

## **The complaint**

Mr H complains that ReAssure Limited has misled him in respect of his Select Investment Policy. Specifically, he says it did not make him aware after the ten-year investment period ended that he could have extended it for a further ten years. Additionally, Mr H says ReAssure's poor customer service perpetuated matters unnecessarily after he complained; he had to chase it repeatedly for answers, to no avail.

To resolve his complaint, Mr H wants to know if ReAssure's actions have caused him any loss, he wants to know why he experienced such poor service when ReAssure asked him to complain and finally, he wants to receive compensation along with an apology for the time he has wasted seeking a resolution to the matter.

## **What happened**

The investment began in July 1994 through General Portfolio Life Assurance Plc. Monthly contributions ended in 2004, whilst the policy was operated by Windsor Life Assurance Company Ltd. The funds remain invested to date. The policy has since passed to ReAssure.

Following a query from Mr H, ReAssure wrote to Mr H in September 2020 noting he could not reinstate the policy as it had been more than 13 months since the last paid premium – taken on 20 June 2004. It directed Mr H to his policy terms and conditions on that basis.

In September 2021, Mr H contacted ReAssure by telephone. He was trying to undertake an online fund switch for the first time, whereby he had encountered some issues. He then realised from his discussions with ReAssure that he should have been told about the option to extend his contributions in 2004. He therefore complained as he was concerned he may have lost out financially on bonuses. Mr H says ReAssure encouraged him to complain.

On 23 October 2021, ReAssure wrote to Mr H with the outcome of the complaint. However, it only looked at issues he previously had with the fund switch and not the substantive complaint about the lack of continuation for the policy contributions after 2004.

Mr H called ReAssure a few days later explaining that his actual complaint issued had gone unanswered; it therefore reopened the complaint.

On 29 November 2021, Mr H referred the complaint to this service. He noted that eight weeks had passed without a meaningful reply to his actual concerns. He said since the complaint had been reopened, he had tried to speak with various call handlers at ReAssure in both its customer services and escalations teams and not given any cogent answer to his complaint. He said he had placed many calls and been kept on hold unnecessarily.

On 23 December 2021, ReAssure wrote to Mr H and said it had concluded that no reimbursement was due to Mr H. It said it did not write out to policyholders with all of the options on the policy because it did not provide financial advice; so, if he hadn't extended the policy premium term under his continuation rights, that was not the fault of ReAssure.

However, in that letter it also said Mr H could continue to pay another ten years of premiums

from the policy's anniversary.

On 4 January 2022, ReAssure issued a final response letter to Mr H regarding the lack of the continuation option in 2004. It reiterated that it would not provide policyholders with a further notification of a variation or continuance of premiums. But, it said if Mr H still wished to do so, he could pay premiums for a further ten years from the policy's anniversary.

Mr H said that ReAssure had confused matters further; he now questioned whether he could make the premium payments or not. He also felt that the response didn't address the original complaint, that being the issue around lack of communication and notification of the option to continue premiums. This meant he had no chance to build up a further loyalty bonus.

An investigator from this service put Mr H's comments to ReAssure and sought further clarification. ReAssure then explained its letters of December 2021 and January 2022 had been automated in respect of reinstating the policy and the suggestion that premiums could be restarted from the policy's anniversary had been stated in error on both occasions.

Our investigator thereafter issued a view on the complaint in which he concluded that the terms and conditions for the investment do not compel ReAssure to have notified Mr H of the end of the ten-year contribution period. However, he felt that ReAssure could have clarified this to Mr H far sooner than it did; and its two most recent letters about the policy were incorrect about reinstatement. He therefore felt it should pay Mr H £100 compensation.

Mr H accepted the investigator's conclusions, though he said he remained frustrated at how ReAssure had behaved. He noted that it had two weeks to reply to the investigator's view yet it still hadn't done so some three weeks later. He said he felt that ReAssure's actions continued to be disrespectful to himself and to the Financial Ombudsman Service.

Thereafter, Mr H confirmed that he would like the complaint to be passed to an ombudsman. He said as a result of ReAssure's continued poor service, he had lost all faith in it as a financial services provider. However, he now held had a number of investments and pensions with ReAssure where it had acquired them over the years; because of this he felt he could not move them elsewhere, despite being unhappy with how it had behaved.

ReAssure later confirmed it would pay the £100 to Mr H. However, Mr H remained of the view that the complaint ought to be reviewed afresh by 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.

Having looked at everything before me, I also believe this complaint should be upheld, on the basis of a payment to reflect the upset and inconvenience Mr H has suffered.

I recognise how frustrating things have been for Mr H during the course of this complaint. I can see that in September 2020 he was rightly told that the policy could not be reinstated. He had also later been correctly informed about the number of fund switches that could be made without any charge for the funds that remained invested with ReAssure.

However, in the following September when he attempted to undertake the first fund switch (the complaint about that issue having since been resolved), he was then given confusing information about the ten-year investment contribution window. This led him to question whether he'd lost out on bonuses, assuming he had chosen to pay a further ten years of premiums from 2004 to 2014.

Mr H did not pay those premiums and the appropriate redress would not be to assume what he might have done differently in 2004 without persuasive evidence of the same – and that would only apply if I had concluded that ReAssure (or Windsor Life Assurance Company Ltd for which it accepts responsibility) had misled Mr H at that time, which I do not.

Instead, at this service we must decide what should have happened in the circumstances, and we would not look to put a mistake right by artificially benefitting a consumer financially.

There isn't clear evidence of what actually happened in 2004, but both parties seem to accept Mr H wasn't directly informed that he could adopt a continuation of a further ten-year investment window. However, as our investigator has pointed out, the terms and conditions for the investment do not compel the business to provide this information at the end of the first ten years. Contrastingly, section 8 says the grantee of the policy may extend the initial investment period by a further ten years - if notice is submitted to the provider in writing.

So, it isn't the case that the substantive complaint should be upheld. Mr H did not provide any such notice to undertake the continuation option in 2004. However, the reason this complaint should succeed is because after Mr H asked ReAssure about the continuation option, it then conflated the ten-year continuation with reinstatement.

In its later communication to Mr H of December 2021 and in the final response to the complaint in January 2022, ReAssure mistakenly set out that the policy could be reinstated (for additional premium contributions) – when the terms and conditions do not permit reinstatement after a number of premiums are missed. Nor can the ten-year continuation be undertaken, unless written notice was supplied by Mr H before the end of the first period.

ReAssure was in the informed position to give Mr H information about his policy. I accept that it does not provide financial advice, but it held the policy terms and could have sought to reference these to Mr H on various occasions before the eventual complaint response.

For those reasons, I believe a payment should be made to Mr H, as defined below.

### **Putting things right**

My role is to determine if a business has treated a customer unfairly because of actions or inactions. And if it has, I will go on to consider what ought to be done to put any mistake(s) right. In this case, Mr H has not suffered any financial loss. But he has been caused upset due to the confusion and poor customer service he has experienced from ReAssure.

As well as putting right any financial losses in a complaint (though there are none in this circumstance), this service will also consider the emotional or practical impact of any errors on a complainant. In doing so, we do not fine or punish businesses; we are not a regulator, that duty falls to the Financial Conduct Authority.

Taking into account the cumulative impact of the various mistakes ReAssure has made, I believe a higher amount of compensation than previously suggested should be awarded. In my view, £300 is reasonable in the circumstances; this was where ReAssure's compounding of errors and lack of explanation for its conflicting statements led to the delay in confirming why reinstatement or the continuation option could not be adopted belatedly by Mr H.

Having listened carefully to his concerns, I believe these actions caused Mr H considerable inconvenience and trouble. The matter took him many weeks to resolve in total and it had a notable impact on his relationship with ReAssure. The amount of £300 is within the range of

awards I believe appropriate for combined errors of this nature.

### **My final decision**

I uphold this complaint. ReAssure Limited must pay Mr H £300 for the upset he has been caused when dealing with his request to obtain an understanding about the continuation option under his Select Investment Policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 January 2023.

Jo Storey  
**Ombudsman**