

The complaint

Mr P complained about Countrywide Assured Plc (CWA). He said CWA sent out incorrect forms, and because of this delayed his with profits life assurance policy from being surrendered.

Mr P said because of this he incurred a loss. He would like CWA to compensate him.

Mr P has been represented in his complaint by his wife, Mrs P. I have referred to both in my decision, but to be clear this complaint is about Mr P's with profits life assurance policy.

What happened

Mr P had a with profits life assurance policy with CWA. Mrs P on Mr P's behalf said on 20 October 2023 she phoned CWA and confirmed with it that she would like to surrender Mr P's policy. On the same day a representative from CWA sent Mr P forms to complete. Mrs P said she dutifully completed the forms on the same day and returned them to CWA. Mrs P said on the same day she also asked CWA to send her the surrender value of Mr P's policy, in the post.

Mrs P said Mr P received a message on 28 October 2023 from CWA, to say the form it sent to them, and they completed, was incorrect.

Mrs P said she followed this up on behalf of Mr P with CWA twice and on the second occasion, on 31 October 2023, she was told on the phone by a representative that nothing was happening with Mr P's policy as the forms that were sent in were wrong. Mrs P said the representative explained that there was a distinction between the form she completed that was about encashments and the correct one that included an option to surrender the policy.

Mrs P said the form she previously submitted on 20 October 2023 should allow for Mr P's policy to have been surrendered and the value of the policy should have been paid from that date. Instead, she said, she had to resend a form on the 31 October 2023, and Mr P received less from his surrendered policy. Mr P received a lower amount than Mrs P said he would have done if the original form had been accepted and value had been taken on 20 October 2023. Mrs P on behalf of Mr P complained to CWA about this.

CWA said in response that it was sorry it sent the wrong form initially, which it couldn't then accept when it was returned.

CWA said it sent the correct form and this was received by it on 31 October 2023. It said payment was raised and authorised on 3 November 2023 and the surrender value of Mr P's policy was £47,898.30.

CWA said in order for Mr P to not be financially disadvantaged by its mistake, it compared the bid price from the day it would have processed Mr P's surrender request to when it did do so. It said from this it calculated the loss that Mr P made because of its mistake as £111.98. It said it also caused Mr P distress and inconvenience, so it also offered £50 to him for this. It offered a total of £161.98 to Mr P.

Mrs P was not happy with CWA's response, and said the dates and figures used by CWA were inequitable. She said the date CWA should have used was 20 October 2023, as this was the date it received the incorrect form. She said if it did that, it would calculate Mr P's loss to be £1397.22 and not £111.98.

CWA responded to Mrs P's comments and said although she sent the incorrect form on 20 October 2023 about Mr P's policy, it was sent outside of business hours, and so the receipt date of the form was on the next working day, this being 23 October 2023.

CWA said it processes surrender requests two working days after receipt in order to allow time for the correct bid prices to be allocated to the policies. It explained that the bid price that should have been used to surrender the policy was 25 October 2023. It said the surrender value that it sent to Mr P dated 20 October 2023, was a guide and not the value that Mr P was due. It said it used BACS to pay the proceeds of Mr P's policy. It said the time taken to do this, varies from bank to bank.

An investigator looked into Mr P's complaint. He said he didn't think CWA needed to take any further action. He concluded CWA carried out its obligation to him by undertaking its role in surrendering the policy once the correct form had been received.

The investigator said he was satisfied CWA complete the correct price comparison when it made its offer of compensation. He said he thought the offer was fair and reasonable.

The investigator said CWA acted fairly and completed the correct procedures to ensure Mr P wasn't financially disadvantaged by the error it caused by sending the wrong form. He didn't uphold Mr P's complaint.

Mrs P on behalf of Mrs P was not in agreement with the investigator's view. She said CWA were at fault for not sending the correct forms. She said if the correct forms had been sent and returned on the same day, then she would have received the amount as shown on the written valuation of Mr P's policy, as she requested on 20 October 2023.

Because the parties are not in agreement, Mr P's complaint has been passed to me, an ombudsman, to look into.

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 have independently reviewed Mr P's complaint and have arrived at the same outcome as the investigator, for the same reasons. I will explain why.

CWA has taken responsibility for sending the wrong forms, so I don't need to make any findings about this. CWA sent the wrong forms and because of this caused a delay in when Mr P received the proceeds from surrendering his with profits life assurance policy.

What I do need to decide on, is *when* CWA ought to have used the bid price to value Mr P's policy. It is this issue that is contentious and something that the parties do not agree on. Mrs P has told CWA and our service that CWA should have valued Mr P's policy using the bid price from 20 October 2023. She said she asked CWA to send her written confirmation of this value on 20 October 2023, when she informed CWA that Mr P was surrendering his policy. Mrs P has calculated that by using the value on 20 October 2023, Mr P should be compensated £1397.22 by CWA.

CWA on the other hand has told our service that it has calculated Mr P is due £111.98. It said it did this by working out what it would have done, but for the mistake it made. It said Mrs P sent Mr P's form in after business hours and so it received it on 23 October 2023 and not 20 October 2023. It said it then would have taken two working days to process the request and so used the bid price on 25 October 2023, and then calculated the amount Mr P had lost which was £111.98.

I have looked carefully at all of this and have also listened to the phone calls that Mrs P provided to our service. I have listened to what was said between the parties during the calls, read all of the correspondence and also considered what both have said since.

In doing so, I don't think I can say CWA's offer of compensation to Mr P for the mistake it said it made is unfair. I say this because I can see it has looked to put Mr P back in a position he would have been in, but for the mistake it made.

CWA has explained how it would have dealt with Mr P's request had it sent him the correct form on 20 October 2023. It said Mrs P sent the form back to it after business hours, and so it stands to reason that this would have been the case if she or Mr P was sent the correct form to complete and send back to. It said it had to then process the form on 23 October 2023 and then took 2 days to do this. I don't find fault with it doing this.

I have looked at the paperwork provided by CWA and read what it has said about this on its website. I can see clearly that CWA said it looks to surrender a policy once it has received all the information it needs, and not as Mrs P would like it to be, on notification from the policy holder or their representative. CWA has explained on this occasion that it didn't obtain the information back from Mrs P until after business hours and so the first opportunity it had to deal with the request was on 23 October 2023. I am persuaded by what CWA has said here, it does explain why it dealt with Mr P's request the following week. It means on balance, that there isn't a scenario here where Mr P's policy was going to be surrendered on 20 October 2023, so he didn't incur the losses Mrs P has told our service he has.

I also haven't seen anything, from CWA where it has told Mrs P or Mr P that it would use the bid price on the day a request is made to surrender a policy. The valuation statement it sent to Mr P showing the value of his policy as of 20 October 2023, was exactly that: a valuation statement from that day and not confirmation of what he would receive. Conversely, I can clearly hear the representative from CWA saying to Mrs P in the phone call from 20 October 2023, that the request would take up to 5 working days to action [once it received the information it needed] and then 3 to 5 working days for payment to go into his account. I can see that throughout; this was the timeframe that CWA was working to.

In conclusion, CWA has made a mistake and sent a wrong form and this delayed payment of Mr P's with profits life assurance policy that he wanted to surrender. CWA agreed it should put things right and ensure Mr P hadn't lost out due to its mistakes. It worked out that, if it had sent the right forms, it would have processed Mr P's request using the bid price on 25 October 2023 and not 20 October 2023 as Mrs P wanted it to. I don't find fault with CWA doing this and can see that this was the process that it followed when dealing with requests such as these. By calculating the loss that Mr P made from the mistake it made, it looked to put him back in a position he would have been in, and I think it was fair of it to do so.

CWA also offered £50 for the distress and inconvenience it had caused here. I think this offer is fair too and is in line with the sort of amount I would award in the circumstances of Mr P's complaint.

Again, I don't think CWA has made any mistakes here or been unreasonable in anyway in the way its dealt with paying the proceeds of Mr P's policy. It said it would process Mr P's request within 5 working days of receiving his instructions and then it would take 3 to 5 working days for it to pay the proceeds. It seems that in this case, with those timescales in mind, CWA were not being unfair to Mr P with how it dealt with his request and payment of his proceeds.

I appreciate that my decision will be very disappointing for Mr P and Mrs P. But after considering all that has been submitted and said, I think the offer that CWA has made to Mr P to put things right for the mistake it has made, is fair and reasonable.

CWA has made an offer to pay £111.98 for the loss Mr P has incurred along with £50 for distress and inconvenience. I think this offer is fair in all the circumstances.

My final decision

My final decision is that Countrywide Assured Plc pay Mr P £161.98, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 16 December 2024.

Mark Richardson
Ombudsman