

## **The complaint**

Mr W is unhappy that The Royal London Mutual Insurance Society Limited trading as Police Mutual ('Police Mutual') didn't notify him that the guaranteed investment bond ('GIB') he had with them had been withdrawn from the market. He is also unhappy with the performance of the bond.

## **What happened**

Mr W invested £50,000 into a GIB with Police Mutual in 2015. In November 2023, he contacted them as he was unhappy with the overall performance of the bond up to that point.

Police Mutual responded, saying that the value of the bond was subject to change due to the underlying investment fund including stocks and shares. They said these were subject to general market conditions and that since 2020, these had been particularly volatile with world events.

Police Mutual explained how the bond and guarantee points worked, referencing the Key Features Document Mr W was sent when he first invested and adding that the bond was designed to run in the medium to long term. They also highlighted that they hadn't provided Mr W with advice when he invested, and that the value of the GIB had grown, both at the first guarantee point in 2020 and since then.

In recognition of the fact Mr W had sent them secure messages which weren't replied to, Police Mutual offered him £60 compensation.

When responding to Mr W's complaint, Police Mutual also mentioned that they had withdrawn the GIB from the market in 2017. Mr W was unhappy he hadn't been notified of this, and says that if he had been, he would have moved his investment elsewhere. Police Mutual explained that the information was available on their website and that they did not need to contact him directly.

As he was still unhappy with this response, Mr W brought his complaint to our service where it was considered by an investigator. They did not uphold the complaint, and Mr W asked for an ombudsman's decision. So the case has been passed 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 by saying that an investment performing poorly or below an investor's expectations isn't itself a reason for me to uphold a complaint. I need to be persuaded that the business has done something wrong, for example with the advice they provided or the way they managed the investment.

Mr W didn't receive advice from Police Mutual as the GIB was taken out on an execution only basis. So I cannot consider whether it was suitable for Mr W's circumstances. And I've

been provided with nothing to suggest that Police Mutual mismanaged the fund. The performance of the stocks and shares within the fund isn't something that Police Mutual controls, as the values will fluctuate based on a broad variety of factors and overall market conditions. As with any investment, there is always an element of risk involved, and Mr W would have known that the value could have gone up or down. With this particular product, Mr W would've been guaranteed to get back at least his initial investment, if he surrendered at any of the five yearly guarantee points. Overall, I've seen nothing to demonstrate Police Mutual are responsible for what Mr W sees as the poor performance of his GIB, and I don't uphold this complaint point.

Mr W has said that as the GIB was withdrawn from the market, he will have been disadvantaged by remaining invested because there were no new investors and therefore no new money going in, to boost funds. However, the withdrawal of this particular GIB from the market will not have had a detriment on Mr W and other existing investors in the way he has described. I say this because the money from the GIBs is invested into an underlying fund. Initially this was the Police Mutual Life Fund and from 2020, the Royal London Long Term Fund. These are large funds and are not unique to the GIB – the flow of money into these funds comes from many different Police Mutual (or Royal London) products. So the status of this particular product – the GIB – would have no bearing on the underlying fund, as there are a number of other products also investing into it.

I understand Mr W is particularly unhappy about the fact he wasn't notified directly about the withdrawal of the product from the market. He's told us that a previous provider did this, and it's what he would have expected here too.

While I appreciate Mr W's strength of feeling on this matter, I don't think Police Mutual needed to contact him personally about the withdrawal of the GIB from the market. As I said above, I don't think the withdrawal was likely to affect his investment directly and there is no specific regulatory requirement that says Police Mutual need to contact bond holders individually in these circumstances. The Financial Conduct Authority's Principles for Businesses principle 7 states that *"A firm must pay due regard to the information needs of its clients, and communicate information to them in a way that is clear, fair and not misleading."* But this doesn't mean they needed to contact Mr W personally in this situation, because as I said above, this information would not have directly affected existing investors. The information was clear on their website, a public space and where I would expect to see it.

Mr W has said that he would have left Police Mutual and invested his money elsewhere if he'd known the product had been withdrawn from the market. There has been some discussion between him and the investigator about this. I understand Mr W previously moved his money from another provider when they withdrew a similar product from the market. So I can see why he says he would have done the same here, had he been notified earlier. However, as outlined above, I don't believe that Police Mutual needed to do anything further to communicate the product's withdrawal, and I'm not satisfied Mr W has been caused detriment by not being contacted personally. So I won't be upholding this complaint point.

I acknowledge that Mr W has been offered £60 in compensation for secure messages which were not replied to. If this has not already been paid to Mr W and he wishes to accept it, he should contact Police Mutual directly to arrange this.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or

reject my decision before 25 October 2024.

Artemis Pantelides  
**Ombudsman**