

## **The complaint**

The estate of X, Mrs T and Mrs A complain The Royal London Mutual Insurance Society Limited (Royal London) have been unable to trace two 'penny policy' insurance policies set up to provide assurance for Mrs T and Mrs A.

Due to the time that's passed and the limited documentation available, it's unclear if these policies were set up in the names of Mrs T and Mrs A directly, or in their parents' names on behalf of their daughters.

It is for this reason I've addressed my decision to the estate of X, Mrs T and Mrs A.

## **What happened**

In the 1940's the parents of Mrs T and Mrs A took out 'penny policy' insurance policies to benefit each of them. The last known contributions to the policies were in 1971.

In 2021, Mrs T contacted Royal London asking them to verify the value of each policy and pay them out.

Royal London searched their systems but couldn't find a record of the policies. They said they were only obliged to keep records of policies without value for six years but explained had any value remained in the policies, a record would still exist.

Mrs T and Mrs A disagreed with Royal London the policies could hold no value as their parents had paid premiums into them without fail and they'd not been surrendered.

Royal London's decision remained unchanged, so the complaint was referred to the Financial Ombudsman Service.

One of our Investigators looked into things but thought Royal London had done enough in trying to locate the policies. He said he was satisfied this was more likely than not because the policies no longer held any value.

Mrs T and Mrs A disagreed. Mrs T said it seems obvious the reason no record can be found is because the policies haven't been surrendered, and that without proof of the policies being cashed in, they see it as the funds having been stolen and see no reason for Royal London to withhold any pay-outs which are expected and overdue.

As no resolution could be reached the complaint has come to me for 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.

Having done so, I'm not upholding this complaint. I'll explain why.

But first, I'm aware I've summarised this complaint in far less detail than has been provided, and I've done so using my own words. No discourtesy is intended by this. Instead, I've concentrated on what I think are the key issues here. Our rules allow me to do this.

This reflects the nature of our service as an informal alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't

need to comment on every detail to be able to reach what I think is the right outcome reasonable in the circumstances of this complaint.

I also think it's important to say that my role here is to look at the searches Royal London have done to try and locate the two policies, and not necessarily to say what happened to the money. This is an important distinction.

Possession of the original receipt books isn't evidence either policy remain live or hold any value. I understand it shows the policies were active and contributions were paid until 1971, however, it doesn't evidence they weren't surrendered over the years.

The policies in question were taken out in the 1940's, around 80 years ago, so it's understandable there's limited documentation from the time other than the receipt books provided by Mrs T and Mrs A. In situations like this I need to reach a decision based on the balance of probabilities as to what I think is most likely to have happened.

Royal London have searched their systems using the information provided to them and they've provided screen shots showing no policies either open or closed were found.

Having considered these screen shots, and the information provided by Royal London, I'm persuaded, on the balance of probabilities, neither policy remains open with them. And that any policies previously held were more likely than not closed prior to the retention period of information by Royal London. I'm satisfied had either policy held value still, the retention period wouldn't apply, and the searches completed by Royal London would've located them.

As I said above, my role is to look at what searches Royal London have done to try and locate Mrs T and Mrs A's policies. Having looked at everything I'm satisfied Royal London have acted fairly and reasonably when searching their records. It's unfortunate, but not unexpected after some 80 years since the policies were set up, and around 50 years since any evidence of contributions to the policies being made, Royal London have been unable to say where the money went, but I don't think they've made any errors in their actions.

For these reasons, I don't uphold this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint about The Royal London Mutual Insurance Society Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of X and Mrs T and Mrs A to accept or reject my decision before 10 February 2023.

Sean Pyke-Milne  
**Ombudsman**