

The complaint

Mr O, through his representatives, complains that Zurich Assurance Ltd caused delays in his claim for his deceased wife's by incorrectly requiring a grant of probate. He says this caused him financial loss, distress, and inconvenience. He wants compensation.

What happened

In late 2019 Mr O's wife sadly died before her pension with Zurich was in payment. Mrs O died outside of the United Kingdom ('the UK'), in the place where she was resident.

In early February 2020 Mr O's representatives contacted Zurich to inform it of Mrs O's death.

By letter dated 13 February 2020 Zurich wrote to Mr O's representatives indicating what it said needed to be provided in order for the lump sum under the pension plan to be valued and paid out. This included:

- (a) a copy of the death certificate,
- (b) the grant of probate,
- (c) a claim form, and
- (d) identity verification documents for the claimant.

The letter indicated that where the form referred to UK documents, the overseas location's equivalent would be acceptable.

There was no requirement for a grant of probate where Mrs O died as there were no assets which required a grant, and no need to obtain one in relation to the pension plan, as this passed outside of Mrs O's estate. Mr O's representatives promptly informed Zurich of this but despite repeated communications, it took until mid-April 2020 for Zurich to acknowledge no grant of probate was required.

In its mid-April 2020 email, Zurich indicated that the final value of the units would be determined as at the day after the date Zurich received the original copy death certificate. It said it was unable to confirm the unit prices as it hadn't received Mrs O's death certificate. It also said that the number of units would be based on the date that Mr O's representatives notified Zurich of Mrs O's death.

In late April Mr O's representatives emailed Zurich. The representatives indicated that as per discussions, they were reluctant to forward Mrs O's death certificate until there was an agreement on a unit price that was fair and reasonable to Mr O as beneficiary. Without such agreement, the representatives said it was necessary to make a formal complaint as due to the completely unsatisfactory service from Zurich, Mr O would receive a significantly lower figure now than if Zurich had provided the correct information in a timely manner. If Zurich had provided the correct information Mr O's representatives could've provided what was necessary for a claim by 21 February 2020. It also said, among other things, that the delays had caused Mr O distress at a time when he was still grieving.

Zurich responded to the complaint in mid-June 2020. It upheld those parts of the complaint relating to delay and the distress caused to Mr O. It apologised for providing incorrect information about the need for a grant of probate. Zurich said it would pay Mr O £100 in recognition of the trouble and upset caused.

It didn't uphold the complaint in relation to the final value of the plan. Zurich said Mr O's representatives had been made aware from the outset that Zurich required the death certificate (or a certified copy) before it was able to finalise the claim value. Mr O wasn't happy with this, and there were further communications between his representatives and Zurich, but these didn't change Zurich's position. Mr O brought his complaint to our service.

One of our investigators looked into it. She thought Zurich made it plain from the first instance that no pension fund value could be given until a death certificate was provided. Since the fund value was provided fairly after receipt of the death certificate, Zurich didn't need to do anything more in terms of the value of the pension fund.

She did think Zurich's service was not at the level one would expect, especially at a time of loss and grief, and it had provided incorrect information which had caused delays. She thought Zurich should pay Mr O a further £200 for trouble and upset on top of the £100 already offered.

Zurich said that whilst it did not think that the £100 offered for Mr O's trouble and upset was inappropriate, as a gesture of goodwill it would agree with our investigator's proposal to pay a further £200.

Mr O, through his representatives, said he did not accept the findings. His representatives said the grant of probate issue caused an impasse of many months and Zurich didn't say that the death certificate could be submitted to freeze the account until much later by which time the value had fallen substantially because of covid.

The complaint then came to me for a final decision from an ombudsman.

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 essence of this complaint is that Mr O has suffered a financial, distress, and inconvenience because Zurich provided incorrect information about the requirements for claiming the benefits under Mrs O's pension policy. There is no doubt that Zurich said it required a grant of probate before it could process the claim, and that Zurich took some months to finally establish this wasn't necessary, despite Mr O's representatives promptly informing Zurich of this. I don't doubt that this caused further distress for Mr O at a very sad time for him after the death of his wife. And it caused ongoing inconvenience due to the discussions about the probate requirement. Like our investigator, for these reasons I think the £100 Zurich offered for Mr O's distress and inconvenience was insufficient and that £300 in total is appropriate.

But I do not think the issues over the grant of probate caused Mr O a financial loss. I'll explain why. I've looked carefully at Zurich's letter of 13 February to Mr O's representatives which set out the requirements for valuing and claiming the benefits under the pension plan. Paragraph 2 of that letter gives the current value of Mrs O's plan and then says:

“this figure is not guaranteed and the final value will be determined when we receive the original copy death certificate.”

In my view this extract from the letter makes it clear that the final value is calculated upon receipt of the death certificate. The death certificate was provided quite some months after it was available. I say this because Mr O’s representatives have indicated that they had the death certificate by 20 February and could’ve satisfied the requirements for claiming the pension (other than the grant of probate) by 21 February.

I understand that Mr O’s representatives say they were not told until quite some time later that the value could be frozen by the provision of the death certificate. While I don’t doubt that there was a later communication along those lines, there is no dispute that the letter of 13 February was received. As I think the valuation paragraph is clear, I can’t fairly say that the probate issue caused the delay in the provision of the death certificate.

It also seems to me from the Notice of Death form accompanying the February letter that Zurich had communicated that it was possible to provide the death certificate without the grant of probate. The top of the form says:

“Notice of Death under an (overseas place) Personal Pension Plan

The original copy Death Certificate, a certified copy of the Grant of Probate (please refer to the ‘confirming your identity’ form enclosed for details of who can certify the copy), along with formal identification of the claimant(s) (please refer to the covering letter for details) must be attached.”

I can see that this could give the impression that everything must be submitted together. However in the first third of the first page of the form, there is a note stating that;

“If a Grant of Probate or a Letter of Administration has not been provided, please confirm why.”

Mr O’s representatives have themselves indicated that the requirements other than the grant of probate could’ve been satisfied by 21 February, which includes the death certificate. Because of this I can’t fairly hold Zurich responsible for the death certificate not being provided until much later. As the value of the units under the pension plan was calculated after the provision of the death certificate by Mr O’s representatives, I’m not going to ask Zurich to do anything further about that part of the complaint.

My final decision

My final decision is that Zurich Assurance Ltd must pay Mr O £300 for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr O to accept or reject my decision before 19 August 2022.

Helen Wheatley
Ombudsman