there is some evidence of disorganisation at ReAssure – but I think this was likely a matter of one department not knowing what the other was doing. To the extent that this relates to how ReAssure structures its operations, I've already said I'm not going to comment further.

I've also said that what Mr G saw as ReAssure denigrating his choice of QROPS provider was as a result of it acting in its client's best interests to protect against the risk of pension scams. For that reason, I don't think it was wrong for ReAssure to double-check with Mr G personally that he wanted to transfer his P35 policies after it received the signed AAD form, given the extent of the warnings it had given about the guarantees he would be losing.

Some of Mr G's observations are part of how ReAssure dealt with the complaint itself. What I'm looking at in this decision is ReAssure's conduct in the events which led to the complaint, rather than how it dealt with the complaint. So I'm not going to make any finding on whether ReAssure attempted to make a phone call before it wrote to Mr G with its outcome, or whether it explained its loss assessment well enough. Now that the complaint is with this service, it's now my view of what ReAssure should do to put matters right that's relevant.

The awards we make for distress and inconvenience aren't intended to be a punishment for the firm or to deter similar behaviour in future. Those are matters for the FCA. I've considered the personal impact on Mr G and consider that an award of £300, in addition to the loss assessment I've proposed, is fair and reasonable compensation in this case. (ReAssure may convert the £300 to its Euro equivalent in line with the instructions above if it is making payment in Euros.)

My final decision

I uphold Mr G's complaint and require ReAssure Limited to calculate and pay him compensation as set out above.

If compensation isn't paid within 28 days of ReAssure's receipt of Mr G's acceptance of my Final Decision, interest must be added at the rate of 8%pa simple from the date of the Final Decision until the payment is made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 January 2024.

Gideon Moore
Ombudsman