

Ombudsman's Determination

Applicant	Mr S
Scheme	ReAssure Wealth Pensions Plan (the Plan)
Respondent	ReAssure Limited (ReAssure)

Outcome

1. I agree with the complaint but, the compensation ReAssure have paid adequately compensates Mr S for the delay in transfer.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr S has complained that he has suffered a loss because ReAssure caused a delay in transferring his benefits to Davy Select. Mr S also disputes the compensation calculation ReAssure are using, as he believes that had the transfer happened as it should have, he would have made all switches from sterling to euros before the United Kingdom European Union membership referendum (**Brexit**).

Background information, including submissions from the parties

4. On 26 May 2016, Mr S requested his funds be transferred from ReAssure to Davy Select. The transfer was completed on 15 July 2016.
5. ReAssure acknowledged that the transfer should have happened on 10 June 2016, ten working days from when Mr S requested the transfer. On 4 November 2016, ReAssure wrote to Mr S and calculated a compensation award for the loss he had suffered due to the delay in the transfer. It worked out that had the funds been transferred on 10 June 2016, Mr S would have suffered a loss of £2,019.65. ReAssure calculated the loss by taking into consideration the like for like switches Mr S made when the transfer was completed and replicating the timeframe Davy Select in fact used to convert the funds. ReAssure calculated there had been one loss as a result of the delay in the currency exchange and another in respect of the loss of units purchased. They made a total payment of £2,019.65 to the Plan Mr S held with Davy Select.

6. Mr S was dissatisfied with the calculations. He said he would have made switches pre Brexit to avoid the drop in euro rate. ReAssure said it believed its calculations were fair and reasonable.
7. Mr S brought his complaint to the Pensions Ombudsman to be independently reviewed.

Adjudicator's Opinion

8. Mr 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 agreed that there was a delay and so there is no dispute that a problem has occurred or that Mr S has been disadvantaged as a result.
 - The issue that remains is that Mr S does not agree with the method ReAssure are using to calculate his loss. When the transfer was eventually completed on 15 July 2016, Mr S made a number of switches into different funds. These were not completed straight away. ReAssure have mirrored what he did but using a start date of 10 June 2016, to calculate his loss. This is the most fair and reasonable method for doing this.
 - Mr S says that had the transfer happened on 10 June 2016, he would have made sure all of the switches into euros happened before Brexit and before the drop in the exchange rates. However, there was no guarantee of what the outcome of Brexit was going to be or how the financial markets might react. It is reasonable that the calculations reflect what Mr S actually did after the transfers were processed.
9. Mr S did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr S provided the following comments:
 - ReAssure did not follow his instructions and delayed the transfer;
 - he is not in the position he wanted to be in because he wanted to arrange all switches to euros before Brexit;
 - Brexit caused a significant shift in sterling and this has now made him incur a loss;
 - although, there was no guarantee what the Brexit result would be he would have made his decision in a timely manner in order to minimise losses should an adverse result have been forthcoming.
10. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr S for completeness.

Ombudsman's decision

11. There is no dispute that an error occurred and that ReAssure did not complete the transfer within a reasonable timescale.
12. The part of the complaint where Mr S remains dissatisfied is the method for calculating redress that ReAssure have used.
13. When the transfer was eventually completed, Mr S made a number of switches. To calculate the loss incurred by the delay ReAssure have mirrored the switches that Mr S made but using the earlier transfer date. I consider the method of calculating the loss is acceptable.
14. Mr S contends that he would have made all switches from sterling to euros pre-Brexit had the transfer gone ahead on 10 June 2016. This was because after the Brexit referendum on 23 June 2016, there was a significant decrease in exchange rates. I do not consider it would be fair to ask ReAssure to base its loss calculations on Mr S's assertion that he would have been able to make his switch selections faster if the money had moved pre-Brexit. Mr S has not put forward a more probable alternative timeframe than that which occurred in fact and I think it unlikely that it could be done without a very substantial degree of hindsight.
15. Therefore I do not consider that any further action is required by ReAssure and do not uphold Mr S' complaint

Karen Johnston

Deputy Pensions Ombudsman
18 December 2017