

The complaint

Ms L complains that Rothesay Life Plc trading as Rothesay have unfairly declined to treat her as eligible for a dependant's pension under her late mother's annuity policy..

What happened

Ms L was executor under her mother's will. During her lifetime she was her power of attorney and next of kin. Ms L said she and her mother were financially interdependent and she had given up her job to care for her. Ms L said she felt almost like the equivalent of her late mother's 'husband' as they lived together, took holidays together and had a shared relationship, including sharing household expenses. She said she had taken on the role of her father, after he died 38 years before her mother.

Following her mother's passing, in February 2024, Rothesay informed Ms L that under the terms and conditions of the policy the only possible beneficiaries were a legal spouse, or someone living with the policyholder in a relationship resembling marriage who was financially dependent on that policyholder to a substantial extent. Rothesay told her there was no provision for another *"adult dependant pension under the policy"*.

In March 2024, after Ms L provided more information, Rothesay said that they were obliged to administer the policy benefits in strict accordance with the policy terms. They said although the policy made allowance for unmarried financial dependants this had to be *"Someone who was living with the Policyholder in a relationship resembling marriage who was, in the opinion of Metlife Assurance Limited (now Rothesay), financially dependent on the Policyholder to a substantial extent"*.

Rothesay's view was that although there was some financial interdependency between Ms L and her mother, the terms and conditions covered an unmarried partner or spouse, not someone in Ms L's circumstances.

Mrs L didn't accept Rothesay's response and brought her complaint to our service to be considered.

Our investigator looked into her complaint and did not uphold it on its merits. He took the view that although Ms L had provided a detailed and moving account of her relationship with her mother, upon considering the terms and conditions of the policy Rothesay had not unfairly determined that Mrs L was not an eligible beneficiary.

Ms L didn't accept our investigator's view and so her complaint comes 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.

Firstly, I am sorry to hear of Mrs L's loss of her mother. I too have no reason to doubt that Ms L was very connected to her mother in the ways she describes financially and otherwise.

I have looked carefully at the terms and conditions of the policy that Mrs L's mother held. The policy commencement date was May 2010. Mrs L's mother received annually £4,536.72 per annum payable monthly. The policy provided a "*spouse's*" benefit or "*dependant's*" pension", if applicable of £2,900.20 payable annually. Mrs L's mother did not have a spouse at the time of death.

Within the terms and conditions of the policy a "*dependant's pension*" was described as: "*If the Policyholder dies leaving no legal Spouse, a Pension may be payable to a Dependant*".

The terms and conditions of the policy said that a children's pension was payable if they are either under 18 and unmarried or under 23 and in full time education or vocational training at the time of death. Ms L was older than 23. Ms L did not therefore qualify for a child's pension.

So, I must consider whether Ms L qualified as a "*dependant*" in any other sense. The phrase "*a relationship resembling marriage*" is an expression sometimes used in legal documents for the purposes of conveying a situation where the parties are partners, in a relationship akin to marriage, but where that relationship has not been formalised with a formal marriage arrangement.

Whilst I accept that Mrs L shared a lot of things with her mother, and they may have been interdependent, I do not consider that their mother/daughter relationship was a relationship resembling marriage. Had the policy intended to cover dependent children over the age of 23 years where there was still some dependency, I think that would have been clearly specified in the terms and conditions.

I therefore do not consider that Rothesay have unfairly applied the terms and conditions in Ms L's case and so I do not uphold her complaint.

My final decision

For the reasons explained above I do not uphold Ms L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 29 December 2024.

Kim Parsons
Ombudsman