

The complaint

Mr K complains that ReAssure Limited can't locate and provide information about a policy he took out in 1989.

What happened

Mr K set up several policies with Legal & General (L&G) in the late 1980s. In October 2018 L&G sent a letter to Mr K about a change of name he'd requested in 1997. The letter specifically referred to policy number ****939.

L&G's pension business was taken over by ReAssure in 2020.

Mr K wrote to ReAssure in August and October 2020. In his letter of 1 October 2020 Mr K said he wanted to withdraw some funds from his pension plans. He listed three policy numbers including ****939 and he asked for current fund values. Mr K wrote again on 26 October 2020 saying he hadn't had replies to his letters of 31 August and 1 October 2020 and he was making a formal complaint.

It seems that initially ReAssure was unable to give Mr K any information about policy number ****939. ReAssure investigated further and wrote to Mr K on 31 August 2021. ReAssure confirmed the policy had been set up on 4 March 1989 but subsequently wasn't proceeded with and no premiums were ever received.

Mr K didn't think what ReAssure said was correct. Mr K contacted us and we referred his complaint to ReAssure. ReAssure sent its final response to Mr K on 31 December 2021. ReAssure said policy number ****939 was never taken up. L&G had received the application form dated 4 March 1989 and policy number ****939 was assigned. But no premiums were ever paid and so L&G cancelled the policy from inception.

Mr K asked us to look into what had happened. He said L&G's letter of 24 October 2018 confirmed the policy existed and, as he'd never accessed the policy, it must still exist.

One of our investigators looked into Mr K's complaint. In summary our investigator said there was no evidence that any premiums had been paid into the policy. Apart from the letter sent in 2018 there was no documentary evidence relating to the policy. And, in 1998 L&G had, in response to a letter from Mr K, sent details of four policies he held with L&G. The correspondence didn't list policy number ****939. And it didn't seem Mr K raised any issue about that policy not being mentioned. The investigator said there was no evidence that Mr K had been notified that policy number ****939 had lapsed or that no premiums had been received. A similar letter had been sent in 1993 for a different policy. The investigator's view was that policy number ****939 wasn't an active policy. Mr K had suffered a loss of expectation but there was no evidence of any financial loss.

But the investigator thought the customer service Mr K had received was lacking – he'd been sent the letter in 2018 but no follow up to say a mistake had potentially been made. And he'd queried things with ReAssure in August 2020 and didn't get an answer until August 2021. The investigator recommended a distress and inconvenience payment of £100.

In response ReAssure said it thought the issues raised had been covered in a final decision we'd issued on another complaint made by Mr K. The investigator replied, saying that decision focused on customer service issues arising in connection with two different policies whereas Mr K's current complaint concerned policy number ****939.

ReAssure said, although it had taken over twelve months to tell Mr K the policy hadn't been taken up at inception, Mr K should've been aware of that. He'd have known he wasn't paying premiums and no annual statements had been issued. ReAssure added that it wasn't obliged to keep records for policy that hadn't been taken up. So it didn't hold documentation which would've been sent to say the policy had lapsed. ReAssure didn't agree Mr K had suffered a loss of expectation.

Mr K said compensation of £100 was inadequate.

We told Mr K and ReAssure that the complaint would be referred to an ombudsman. But subsequently the investigator wrote to Mr K and ReAssure saying that the complaint had been resolved, ReAssure having agreed to pay the compensation suggested by the investigator, and we were closing our file.

Mr K replied saying he was confused as he hadn't accepted the amount which the investigator had suggested ReAssure should pay and he'd asked for an ombudsman to look into the case. He later received a cheque from ReAssure for £100 which he destroyed as he didn't accept that was adequate compensation.

The investigator confirmed to Mr K that the complaint had been put back in the queue for an ombudsman's decision and that due to the time that had elapsed he'd try to get it allocated sooner than would normally happen. He apologised for the confusion regarding the complaint.

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.

It seems we mistakenly thought Mr K would be prepared to accept £100 in settlement of his complaint. And ReAssure agreed to pay that sum and sent Mr K a cheque. But Mr K's made it clear he doesn't think that sum is adequate and he wants an ombudsman to look at his complaint. I'm sorry for our misunderstanding.

I've considered Mr K's complaint. But, having done so, I agree with the conclusions reached by the investigator on the central issue of whether policy number ****939 still exists.

Where, as here, a complaint dates back some time, ascertaining exactly what's happened can be difficult. It may be that not all records will have survived – although sometimes a lack of records will suggest a policy never became active. Here there's no doubt that a policy was set up – ReAssure has confirmed that and the date – 4 March 1989. But thereafter, aside from the letter dated 24 October 2018, there's no documentary evidence relating to the policy. No statements appear to have been issued and there's been no correspondence generally.

I've considered the 24 October 2018 letter very carefully. It's specifically about policy number ****939 – the heading of the letter is Mr K's name and that policy number. And it says L&G had identified that as a plan held with it by Mr K and in respect of which documents to confirm a name change were outstanding. I can understand why Mr K points to the letter as

clear evidence that the policy exists. But I don't think the letter is determinative. It may simply have been sent by mistake. So I've looked at what other evidence there is to show the policy was active.

I know Mr K says he recalls making contributions to the policy but he hasn't been able to produce evidence to show that. I do understand his difficulties, given the time that's elapsed since the policy was set up, in getting bank statements to show that payments were made. But I'm not sure that would have shown into which policy payments were made. Mr K did have several other policies with L&G so it's possible that payments were made into those plans instead.

I note the investigator said Mr K should've been notified if the policy had lapsed. Had some contributions been made but then ceased, I think L&G/ReAssure would've needed to have notified Mr K as to any residual value, both at the time the policy was made paid up and over the following years. But, if no contributions were paid, the policy would've had no value and been cancelled from inception and it seems no notification was sent. Or if it was, given that the policy would've been cancelled over thirty years ago, no record has been retained.

On balance and from what I've seen, I think it's more likely that the policy was set up but for whatever reason the planned contributions were never made. I can't say Mr K's policy number ****939 was ever active. So I don't think he's suffered any financial loss in consequence of ReAssure being unable to trace all the details and say exactly what happened to the policy after it had been set up.

I've also considered how ReAssure dealt with the matter. Mr K contacted ReAssure about three pension policies, including policy number ****939 in August 2020 and again in October 2020. It wasn't until 31 August 2021 that ReAssure was able to tell Mr K that the policy had been set up but no premiums had been paid so the policy hadn't proceeded. I accept ReAssure would've needed some time to look into the matter and there may have been a large number of files, records, systems etc to check. Sometimes searching for something that's not there may take longer than finding something which does exist. But I don't think it should've taken ReAssure about a year to get back to Mr K with a definite answer about the policy.

And Mr K had to chase for responses. For example, in his letter of 26 October 2020 he said he'd received no replies to his letters sent in August and October 2020. And in his letter dated 3 February 2021 Mr K sets out information that he'd requested about his policies, including policy number ****939, which ReAssure hadn't provided.

I think there was some delay in some of the correspondence reaching Mr K. For example he didn't get ReAssure's letter of 31 August 2021 until 14 October 2021. But Mr K lives abroad and I can't say that any delays were ReAssure's fault as opposed to delays in the postal service.

I know Mr K feels very strongly that £100 isn't adequate compensation for ReAssure's failings. He's brought three complaints about ReAssure (and he's mentioned a further possible complaint). I understand two complaints have been upheld and I'm upholding this third complaint to the extent that I don't think ReAssure dealt with the matter well. Mr K's various issues with ReAssure will no doubt have dented his confidence in ReAssure's ability to investigate properly what happened with policy number ****939.

But Mr K's other complaints have been dealt with separately and I'm only considering here his complaint about policy number ****939. That said, I recognise that having to bring a further complaint will likely have impacted more on him – he's likely to have suffered a

greater degree of disappointment and frustration in having to complain again. And, as he's stressed, he's found his dealings with ReAssure time consuming and tiring.

But I haven't upheld Mr K's central complaint – that he has a policy with some value that's gone missing. All I've found is that ReAssure could've dealt with Mr K's queries and his complaint quicker. In the circumstances I think the sum suggested by the investigator, £100, is fair and reasonable in the circumstances of this complaint.

My final decision

I uphold the complaint but in part only. ReAssure Limited must pay Mr K £100 for the distress and inconvenience suffered as a result of ReAssure Limited's handling of his enquiries.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 8 March 2023.

Lesley Stead
Ombudsman