

The complaint

Mr M complains that ReAssure Limited provided incorrect advice to transfer his Armed Forces Pension Scheme (AFPS) in 1991. He believes that advice has resulted in him suffering a financial loss for which he'd like ReAssure to recompense him for.

Mr M is represented by a third party, but for ease, I'll refer to any submissions from them as having come from Mr M.

What happened

In 1991, Mr M was advised by a representative of Windsor Life (who have since been taken over by ReAssure) to move his defined benefit AFPS into a personal pension plan.

In October 1994, the financial services regulator at the time, the Securities and Investment Board (SIB), instructed advice firms to revisit their past defined benefit transfer recommendations to ensure that the business they'd undertaken was appropriate. In line with the regulator's instructions, ReAssure say that they later undertook a review of Mr M's transfer in 2001 and concluded that he'd not suffered a financial loss.

After discussing his retirement plans with a former Army colleague recently, Mr M realised that he may have lost out financially by moving his AFPS. So, he decided to formally complain to ReAssure through his representative. In summary, he said that he didn't believe the original advice to move his AFPS to the ReAssure pension was appropriate for him and he wanted ReAssure to put him back into the position that he would've been in, had it not been for their advice to transfer.

After reviewing Mr M's complaint, ReAssure concluded that they were satisfied that they'd already looked into things for him. ReAssure explained that they wrote to Mr M at the address that they held on their records at the time of the advice from 1991, to undertake the pension review exercise that the regulator required of them. ReAssure also said, in summary, that for them to have completed a review of his AFPS transfer at the time, he must have completed and returned a questionnaire to them. And, whilst he may not remember completing the questionnaire, a review was undertaken, ReAssure say, which demonstrated at the time that he'd not missed out financially.

Mr M responded to ReAssure, explaining that he had moved address a number of times since 1991, and that he never received any of ReAssure's letters. Despite this, ReAssure say that they undertook a review of his pension in April 2001 and that showed that he'd not suffered a financial loss. They went on to say that the outcome of the review was issued by letter on 18 April 2001.

Mr M was unhappy with ReAssure's response, so he referred his complaint to this service. In summary, he said that he didn't recall taking part in the pension review and, given that he'd moved home on several occasions since ReAssure's original advice in 1991, he felt that he

couldn't have received their paperwork informing him of their intention of completing the review or the outcome of it.

The complaint was then considered by one of our Investigators. He concluded that ReAssure had treated Mr M fairly and given that ReAssure were able to demonstrate that a review of the original transfer advice had taken place, that was sufficient evidence to satisfy that they'd followed the requirements set out by the regulator at the time.

Mr M's representative, however, disagreed with our Investigator's findings. In summary, they said that just because ReAssure could show that a review was completed, it didn't prove that Mr M was aware of the review having taken place or that he was involved in the process.

Our Investigator was not persuaded to change his view as he didn't believe that Mr M had presented any new arguments that he'd not already considered or responded to. Unhappy, Mr M then asked the Investigator to pass the case to an Ombudsman to review that outcome.

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.

The purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by Mr M and ReAssure to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding Mr M's complaint and it's largely for the same reasons as our Investigator. Whilst there's not really a great deal more that I can add over what's already been set out, I'll explain why below.

Ordinarily, because this case relates to advice provided in 1991, I would have to determine whether this service has the jurisdiction to consider Mr M's complaint. However, ReAssure have consented to ourselves looking into Mr M's concerns, despite the passage of time that's now elapsed.

As I've already explained, in October 1994, the then regulator instructed all businesses who'd advised consumers to transfer their occupational final salary schemes to a personal pension, to evaluate the sale and check whether the recommendation was suitable. Those businesses were required to write to consumers who fell within certain categories to prompt them to get in touch to have their pensions reviewed. Those letters asked the consumer to complete and return an enclosed questionnaire if they wanted their personal pension arrangement reviewed.

ReAssure have explained that Mr M was included in Phase two of the review, which meant that they sent his mailing out in or around January to March 1999. To be part of the review, consumers had to return the completed questionnaire or request a review before 31 March 2000.

Mr M has explained that, because he moved house several times over the years, he doesn't ever recall receiving ReAssure's letters or even responding to any paperwork. However, ReAssure have explained that they wouldn't have undertaken a review of Mr M's pension had he not sent back a completed questionnaire. ReAssure have explained that, because of

the passage of time that's elapsed since the original advice and the pension review work that was undertaken, the records they hold are limited, particularly given the original advice wasn't provided by ReAssure themselves. However, ReAssure have been able to share details of the outcome of the review which, they say, demonstrates Mr M's advice from 1991 was revisited on 18 April 2001. It also goes on to reflect that their assessment of his AFPS transfer concluded that no loss had been incurred.

Whilst ReAssure haven't been able to produce copies of the letters that they sent to Mr M, based on the evidence presented to me, I've no reason to doubt that a review was undertaken. And that's because the output of ReAssure's database matches Mr M's personal details. There was much publicity at the time of the review encouraging consumers to get in touch with their provider to have their pension checked. And, for ReAssure to have undertaken a review of his pension in phase two, I think it's more likely than not, that Mr M did contact ReAssure. Even if the letters were sent to a different address and subsequently forwarded to him, it seems that he still contacted them and ReAssure undertook the required assessment.

As I've already highlighted, ReAssure's assessment determined that Mr M hadn't suffered a financial loss. Mr M's representatives don't believe that assessment was correct, but they've not set out why that's the case. I think I should explain at this point that unfortunately, the assumptions that the then regulator required businesses to use – including for future investment returns and annuity rates – haven't been borne out in reality. However, that doesn't necessarily mean that the original assessment that ReAssure did was wrong.

I say that, because when completing loss assessments, the regulator required all businesses to use a prescribed set of assumptions, so calculations were completed to a uniform set of standards, regardless of which business undertook the check. Those assumptions were necessary because in many instances, consumers were decades away from retirement. The regulator then completed oversight and sampling of that work to ensure that it was completed to the appropriate standard, so I think it's more likely than not that those calculations are likely to be correct and on the balance of probabilities, I think it's more likely than not that ReAssure sent those to Mr M at the time. I say that because having completed the assessment, I can't think of a plausible reason why they wouldn't do.

The assumed future growth rates that businesses used in the 1990s were much higher than they are today and unfortunately, they didn't mirror what actually happened. Despite this, the pension review exercise was a 'one-off' undertaking and there was no requirement for businesses to either update or re-calculate the reviews that have already been carried out just because those assumptions didn't materialise.

From what I've seen, it appears that Mr M did take part in the pension review exercise and ReAssure undertook the required assessment, so it seems that ReAssure did what the regulator required of them. As Mr M's complaint has focused on whether he did or didn't respond to the review, I can't conclude that Mr M has suffered a financial loss and as such, I'm not upholding his complaint.

My final decision

I'm not upholding Mr M's complaint and as such, I do not require ReAssure Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 November 2023.

Simon Fox
Ombudsman