

The complaint

Miss A complains about Scottish Widows Limited trading as Clerical Medical. She's unhappy that they haven't paid her the proceeds of two endowment policies which matured.

What happened

Miss A held two endowment policies with SW which matured in 2012. She contacted them in August 2023 and said that she hadn't received the proceeds when the policies matured. She was told by their representative that they would reissue two cheques for the proceeds.

She got back in touch with them several times over the next few months as she still hadn't received the funds. She explained that she'd spent some money in anticipation of receiving the maturity proceeds. SW treated the matter as a complaint and investigated what had happened.

They wrote to Miss A in January 2024 and said they were unable to uphold the complaint. They apologised for misinforming her and causing her inconvenience. They explained that they'd written to her prior to maturity using her correct address at the time and had been in regular contact with her over the following years.

They thought that she would have been aware at the time of maturity that the cheques were due, and thought she would have contacted them if she hadn't received the cheques. They also noted that they'd checked their unclaimed funds register and hadn't found any details of unclaimed funds relating to her policies. They offered compensation of £100 for the inconvenience they'd caused and £26.60 for the cost of the calls she'd made to them.

Miss A didn't accept their findings and asked for our help. The complaint was considered by one of our investigators who thought it should be partially upheld. She was of the opinion that the cheques had most likely been cashed following maturity based on the evidence SW had provided. However, she thought Miss A had been caused a significant amount of inconvenience by SW which warranted total compensation of £500.

SW accepted the investigator's findings, but Miss A didn't. She explained that she was very disappointed with the outcome and provided bank statements from the time which showed that the funds hadn't been credited to her account. The investigator noted the evidence Miss A had provided, but still thought it was more likely than not that the cheques had been issued and cashed. As there's been no agreement, the complaint has been passed to me to make 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 done so, I agree with the investigator's findings and think this complaint should only be partially upheld. I will go on to explain why, but I'd like to firstly thank Miss A for her submissions, and I'd like to assure her that I've carefully considered what she's said and the

evidence she's provided.

In order for me to fairly say that SW didn't send her the maturity proceeds, I must be satisfied that her version of events is more likely than SW's. With this in mind, I've considered what happened at the time of maturity. Given the length of time that has passed since the policies matured, there is limited information available.

Miss A has explained that what prompted her to get in touch with SW was the discovery of paperwork from October 2011 relating to the policies that she'd filed away with her pension documentation. She's said that when she received the documentation from SW, she must have mistakenly thought that they referred to her pension. And she didn't chase the maturity payment at the time because she'd paid off her mortgage by then.

However, SW have provided evidence to show that they sent Miss A two letters in June 2012 regarding the endowment policies she held. Both letters were sent to the address where Miss A has confirmed she was residing at the time. The address also matches the address on the letters Miss A has provided from October 2011.

The first letter related to policy B525400 was sent on 7 June 2012 and said:

"I am pleased to advise you that your policy is due to mature on 19 July 2012 and enclose a schedule of the amount we will pay.

You do not need to do anything as we will send you a cheque.....

We will write to you again by 19 July 2012 enclosing a cheque."

The second letter related to policy B289635 and was sent on 19 June 2012 and said:

"I am pleased to advise you that your policy is due to mature on 31 July 2012 and enclose a schedule of the amount we will pay.

You do not need to do anything as we will send you a cheque.....

We will write to you again by 31 July 2012 enclosing a cheque."

I'm satisfied that the content of the letters was clear that they related to the maturity of the endowment policies and not to her private pension. They specifically highlighted the amounts due to Miss A and the date she should expect to receive the cheques. Given that there were two separate letters sent, I think it is more likely than not that Miss A would have received at least one of the letters. I completely accept that she might not recall receiving the letters but they were sent over 10 years ago, and memories do fade over time.

I must also give consideration to the searches SW has carried out on their systems. They've provided evidence to show that the maturity proceeds aren't on their unclaimed funds register. I think this is a key piece of evidence, the maturity amounts were £3,850 and £10,965.60 which are very specific figures. If they were still outstanding, then I think they would be clearly recorded on the register and not too difficult for SW to find. Given that SW hasn't found any trace of the payments on their systems, I'm satisfied it is more likely than not that they were paid out.

I accept Miss A has provided copies of her bank statements from the time of maturity which show that the funds weren't credited to the account. However, I'm not persuaded that this is more conclusive evidence than the searches SW have carried out. I appreciate Miss A will be disappointed, but I don't think I can fairly say SW need to now pay her the maturity

proceeds.

I think the evidence they've provided - the letters from the time which explicitly stated when the proceeds would be paid, the subsequent lack of any contact from Miss A at the time, no evidence of the proceeds on the unclaimed register – is enough to make me conclude that it's more likely than not that they issued the cheques at the time of maturity.

However, it is clear that they have caused Miss A a great deal of inconvenience by telling her a number of times that they would pay her the funds and then not doing so. They have impacted her as she spent money in anticipation of receiving the funds. I appreciate why Miss A might have spent the money, but for the reasons I've previously stated, I can't fairly ask them to pay her money she wasn't due. But I do think they need to compensate her for the distress and inconvenience they caused her. I agree with the investigator's opinion that £500 total compensation would be fair and reasonable in the circumstances.

Putting things right

Scottish Widows Limited trading as Clerical Medical should pay Miss A £500 compensation for the distress and inconvenience they've caused her. They can deduct any compensation payments they've already made from this sum and pay her the balance.

My final decision

For the reasons I've given above, I think this complaint should be partially upheld and Scottish Widows Limited trading as Clerical Medical should put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 14 January 2025.

Marc Purnell
Ombudsman