

The complaint

Mr M and Mrs M complain about ReAssure Limited (ReAssure). They said ReAssure misinformed them. They said if they had known the true value of their bond, they wouldn't have surrendered it.

Mr and Mrs M said ReAssure's mistakes caused them financial loss as well as distress and inconvenience. They would like it to compensate them for this.

What happened

Mr M and Mrs M took out a unit linked whole of life assurance policy with Legal & General in 2012. Legal & General called the policy, a portfolio bond. Mr M and Mrs M's bond was migrated from Legal & General to ReAssure in 2020.

Mr M and Mrs M received a number of partial withdrawals from their bond, and this included two relevant to their complaint, these being in October 2023 for £6000 and in February 2024 for £5000.

Mr and Mrs M said their financial adviser asked ReAssure to provide a surrender value and it informed them the bond was worth around £55,892. They said they checked on ReAssure's online portal on a number of occasions and throughout March to May 2024, their bond was shown to be worth between £59,200 to £59,600.

On 14 April 2024, Mr M and Mrs M completed a payment release form, deciding on this date to surrender the policy. On 25 April 2024 they received proceeds of £50,305. They were unhappy about this, and said, based on what they had been told by ReAssure, they were expecting a higher amount.

ReAssure paid £350 compensation and said sorry to Mr M and Mrs M. It said the payment was for misleading them about how much their policy was worth. It said though, that Mr M and Mrs M had been paid the correct amount, when they surrendered their policy.

Mr M and Mrs M were not happy with ReAssure's response and referred their complaint to our service. An investigator said he was satisfied ReAssure paid the correct surrender value for the investment and its offer was fair and reasonable.

Mr M and Mrs M were not in agreement with part of the investigator's view. They said they didn't think ReAssure's offer of £350 was a fair outcome. They did accept they received the correct surrender value, but they felt ReAssure had misled them several times about the valuation of their bond. They said had they known that the valuation was as low as it was, they would not have surrendered the policy at that time.

Because the parties are not in agreement, Mr M and Mrs M'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 M and Mrs M's complaint and have arrived at the same outcome as the investigator, for broadly the same reasons. I will explain why.

There is no dispute that ReAssure made mistakes and didn't update its online portal, that led to it displaying an incorrect value for Mr M and Mrs M's bond. ReAssure said it misled them, and Mr M and Mrs M agree.

There is also no dispute that the amount Mr M and Mrs M received in April 2024, this being £50,305 was the true surrender value at that time. ReAssure has shown our service a statement showing this to be the case, and Mr M and Mrs M have more recently said they accept this was the value of their bond.

This leads me to Mr M and Mrs M's complaint. They said if they had known the true surrender value then they wouldn't have surrendered it when they did. They said they incurred a financial loss here as the bond went up in value after they did this.

I acknowledge what Mr M and Mrs M are saying, but I am not persuaded as to why they would have kept their bond, if they were told of the true value by ReAssure. I can see the true surrender value of Mr M and Mrs M's bond dropped in value due to them taking out two partial withdrawals, in October 2023 and February 2024. The value of their bond had not dropped in the main, due to investment performance, rather it was the withdrawals that they had requested, that altered the value. With this in mind, I am not persuaded they would have decided to keep their bond in the hope that performance would improve.

Instead, if ReAssure had explained to them, that the drop in value was due to them taking partial withdrawals, as had happened several times over the previous two years, I think it's more likely than not that they would have proceeded with their plans and surrendered the policy anyway. I haven't seen anything such as emails or messages from the time between the parties, that would suggest otherwise.

That said, ReAssure has made mistakes and it has not treated Mr M and Mrs M fairly. I can see clearly there is a loss of expectation by them, and this has been caused by ReAssure. I can see how it caused Mr M and Mrs M distress and inconvenience, when they realised their bond wasn't worth, what they were told it was worth. ReAssure has agreed it with this and has paid them £350.

Mr M and Mrs M think they should be paid a lot more, but I don't think it would be fair and reasonable for ReAssure to do this. If I was to make an award it would be similar to what ReAssure has already paid them. So, I won't be asking ReAssure to do anything further.

I appreciate that my decision will be disappointing for Mr M and Mrs M, and I have empathy for them as I can see how ReAssure's mistakes have caused them distress and inconvenience. But based on everything I have read and the findings I have given, I don't uphold their complaint.

My final decision

My final decision is that I do not uphold Mr M and Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 4 June 2025.

Mark Richardson
Ombudsman