

The complaint

Mr and Mrs D complain about how Sun Life Assurance Company of Canada (U.K.) Limited have administered their life insurance policy.

What happened

In early 2023 Mr and Mrs D asked Sun Life for information about their policy. They then complained to Sun Life after being made aware that the number of units held in the underlying fund for the policy was lower than they expected.

Sun Life explained how the policy worked and why the units held had decreased.

Remaining unhappy Mr and Mrs D brought their complaint to our service where one of our Investigators looked into what happened. They provided further explanation of how the policy works and why the number of units had decreased.

Our Investigator thought Sun Life took too long to answer the query from Mr and Mrs D about the policy, and that overall communication could've been clearer. Sun Life agreed with our Investigator to pay £100 for the customer service they received.

Mr and Mrs D didn't accept the £100 saying they were unhappy with the lack of updates about the policy over the years from Sun Life. Because an agreement couldn't 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.

Mr and Mrs D have provided quite a bit of information about their complaint and it's clear to me how strongly they feel about what happened. I want to assure them that I've read and considered everything that has been submitted even if I don't mention it all in detail. I've summarised some things which reflects the informal nature of our service.

Both Sun Life and our Investigator have explained in some detail how the policy works and why the number of units held were less than Mr and Mrs D were expecting. And I think the explanations are a fair way of describing how the policy works so I won't go into detail again here. Essentially there were less units than Mr and Mrs D were expecting as some units had been surrendered to pay for the cost of cover. This is the way policies of this nature work.

I can understand why Mr and Mrs D were disappointed when there were less units than they expected, however I haven't seen any evidence of errors made in the number of units held.

Mr and Mrs D also had some concerns about how letters from Sun Life were addressed. The letters were addressed solely to Mr D as he is the policyholder even though both lives are assured under the policy. Letters about the complaint were also addressed solely to Mr D because he was the one dealing with the matter. This may have caused some confusion and upset but I haven't seen any mistakes were made by Sun Life when issuing correspondence.

The area where Sun Life did cause Mr and Mrs D inconvenience was the delay in providing the requested information about the number of units held. It took several weeks for Sun Life to provide the information and Mr and Mrs D made proactive contact on more than one occasion to chase a response.

For this delay our Investigator thought £100 was a fair way of putting things right and Sun Life agreed to the proposal. Considering the level of trouble and inconvenience caused I think £100 is a fair and reasonable amount for the time taken and worry caused.

When dealing with our Investigator Mr and Mrs D went to say that they didn't accept the £100 as they were unhappy with the lack of updates over the years about the policy. They say had they been informed about the decrease in units they would've cashed in the policy sooner.

The main feature and benefit of this type of policy is the life cover provided. There may be a cash in value, however this is not guaranteed.

Having looked at everything I'm satisfied Sun Life administered the policy in line with the General Conditions. This includes how reviews are conducted, as well as the value of the underlying fund, and communication over the years. So whilst Mr and Mrs D might've liked more communication and updates, I haven't seen that Sun Life made any errors when administering the policy.

Putting things right

Sun Life Assurance Company of Canada (U.K.) Limited should pay Mr and Mrs D £100 for the service they received.

My final decision

For the reasons I've explained above my decision is that I uphold this complaint.

Sun Life Assurance Company of Canada (U.K.) Limited should pay Mr and Mrs D £100 which I think is a fair offer in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 8 May 2024.

Warren Wilson

Ombudsman