

The complaint

Mrs M, a trustee of Trust M, complains her trust's whole of life policies were unfairly due to be acquired by ReAssure Limited without her consent. She also complains ReAssure's predecessor pressured her into surrendering all but one of them.

What happened

Trust M held a series of whole of life policies assuring the life of Mrs M. The policies were owned and administered by a firm I'll refer to as "Business A".

Business A informed Mrs M that it was in the process of transferring a number of its policies, including hers, across to ReAssure. Mrs M researched ReAssure and decided she didn't want to become its customer. So she contacted Business A to complain about the transfer.

Across a series of conversations with Business A, Mrs M was told that:

- The transfer of her policies to ReAssure had essentially been agreed in principle some time earlier, but there was a court date pending to finalise the matter.
- Beyond putting her objections to the transfer on the record, there was little she could do to stop it from taking place.
- As part of the transfer process, her data had been shared with ReAssure.

As these conversations progressed, Mrs M cancelled all but one of the trust's policies. She feels she was forced into doing so by Business A, as she didn't want to become a ReAssure customer. Mrs M complained about what was happening to her, and about the way she'd been spoken to by a number of Business A's staff. She felt strongly that it wasn't fair for the policies to be transferred across to ReAssure without her consent.

Business A apologised for the way its staff had spoken to her. And it offered £250 to apologise for this. But it broadly rejected her concerns with the transfer, and the way it'd handled her data. At one point, Business A offered Mrs M the option of having her policies reinstated, on the understanding they'd eventually be transferred across to ReAssure. But Mrs M did not accept this offer.

Whilst making her complaint, Mrs M attended a court hearing where the proposed transfer between Business A and ReAssure was being discussed. Having noted Mrs M's objections, the court subsequently approved the transfer.

As Mrs M remained unhappy, she referred her complaint to our service. Upon referral to our service, it was noted that ReAssure's acquisition of Business A's policies, meant it'd also assumed responsibility for answering its complaints. Therefore, our investigator recorded Mrs M's complaint as being about ReAssure, not Business A.

Our investigator gave the opinion that Mrs M's complaint shouldn't be upheld. In short, he found that:

- The transfer Mrs M's complaint stemmed from was approved by a court, and not something our service would interfere with.
- He wasn't persuaded Mrs M had cancelled the policies under-duress.
- He had no significant concerns with the way Mrs M's data had been handled.
- He felt the £250 Mrs M had been offered was fair compensation for the offence Business A accepted it'd caused her.

As Mrs M didn't accept our investigator's opinion, the matter's been referred to me.

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.

I'll start my decision by acknowledging Mrs M's considerable strength of feeling on this issue. It's clear to me this matter is of the upmost importance to her. And that she's spent a significant amount of time compiling, annotating, and submitting evidence to support her arguments. I know this dispute and her pursuit of it has weighed on her considerably, which hasn't always been easy on account of her health.

I'd like to assure Mrs M that I've read through all of her submissions in full and in detail prior to coming to my decision. And I hope she won't consider it a discourtesy that my decision focusses on what I consider the crux of this matter to be. It's within my gift as an ombudsman to do so, and is in keeping with our services role as an informal alternative to bringing a matter to the courts.

I also think it's important that I, like our investigator before me, outline the scope of my decision. In bringing this complaint, Mrs M seems to be challenging the entire legal and regulatory framework which permitted her policies to be sold to ReAssure without her consent. She also seems to challenge the outcome of the court hearing which preceded the transfer of business between Business A and ReAssure. But it is not mine or this service's place to rule on the overall fairness of this in the way Mrs M seems to suggest we should. Rather, my role here is restricted to fairly and reasonably deciding the outcome of Mrs M's complaint against ReAssure, and by extension Business A. When doing so, I've taken into account relevant law and regulations; regulators rules, guidance and standards; codes of practice; and where appropriate, what I consider to have been good industry practice.

In carrying out the safeguarding and administration of these policies, Business A and ReAssure are expected to treat their customers fairly and consider their best interests. If I looked at the facts of the complaint Mrs M has brought, and I was persuaded that either business had failed in its obligations to its customer, I may direct ReAssure to settle the matter in a way that I consider to be fair and reasonable.

To keep things simple, I've addressed Mrs M's complaint by breaking it down into what I consider are its key points.

Was it fair for Business A to transfer the trust's policies to ReAssure?

I understand that, fundamentally, Mrs M objects to the notion her trust's policies could be transferred away from Business A without her express consent. I can see Mrs M had been a customer of Business A's for many years. And even whilst making her complaint, she'd had cause to compliment it on the service she'd received from it in the past. I can therefore appreciate why her overwhelming preference was for her policies to remain with Business A.

But there's no rule or law which would compel Business A to continue offering her a service, if it'd decided it no longer wished to do so. In my view, a decision like that would be a matter for Business A's own commercial judgement. I would expect however that, mindful of its obligations, Business A would ensure suitable arrangements were made for a comparative service to be provided for its customers elsewhere.

With that said, I've considered whether Business A has met with its obligations to treat Mrs M fairly and consider her best interests, when choosing ReAssure as its successor.

Mrs M's detailed research led her to the conclusion that ReAssure was a firm she didn't want to deal with. But whatever her conclusions and preferences here might've been, I'm satisfied ReAssure was capable of offering a comparative service to Business A because:

- It had experience offering products like the ones Business A was transferring it.
- It was authorised and regulated by the Financial Conduct Authority.
- It was protected by the Financial Services Compensation Scheme.

In saying this, I'm conscious that Mrs M has referred to extensive customer reviews and press cuttings which highlight shortcomings in ReAssure's conduct. Her complaint suggests she believes the presence of this negative feedback ought reasonably to make ReAssure ineligible to succeed Business A as the custodian of the policies. But I'm not persuaded this should've been the case.

In my view, all firms are capable of making mistakes. But the regulatory framework in the UK means firms who do make mistakes can be held to account by their regulator. And for any individual errors that've impacted their customers, those customers will usually have the right to refer complaints to our service.

With this in mind, I think one of the considerations Business A should've had when choosing a successor, mindful of its obligations, was to ensure Mrs M and her trust didn't lose out on any protections they benefitted from whilst they were customers of Business A. And I'm satisfied that the proposed transfer to ReAssure wouldn't have resulted in the erosion of any of these protections. Therefore, in choosing ReAssure as its successor, I'm not persuaded Business A has treated Mrs M unfairly or failed to consider her best interests. I consider that ReAssure was capable of offering a comparative level of service to that which Mrs M had received from Business A.

Leading on from my findings above, I don't have any concerns with Business A's decision to share Mrs M's data with ReAssure. It wouldn't have been possible to proceed with the transfer without doing so. And as I'm satisfied the transfer was a fair exercise overall, it follows that I find the necessary data administration to facilitate that transfer was also fair. In these circumstances, I'm not persuaded Mrs M is likely to suffer any detriment as a result of her data having been shared. And I note that as she chose to retain one of her policies, it was inevitable her data would be shared with ReAssure as part of this process.

Did Business A pressure Mrs M into cancelling the trust's policies?

I've listened to the calls which surrounded Mrs M's cancellation of the policies.

Mrs M's strength of feeling about this matter is apparent throughout her discussions with Business A. And I can appreciate that as a result of this, she'll likely have felt as though she was under immense pressure. I'm sympathetic to this. But I'm not persuaded Business A treated her unfairly when it handled her request.

Mrs M adopted the position that she seemingly could not face seeing the policies transferred across to ReAssure, because she considered it to be so disreputable. So following a number of phone calls with Business A in which she set out her position on this, she subsequently wrote it a letter requesting all but one of the policies be cancelled. Given the length of this process, and particularly because it required her to actively write a letter asking for the cancellation, I'm not persuaded Mrs M could reasonably be said to be cancelling the policies under-duress. There's nothing to show Business A told her she should take this action, or gave any suggestion that it was in hers or the trust's best interests to do so.

From Mrs M's notes on this subject, I can see she interpreted what Business A was telling her as essentially, *"if you don't want to become a customer of ReAssure, your only option is to cancel the policies"*. I'm not persuaded a statement like this is likely to have placed any undue pressure on Mrs M to cancel her policies. Because whatever her stance might've been, I note that Mrs M did ultimately choose to retain one of the trust's policies, and therefore did end up becoming a customer of ReAssure. This would suggest that whatever misgivings she had about ReAssure, they were clearly not insurmountable. And I note that a short period after the policies had been cancelled, Mrs M was given the chance to reinstate them, which she did not accept.

Therefore I'm not persuaded Business A either pressured, or gave any suggestion to Mrs M that cancelling the policies was something she *should* do. And when it heard how unhappy she was with the circumstances surrounding the cancellation, it fairly offered to reinstate them. From the evidence available to me, I'm satisfied Business A has handled this matter fairly. So whilst I accept Mrs M felt under pressure to go ahead with the cancellation, I don't think this pressure stemmed from any unfair treatment she had received from Business A or ReAssure.

Mrs M has argued the cancellation of the policies has caused a considerable loss. She appears to measure her loss as being the difference between the surrender value of the policies, and the sum which they assured in the event of her passing. I'm satisfied that it would not be fair or reasonable for me to make any such award. As I've established, the policies were fairly cancelled at Mrs M's request, not as a result of any mistake or unfair treatment I've identified in Business A or ReAssure's conduct. And she was given the option of reinstating the policies, which she did not accept. There's been no suggestion from Mrs M that the actual surrender value she received has been miscalculated. I'm therefore not persuaded it would be fair or reasonable of me to make any award in these circumstances.

Has Mrs M received fair treatment whilst making her complaint?

Business A has noted that its handling of Mrs M's concerns wasn't always of a good standard. There's an occasion where it seems offence was caused to Mrs M, and Business A has acknowledged that whilst this was unintentional, it's offered apologies and an award of £250 compensation for the upset it caused.

The subject matter of this complaint clearly means a great deal to Mrs M. She's spoken at length about the distress and anxiety it's caused her. So I can easily understand why she took offence to some of the interactions she had with Business A's staff. In the circumstances, I think its offer of £250 fairly and reasonably addresses any impact its interactions had on Mrs M.

Mrs M has accused Business A of deceitfully manipulating the transcripts of calls it had with her during her complaint. She's suggested this was a deliberate attempt to distort the facts of her case. But in the circumstances, this doesn't seem likely to me. I note that Mrs M was assisted in highlighting the discrepancies as Business A had also provided her with copies of its original call recordings, which have also been received by our service. I think it's more

likely that any discrepancies in these transcripts are a result of clerical errors. And as they've not impeded Mrs M's ability to have her case heard, I'm not persuaded she's suffered any detriment as a result of them.

Summary

In short summary:

- I'm satisfied Business A met with its obligations to Mrs M when it proposed to transfer her policies to ReAssure. I do not find that it treated her unfairly when doing so.
- I'm satisfied that neither Business A nor ReAssure pressured Mrs M into cancelling her policies.
- Business A has acknowledged that its service to Mrs M could have been better, but I'm satisfied the £250 it's offered fairly addresses the impact its actions had on her.

Because of this, I partially uphold Mrs M's complaint on behalf of her trust.

My final decision

My final decision is that I partially uphold this complaint.

ReAssure Limited should proceed to pay Mrs M the £250 she was offered, if either it or Business A has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Trust M to accept or reject my decision before 21 March 2023.

Marcus Moore
Ombudsman