

## The complaint

Mr W complains about mistakes made by ReAssure Life Limited which meant that his Whole of Life policy became non-qualifying.

## What happened

One of our Investigators looked into the complaint and thought the offer made by ReAssure was a fair way of putting things right.

After reviewing everything I came to a different view about what ReAssure should do to settle the complaint.

I issued a provisional decision on 23 April 2024 in which I said:

*A lot of information has been supplied about this complaint and I want to assure both parties I've considered everything that has been provided. I've summarised some things which reflects the informal nature of our service. And also, since ReAssure have accepted responsibility for the error, I will concentrate on how I think things should be put right.*

*ReAssure have offered a total of £200 for the inconvenience of what happened.*

*Having considered the impact of the error I think £500 represents a more fair and reasonable level of payment. I've taken into consideration the amount of ongoing worry Mr W has had so far, and the fact that this will be an issue that continues to cause concern for the life of the policy. This is a considerable amount of annoyance and inconvenience that Mr W has been put to through no fault of his own.*

*ReAssure have offered to cover any future tax liability related to the policy. I think this is the correct thing to do since they have accepted responsibility for the error which led to the problem. However I understand Mr W's concerns about what might happen in the future and why he feels the promise made in the final response letter isn't a binding guarantee.*

*To give Mr W more reassurance about the future I think ReAssure should provide a more formal indemnity agreeing to cover any future tax liabilities arising from the problem.*

*I contacted both Reassure and Mr W through his representative, to let them know my thoughts about how to put things right.*

*Mr W's representative said the increase in compensation was more reasonable, and that a more formal indemnity being put in place was a good solution.*

*Having carefully considered everything that happened I'm satisfied a payment of £500 and the putting in place of a formal indemnity is a fair and reasonable way of settling this complaint.*

*Because this is a different way of putting things right than was originally proposed I'm issuing a provisional decision so both parties can comment. Also by issuing a decision I hope it gives Mr W more certainty about any future tax liability due to the error.*

### ***Putting things right***

*ReAssure should provide a formal indemnity to cover any future tax liability arising as a consequence of the policy losing the qualifying status as a result of their error.*

*ReAssure should pay Mr W £500 for the trouble and inconvenience caused.*

I asked both parties to provide me with any further submissions before I issued my final decision.

Reassure accepted the decision saying they agreed with the increased compensation and that they would issue correspondence about the tax indemnity. They also explained that there was a marker on Mr W's policy to ensure that letters are automatically generated when a change is made to the policy that triggers a tax charge.

Mr W, through his representative said the £500 was a more reasonable level of compensation and that an indemnity would be a good solution. The information about the marker on the policy was also shared with Mr W's representative who said there were no further points to make, or additional information to provide.

The complaint has now been passed back 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 carefully thought about the responses from both parties I find myself coming to the same conclusion as my provisional decision.

I'm satisfied that a payment of £500 and the provision of an indemnity is a fair and reasonable way of resolving the complaint.

### **Putting things right**

ReAssure should provide a formal indemnity to cover any future tax liability arising as a consequence of the policy losing the qualifying status as a result of their error.

ReAssure should pay Mr W £500 for the trouble and inconvenience caused.

### **My final decision**

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

ReAssure Life Limited should take the actions I've explained above to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 2 July 2024.

Warren Wilson

**Ombudsman**