

The complaint

Mrs S complains about the increases in premium which ReAssure Limited has required to date and has told her will require in future.

What happened

Mrs S initially took out the policy with Crown Life Assurance Company Limited in 1984. The policy provided an initial sum assured of £53,636 for a monthly premium of £17.64. The purpose of the policy was to provide protection for her family in the event she passed away.

In 1995 ReAssure took over Crown Life and so Mrs S's policy was administered by it. The policy was reviewable, and I've seen copies of reviews carried out in 2009, 2014, 2023 and 2024. There should've been a review in 2019, but this was erroneously missed – so ReAssure put the matter right in its 2023 review.

The reviews in 2009 and 2014 passed, meaning that ReAssure considered that the premiums Mrs S was paying were sufficient to sustain the policy. However, by 2023 Mrs S was required to increase her premium in order to maintain the same sum assured of around £53,000. As a result of this review ReAssure awarded Mrs S some compensation and confirmed what it had done to put right the 2019 missed review.

Mrs S complained. One of our investigators looked into Mrs S's complaint. In summary, she considered that ReAssure's communications prior to 2023 had not met the relevant standards. The investigator didn't think they were fair, clear and not misleading because Mrs S wasn't given key and relevant information about her policy – especially in or around 2009 when the costs of the policy were no longer being met by the premiums.

So the investigator considered whether better communications around that time would've caused Mrs S to make changes to the policy – but she didn't think they would have. The investigator considered Mrs S's circumstances and her evidence, and didn't think Mrs S would've surrendered the policy even if she'd been told that changes were likely later on. The investigator took into account the fact that Mrs S's husband had suffered some serious health issues around 2007 which had required him to cut back on work – and her daughter became unwell in 2009 and moved in with them. The investigator therefore concluded that Mrs S still had a need for the policy at the time and would not have found cheaper alternatives.

However, the investigator did consider that there were other administrative issues and errors to do with some of the reviews which warranted additional compensation – and she awarded £200.

ReAssure agreed with the investigator but Mrs S didn't. She thought that she'd been treated unfairly by ReAssure. She said that she would've cancelled the policy if she had known about the likely changes earlier – she said instead of paying for the policy she would've invested the money, including the surrender value.

She said that each stage, she was led to believe by ReAssure that the policy would remain

the same. She explained that she hadn't cancelled the policy because she didn't think ReAssure would have investigated it properly if she had. She said she always made it clear that she was increasing her contribution on the basis of the ongoing complaint.

As Mrs S raised some additional administrative issues, ReAssure agreed to correct the mistakes and pay Mrs S an additional £300.

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.

At the outset, I want to express my sympathy to Mrs S for her current circumstances and difficulties she's experiencing, as well as for the numerous issues she has encountered since her policy review in 2023. I understand this has been an upsetting and confusing time for her. But I'm sorry to disappoint her, I'm not persuaded I have sufficient evidence to conclude she would've surrendered the policy in 2009 or subsequently.

The key issue in dispute is what Mrs S would've done differently had she received fair, clear and not misleading communications about her policy sooner.

The investigator has set out what those communications would've looked like – broadly speaking, they would've included information, such as the ongoing charges that were being levied on the policy, information about what those charges might look like in future and what options Mrs S could choose to put the policy on a more sustainable footing. It's clear the reviews in 2009 and 2014 didn't do that – they weren't considering the long-term nature of the policy, but only the sustainability of the policy to the next review.

And the letters gave Mrs S the impression that there was nothing for her to do – and didn't indicate, in a clear way, that the charges on the policy, including the mortality costs, would rise in future as ReAssure must've known they would.

So I agree with the investigator's conclusions in terms of the communications – and since I've seen no submissions disagreeing with the investigator's summary of the standards and the reasons why she concluded ReAssure's communications, prior to 2023, did not meet them, I confirm those findings here.

But the letters Mrs S received in 2009 and 2014, did contain *some* information. The 2014 letter showed, for example, that under any of the growth assumptions the policy benefits would likely only be maintained for another 5 years – so Mrs S did know that the policy, on its current terms, was not sustainable for her whole life as she thought (although, as I've said, those projections would not have alerted Mrs S to the magnitude of changes required nor to the size of shortfall between premiums and charges that was already present). That letter also invited her to contact ReAssure.

In response to the investigator's assessment, Mrs S has candidly admitted contacting ReAssure in 2014 to ask some further questions and she was told the policy was on target. At the time her main focus was caring for her husband and so didn't pursue the matter further.

She's said that had she known about the likely increases after she turned 70, this was when she would've surrendered the policy. I know this will come as a disappointment to Mrs S – but I'm not persuaded that's likely.

I understand why Mrs S claims she would've surrendered the policy. But I also have to take

into account that the reason Mrs S can say that now is because no claim, on the policy, was made. Mrs S couldn't have known this in 2014 – that's precisely the reason she'd taken out the policy so long ago and had kept it all this time. If something ever happened to her, the sum assured would help provide for her family.

Even if Mrs S had seen the possibility of future increases, I'm not persuaded that would've been enough to convince her to surrender the policy – the sum assured of around £53,000 was much higher than surrender value of the policy at the time (in 2014 it was around £6,000 and in 2009 it was around £4,000). It's substantially more likely than not that, given her age at the time, alternative cover for the same sum assured would've been much more expensive. And whilst she's claimed she would've invested the money, the premium of around £17 per month she was paying would've been inadequate to build up an investment pot, within a reasonable time, of a sum anywhere close to the sum assured the policy was guaranteeing.

Mrs S takes issue with the size of the increase in premiums – and I can completely understand why. But that's happened because no claim on the policy has been made until now. Although better communications would've allowed her to see the likely increase long before that increase was required due to a failed review, they would not have fundamentally altered her need for the policy and the lack of cheaper alternatives. Furthermore, those communications would have indicated that there was still time before changes *needed* to be made – in other words, those communications wouldn't have required her to increase her premium or reduce the sum assured immediately. They would simply have given her a better understanding of what she'd likely need to do in future. Given the premium she was paying and the size of the sum assured, I'm persuaded it's more likely than not that Mrs S would've kept the policy – because it still represented value for money and met her objectives.

I appreciate Mrs S disagrees, but my role requires me to consider the evidence and make an impartial decision based on that. I've done so taking into account everything she has said as part of her complaint.

Putting things right

I agree with the investigator's recommendation for an additional payment. I understand subsequent issues also arose, for which ReAssure has offered additional compensation. I do not know if those sums have been paid.

My understanding is that the first award of £300, set out in the final response letter, was paid in 2023 – if my understanding is incorrect, then this sum should also be paid. In terms of the other sums, unless it has done so already, I also direct ReAssure to pay Mrs S £200 compensation recommended by the investigator and the additional £300 it offered to pay due to the errors in its subsequent letters from 2024 and 2025.

My final decision

My final decision is that I uphold Mrs S's complaint and award the compensation outlined above.

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

reject my decision before 30 December 2025.

Alessandro Pulzone
Ombudsman