

The complaint

Mr and Mrs W complain that ReAssure Limited mistakenly sold their investments twice to pay the same withdrawal. Although ReAssure Limited says it has reversed one of the transactions, Mr and Mrs W complain they're still out of pocket.

What happened

In May 2021 Mr and Mrs W asked ReAssure to withdraw £20,000 from their investment fund. ReAssure sold £20,000 worth of their fund holdings. But due to an error, this money never reached Mr and Mrs W's bank account.

A few months later, Mr and Mrs W noticed the money hadn't arrived, and complained. ReAssure apologised for the mistake, said it was re-processing the withdrawal, and paid Mr and Mrs W £200 to say sorry. Mr and Mrs W received their withdrawal sum.

A year later, in September 2022, when talking to their adviser Mr and Mrs W became aware their ReAssure holding looked much smaller than they expected. So they complained again to ReAssure. The firm replied to say an error had been made. When re-processing Mr and Mrs W's withdrawal in August 2021, it had mistakenly removed another £20,000 worth of units from their fund. ReAssure apologised, said it had replaced the units into their policy, and paid them £350 to say sorry.

Mr and Mrs W continued to correspond with ReAssure on the matter, and brought their complaint to our service. They said they weren't persuaded ReAssure had fixed the problems properly, because their investment was worth less than they'd have expected it to be had nothing gone wrong in the first place.

One of our investigators looked into the matter. He thought ReAssure had demonstrated it had put things right for Mr and Mrs W. He was satisfied that while the replacement of the units ReAssure removed in error in August 2021 didn't happen until September 2022, they'd been left in the position they'd have been in had the units never been removed. So he didn't think they'd lost out financially. He agreed the experience had been worrying and inconvenient for Mr and Mrs W, but he thought the £350 ReAssure had paid was fair compensation for that.

Mr and Mrs W didn't agree and asked for an ombudsman to decide the matter.

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.

Firstly I want to be clear what this complaint is about. There have been two related but separate events Mr and Mrs W have complained about.

Firstly, they instructed ReAssure to carry out a withdrawal in May 2021. This payment wasn't made until August, and Mr and Mrs W complained at the time. ReAssure issued a final

response letter to that complaint, and paid Mr and Mrs W £200 compensation for the delay in making the payment.

That complaint has not been referred to our service. I note that ReAssure's response to this complaint gave Mr and Mrs W six months in which to refer matters to us, and is dated 21 September 2021.

The second issue arose when ReAssure mistakenly removed additional units in August 2021, although the matter didn't come to light for over a year afterwards. ReAssure's response to this complaint was sent on 7 December 2022, and Mr and Mrs W referred it to our service in January 2023.

This is the matter which I understand to be the subject of this complaint. Namely, the erroneous removal of units and how ReAssure rectified matters.

I'd also like to note that I have a great deal of sympathy for Mr and Mrs W. It's not in dispute that ReAssure have made mistakes which left them waiting for a withdrawal, and then left their policy short of units for a long time. I don't doubt this will have worried them, and I can understand their desire to be confident that things have been put right.

Looking at what's happened, and the evidence both parties have provided, I don't think ReAssure have caused Mr and Mrs W a loss due to their actions in August 2021 and September 2022.

I'm satisfied ReAssure removed 1,372.6836 units from Mr and Mrs W's policy in 2021. And that it added 1,372.6836 units back to the policy in September 2022. By definition, this will have left Mr and Mrs W's policy in the position it would have been in had the second deduction of units in 2021 not been taken in error.

Mr and Mrs W's investment was in a particular fund. They weren't the only investors in the fund. The fund manager is responsible for looking after an overall pot of money for all fund investors, and putting that money in various investment assets. At any given time, the value of all the investments and cash in the fund gives the fund an overall value. Each unit of the fund simply represents a particular portion of the fund at any given time.

So as long as Mr and Mrs W's holding of units is correct, whatever the time gap between their removal and reinstatement, the value of their holding in the fund will be the same as if the units were never removed. Their policy is simply worth the amount that many units is worth as a portion of the fund at that particular time.

I appreciate Mr and Mrs W are concerned their investment is somehow worth less because around £20,000 wasn't "invested" for over a year. But I can assure them that's not the case. As I've explained, the fund itself continued to be invested overall in exactly the same way. Adding their units back just rectified the proportion of the overall fund value they were entitled to. I find that their holding is worth exactly what it would have been, had their units never been removed in August 2021.

To put it another way – to the extent the units were worth less when ReAssure put them back in Mr and Mrs W's policy than they were when they were removed, I am satisfied they would have fallen in value (and therefore Mr and Mrs W's policy would have fallen in value) by that same amount had they never been removed. I therefore don't find Mr and Mrs W have suffered any financial loss as a result of ReAssure's mistake.

It's clear from Mr and Mrs W's submissions that this has been an upsetting and worrying experience as they've tried to get things sorted out and understand what happened. I think

£350 is fair compensation for that.

My final decision

For the reasons I've given I think ReAssure Limited has fairly compensated Mr and Mrs W so I don't require it to do anything further and don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 12 October 2023.

Luke Gordon
Ombudsman