

## **The complaint**

The trustees of the S Trust, represented by Mrs S, complain about ReAssure Limited. They're unhappy with incorrect information they've received relating to a reviewable whole of life (RWOL) policy the Trust holds.

## **What happened**

The S Trust holds a RWOL policy with ReAssure which is subject to regular reviews and annual indexation. In 2023 Mrs S, the life assured, complained to ReAssure as she was receiving contradictory information about the premiums and sum assured in the review and indexation letters they'd sent her.

ReAssure looked into her concerns and upheld her complaint. They explained that they'd provided incorrect figures in the 2022 review letter and in subsequent correspondence Mrs S had received in March and April 2023. They offered her £450 as compensation for the inconvenience they'd caused her and said that the policy's correct sum assured was £195,406.76 and the premiums should be £47.78.

Mrs S got back in touch with ReAssure to explain that she was unhappy with their findings as she was still unsure with the accuracy of the figures that had been provided. ReAssure responded and apologised for the ongoing issues, they said that prior to any indexation in 2023, the premiums were £42.84, and the sum assured was £251,278. They then wrote to Mrs S a few weeks later and said they'd made an error with the premiums and the new premium should be £48.64.

Mrs S then asked for our help with the matter. The complaint was considered by one of our investigators who thought it should be upheld. She thought that because of the numerous errors ReAssure had made in their communications, they should increase their compensation to £550.

Mrs S didn't accept the investigator's findings and explained that due to all the incorrect information she'd received from ReAssure, she wasn't confident that they'd provided her with the correct figures. In her opinion, the sum assured should be £285,225.86 and the premiums £48.64 as per the letter she received in November 2023.

The investigator reached out to ReAssure to confirm the correct figures. They responded and set out the errors that had been made going back to 2019. They explained that the sum assured and premiums as of 1 June 2024 should be £195,406.76 and £50.02. Unfortunately, during this time they sent Mrs S another letter containing incorrect figures. The investigator passed this information to Mrs S, but she didn't accept it was correct and asked for an Ombudsman to review the complaint and make a decision. Therefore, it's 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.

Having done so, I'm of the opinion that this complaint should be upheld. ReAssure have accepted that they've made errors so my role here is to determine fair redress and to establish the correct policy information.

### **What is the correct sum assured and monthly premium?**

ReAssure have explained that they didn't correctly increase the premiums in line with indexation. Since 2019 they'd been collecting an incorrect amount, however the sum assured was correct throughout. The indexation reviews should have been as follows:

- The premiums after the 2019 indexation review should have been £38.86 but they only collected £38.51.
- The premiums after the 2020 indexation review should have been £39.87 but they only collected £39.35.
- The premiums after the 2021 indexation review should have been £40.45 but they only collected £39.83.
- The premiums after the 2022 indexation review should have been £44.07 but they only collected £42.84.
- The premiums after the 2023 indexation review should have been £50.02 but they only collected £47.78.

They also explained other errors that took place:

- They issued an incorrect review in 2022 for £251,278. Further letters then confirmed the incorrect death benefit amount and had been contradictory.
- They performed a remediation exercise in 2023 where they re-issued the 2022 review as a reconstruction, but they didn't include all the underwriting charges in their calculation. But they thought the correct position as at 1 June 2024 should be £50.02 for a sum assured of £195,406.76.

It is clear that ReAssure have made several errors and it is difficult to establish exactly what the correct sum assured and premiums should be. What can be established is that the premiums have been incorrect since 2019 and the sum assured has been incorrect since 2022.

### **How can ReAssure resolve the issue?**

I appreciate that Mrs S would like the figures from the November 2023 letter to be honoured. It said that the sum assured should be £285,225.86 and the premiums £48.64. But I don't think those figures are correct. What we do know is that the policy would have failed the 2022 review and the sum assured would have fallen significantly. From the information ReAssure have provided, I think it more likely that the sum assured is below £200,000.

However, given all the errors that have occurred, I think ReAssure need to recalculate the correct position of the position of the policy. They've proposed to take the following steps to put things right:

- They will ignore any corrections for underpaid premiums between 2019-2021 as they

fall within their tolerance levels of £1.

- Redo the 2022 review based on correct information and reissue the corrected review and options to Mrs S.
- Depending on which option is chosen, they would consider a write on for the shortfall to correct the policy.
- They will then recalculate the 2023 and 2024 indexation reviews using the corrected 2022 review outcome and write on any shortfall accordingly and arrange collection of the correct premium.

I find their proposal satisfactory as I think the policy needs to be reworked from the last position where we knew it was correct and Mrs S' decisions at the review and indexation points need to be considered. This would then put the policy back in the position it should be if all the errors hadn't happened.

It is also evident that Mrs S has suffered a significant amount of inconvenience due to the repeated errors ReAssure made. She's had to get in touch with them several times over an extended period to try and establish the correct position of the policy. And despite her repeatedly raising the issue, ReAssure have still continued to make errors. With that in mind, I think she is due compensation and I agree with the investigator's view that £550 is fair and reasonable in the circumstances.

### **Putting things right**

- ReAssure need to redo the 2022 review based on the correct information and reissue the corrected review and options to Mrs S.
- Mrs S can then choose her preferred option and ReAssure should then recalculate the 2023 and 2024 indexation reviews based on the options Mrs S has chosen.
- ReAssure should then let Mrs S know if there is any shortfall in premiums paid that needs to be made up.
- They should also pay Mrs S £550 in total for the inconvenience she's suffered if they haven't done so already.

### **My final decision**

For the reasons I've given above, I uphold this complaint. ReAssure Limited need to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mrs S to accept or reject my decision before 21 April 2025.

Marc Purnell  
**Ombudsman**