

The complaint

Mr and Mrs R complain ReAssure Limited has failed to honour the terms of the contract of a life assurance policy they took out. They say they held two life policies that would pay out on each of their deaths but ReAssure say that they only had one joint policy paying out on first death.

What happened

In February 2001, Mr and Mrs R took out whole of life cover with a purpose to provide for both of them for their funeral costs. Their understanding is that they had a policy each that would pay out on both their deaths, not only on the death of the first of them. The cover was taken out through their bank and the life assurance provider was part of the bank. They also took out other pension policies through their bank.

In September 2011, Mr and Mrs R were informed ReAssure would be taking over responsibility for their policies from the original provider (that was part of their bank).

In August 2022, Mr and Mrs R raised a complaint with ReAssure. They said they were concerned about the value of their life policy after paying into it for 21 years. They also raised concerns about their understanding they had policies that would pay on each of their deaths, as opposed to only paying out on the first death.

Mr and Mrs R surrendered a joint life policy in December 2022, and they received a payment of just under £5,000.

Initially their complaint wasn't fully investigated by ReAssure and the responses provided didn't answer the complaint. So, Mr and Mrs R referred it to this service for an independent review. But in January 2024, a further final response letter was issued by ReAssure. In summary it said:

- It wrote to all of its policyholders in September 2011 to let them know ReAssure would be taking over the policies from the bank's life assurance arm. And a further letter was sent in December 2011 to confirm the transfer had been approved by the High Court. But there were no changes made to Mr and Mrs R's life policy or the way it was administered.
- The policy schedule states the joint policy is payable on the first death. And it was surrendered on 12 December 2022.
- It accepted it hadn't provided good service when investigating the complaint. It apologised for any inconvenience this may have caused and arranged for a payment of £250 to be made to Mr and Mrs R, as an apology for the trouble and upset this matter caused them.

One of our investigators looked into the complaint. In summary he said:

- ReAssure provided evidence to show it informed policyholders when it took over responsibility in 2011.
- The policy schedule confirms Mr and Mrs R's policy was set up on a joint life, first

death basis and that Mr R's medical conditions had been disclosed and considered. He hadn't seen evidence of a second policy being set up. So in his view a second policy does not exist, and the premiums were paid into a joint life policy.

- He also acknowledged that compensation had been paid by ReAssure in respect of the way it handled the complaint but confirmed we don't award compensation solely for complaint handling.

Mr and Mrs R didn't accept the investigator's findings. In summary they said:

- They were told by at least three members of staff from ReAssure, that they held two separate policies. They haven't seen any form, note, or any other document that they have signed despite numerous requests for clarification.
- After failing to get the information requested, they decided to surrender one policy, and requested for the second one but this was refused as ReAssure claimed it didn't exist

The investigator completed further investigation and obtained copies of Mr and Mrs R's bank statements from 2001, to establish whether there is evidence of them paying two sets of policy premiums. He received this information but didn't find that it supported Mr and Mrs R's arguments that they were paying for two policies. He also received evidence of all the policies Mr and Mrs R held with ReAssure, and this showed a number of pension policies, but the only life cover policy was a joint life policy, and there was no second policy. So, he confirmed he didn't think the complaint should be upheld.

Mr and Mrs R remained unhappy with the outcome and requested an ombudsman reach a decision.

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 acknowledge Mr and Mrs R's strength of feeling about the complaint. I acknowledge their upset and frustration at not having the life cover they understood they had in place. But in order to uphold the complaint, I must find that failings by ReAssure has resulted in the position they are in.

Essentially Mr and Mrs R argue that they had taken out two life cover policies, one for each of them that was due to pay out on each of the deaths. They recall different levels of cover being agreed, with slightly lower cover for Mr R due to existing health conditions. They are unhappy with how ReAssure has dealt with their inquiries about their policies and feel it has been contradictory in its responses.

I've looked at the evidence to see what cover Mr and Mrs R had in place. I've seen a copy of an original policy schedule dated February 2001, which shows Mr and Mrs R had a joint whole of life policy with a sum assured of £3,526 with a premium of £25 per month. It also confirms that the policy was set up to pay out on first death. I can see there is a notice that indicates the charging structure for Mr R had been adjusted. This was the policy that was surrendered in December 2022.

I've reviewed the available evidence to see if there is a second policy, or further life policy Mr and Mrs R held with ReAssure. ReAssure has provided details of the records it holds for the policies that were transferred to it in 2011. This shows that Mr and Mrs R had pension policies. But there is no record of another life cover policy being held.

I have also reviewed the bank statements provided from 2001 (when Mr and Mrs R took out the cover) to see if there is evidence of payments going to the policy provider on more than one occasion each month. The statement indicate that only one premium of £25 was being paid each month. So, I don't find that they support that Mr and Mrs R were paying for two policies at this time.

I've reviewed all of Mr and Mrs R's submissions and I haven't seen evidence of the existence of a second policy. I acknowledge that they feel they were given misleading information about this by ReAssure, but it remains that I haven't seen anything that would persuade me there is another life policy they hold.

In conclusion, I haven't found ReAssure has acted incorrectly in or a misleading way when it explained to Mr and Mrs R that they only held a joint life policy that pays out on first death. The evidence I've seen indicates this was the only life policy that was transferred to ReAssure when it took responsibility for Mr and Mrs R's policy.

I'm aware that ReAssure has paid Mr and Mrs R some compensation for the impact of how it handled the complaint. As the investigator explained, we are unable to award compensation for solely complaint handling. But I appreciate ReAssure has recognised it could have dealt with the complaint in a way that caused Mr and Mrs R less hassle and frustration.

Lastly, I acknowledge Mr and Mrs R have raised some points in relation to how the surrender of the policy was completed in 2022. And also, about the circumstances of the original sale of the policy via their bank. These points didn't form part of their original complaint that I've considered. If they want to pursue these matters, they will need to be looked into separately as part of new complaints.

I understand Mr and Mrs R will be disappointed with my findings, but I haven't found reason to say ReAssure is at fault. It follows that I won't be asking it to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs R to accept or reject my decision before 17 December 2024.

Daniel Little
Ombudsman