

## **The complaint**

Mr K's complaint is about the administration of a mortgage endowment policy he and an ex-partner took out with Countrywide Assured Plc. He has stated the ownership of the policy was transferred to him when they split up in 1991, but Countrywide didn't change the policy to reflect that change. As such, it refused to pay him the whole maturity value and would only pay him half. This was paid in 2023, the policy having matured in 2016. Mr K isn't satisfied with this position because he paid all of the premiums over the term, the amount of time the process took and the poor communication from Countrywide.

## **What happened**

Mr K and his ex-partner arranged the endowment policy in joint names in 1991 with a term of 25 years. He has told us that they split up around six months later and the property, mortgage and policy were transferred into his sole name.

The policy matured in 2016. Countrywide has stated that at that time it didn't have a valid address for Mr K or the other policyholder, indicating no maturity paperwork was sent out.

In 2019 Mr K contacted Countrywide to discuss claiming the maturity value. Countrywide told him that it needed both of the policyholders' consent to do so. It has stated it attempted to trace the other policyholder following this conversation and it was provided with an address. However, no response was received to the letters Countrywide sent to the other policyholder at that address.

In January 2020 Countrywide wrote to Mr K. It sent him two documents – a 'Missing Persons Declaration' and maturity forms. It confirmed that if Mr K returned these documents it would pay out half of the maturity value to him. Mr K didn't return the forms. Rather it appears that he tried tracing the other policyholder himself.

In 2021 Countrywide again told Mr K that it would only pay out 50% of the maturity proceeds in the circumstances.

Mr K contacted Countrywide again in early 2023 regarding the maturity value of the policy. Countrywide sent him maturity forms and a missing person declaration on 10 March 2023. After the forms were returned, Countrywide has said that it again tried to contact the joint policyholder at the address it had previously obtained for her. When no response was received, it paid 50% of the policy value to Mr K on 6 July 2023. Mr K complained.

Countrywide responded to the complaint in a letter of 31 August 2023. It set out what had happened (above) and confirmed that as the policy was in joint names the other policyholder had entitlement to the proceeds of the policy. As such, it couldn't pay him more than 50% of the maturity proceeds. Countrywide didn't think it had done anything wrong.

Mr K was not satisfied with Countrywide's response and referred the complaint to this Service. When he did so, we notified Countrywide that we had the complaint and asked it to provide its file of papers. It didn't do so.

One of our Investigators considered the complaint in light of the information Mr K had provided us with. She concluded that, in the absence of any evidence of the joint policyholder's interest in the policy having been assigned to Mr K, Countrywide had not behaved inappropriately in only paying out half of the maturity value. However, due to the lack of evidence, the Investigator was not persuaded that Countrywide had done enough to locate and contact the joint policyholder. Furthermore, the Investigator didn't consider that the money Countrywide had paid Mr K had been paid in a timely fashion once he returned the necessary forms, as it took four months, during which time Mr K was not kept informed. She recommended that Countrywide pay Mr K £250 compensation for the inconvenience he had been caused. In addition, she considered that Countrywide should again try to trace the joint policyholder.

Countrywide didn't respond to the Investigator's opinion, despite being chased more than once to do so.

Mr K acknowledged receipt of the Investigator's opinion and made no further comment on the merits of the complaint.

As Countrywide did not respond, it was decided that the complaint should be passed to an Ombudsman. Countrywide was informed of this fact and given another opportunity to provide its file or comment, but it didn't do so.

### **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 policy Mr K has claimed the maturity proceeds under is a joint one. While I have noted what he has said about what happened in 1991/1992 regarding the transfer of the property and the policy into his sole name, I have seen no documentation supporting that either his ex-partner was, or should have been, removed from the policy, or that she assigned her interest in it to him. As such, I can't find that Countrywide was wrong to approach Mr K's request for the maturity value in the way it did – that the joint policyholder continued to have rights under the contract and could be entitled to half of the maturity proceeds. So I can't find that Countrywide acted unreasonably when it only paid Mr K half of the maturity proceeds.

Countrywide said in its final response letter that it had tried to trace Mr K's ex-partner in 2019 and wrote to her at the address it found in 2019 and 2023, but it received no response. While it would not be unusual for a product provider to attempt to trace a policyholder in such circumstances, it is not always the case that it happens. Countrywide has provided no evidence of it having completed the 2019 trace or the correspondence it reported to having sent to the address it found. In light of this I can't be satisfied that Countrywide did what it reasonably should have done in the circumstances. I consider that Countrywide should initiate a tracing process within 14 days of Mr K's acceptance of this decision, assuming he does accept the decision. It should keep Mr K informed of its progress and whether, if an address is found, a response from the joint policyholder is received.

Furthermore, when Mr K returned the documentation needed for Countrywide to release the half of the money it was willing to pay him, that process took around four months. There appears to have been very limited communication attempted by Countrywide to keep Mr K updated on what was happening. It is clear from his submissions that he found the process frustrating and felt Countrywide deliberately delayed payment.

Having considered what limited evidence we have, I am minded to conclude that Mr K didn't receive the level of service he was entitled to expect from Countrywide. As such, I consider

that it should pay him some compensation for the effect of that poor service. The Investigator recommended £250 compensation and having carefully considered the circumstances, I am minded to agree that sum is reasonable and proportionate.

Mr K asked the Investigator how he could go about receiving the other half of the maturity value. As I have confirmed above, it was not unreasonable for Countrywide to only pay Mr K half of the maturity value, as the other policyholder may well legally have some entitlement to part of the maturity value. However, if Countrywide is unable to trace the joint policyholder when it tries again, Mr K may want to approach it to consider whether, given the time that has passed since the policy matured, it would release the remaining maturity value to him if he indemnifies Countrywide for that sum. Such an indemnity would mean that if the joint policyholder were to claim under the policy in the future, Mr K would be responsible for paying her whatever portion of the maturity value she was entitled to. To be clear, I am not indicating that Countrywide should pay out the remainder of the maturity value on that basis, simply that Mr K can ask if it would do so in the circumstances.

### **Putting things right**

In settlement of the complaint Countrywide should:

- pay Mr K £250 compensation for the frustration and inconvenience its poor service has caused him; and
- make another attempt to trace and contact the joint policyholder in an attempt to confirm whether it is able to pay Mr K the remaining policy proceeds. It should confirm to Mr K what the outcome of these further investigations is.

### **My final decision**

My final decision is that I uphold this complaint in part. In full and final settlement, I order Countrywide Assured Plc to complete the actions detailed above in 'putting things right'.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr K to accept or reject my decision before 2 October 2024.

Derry Baxter  
**Ombudsman**