

## The complaint

Mr J, Mrs J, Mr P and Mrs S (the trustees) complain on behalf of a trust that ReAssure Life Limited (ReAssure) won't provide future premium projections for a whole of life policy held by the trust.

## What happened

The settlors of the trust took out a whole of life policy in 2017 through a broker unrelated to ReAssure. The policy was initially taken out with a sum assured of £1.5m to cover an inheritance tax liability for a monthly premium of £804.10. It included an indexation option which would increase the premium and sum assured each year, by either 5% or the Retail Prices Index (RPI) up to a maximum of 10%, unless the trustees declined it.

Mr J had become concerned about the potential affordability of this policy as he moved closer to retirement. To help him assess that he asked ReAssure to provide him with a projection of what he might pay in the future. He called ReAssure on 20 May 2024 to request a projection of premiums until 2068.

As a response to the trust's projection request hadn't yet been received back, the trustees complained to ReAssure about the delays in providing them. ReAssure considered the complaint and issued a final response saying that it had previously written to the trust to explain it couldn't provide the requested projections as it can't predict the rate of RPI. It apologised for the delay in its response and arranged for a payment of £400 to be made by cheque.

Mr J didn't agree with the outcome reached, in his view ReAssure ought to be able to illustrate a fixed percentage and asked for projections based on 5%, 7.5% and 10% to help the trustees assess the future cost of the policy. ReAssure again said it wouldn't provide those noting it had previously given him 10 year and 44 year projections based on 5% increases in September 2021. It said he had sufficient information to illustrate the future costs and wouldn't provide further information around this.

As the trust remained dissatisfied with ReAssure's answer, the trustees referred the complaint to our service to consider. One of our Investigators reviewed the matter but didn't think it should be upheld. He explained that ReAssure wasn't obligated to provide the projections the trust wanted and that ReAssure had already given projections previously, which he thought was already a sufficient guide of the future costs. He agreed however that ReAssure had caused delays and hadn't provided the trust with the service he'd expect but that the £400 already offered was fair.

Mr J didn't agree with those findings explaining that the illustration he'd been given at inception didn't show the projected policy cost based on the indexation increases. Which had also led Mr J to have concerns about how the policy was sold.

Our Investigator didn't change their view on the complaint and as an agreement wasn't reached, the trust's complaint was passed to me to decide.

## **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 won't be upholding it for much the same reasons our Investigator didn't. I understand why this issue is frustrating the trustees as much as it is, and their reasons for wanting the projections they've asked for is understandable. It's clear to me that the trustees want to be able to assess the future affordability of this policy and the impact that will have on the inheritance tax mitigation plans in place. But I can only make a direction to ReAssure in this matter if I find it has fallen below its obligations to the trust.

Importantly the type of policy the trust has wouldn't require ReAssure to provide the projections the trust wants to see. This is because it is a whole of life policy which isn't linked to any underlying investment, as some are. The terms for this policy do allow the trust to accept an optional increase in premium which would also increase the sum assured the policy provided over time, the idea being to keep pace with inflation. The level of increase ReAssure would offer would, subject to a minimum increase of 5% and a maximum of 10%, reflect the level of RPI.

What the trust wants to see is what the impact would be on the policy if the minimum, maximum and a middle value was applied throughout the policy to give it an idea of what the policy could cost in the future. But the terms of this policy don't obligate ReAssure to provide that information, nor does any law rule or regulation. I can't fairly say then that ReAssure needs to provide the trust with that information, no matter how useful it is to the trust or the trustees.

I understand ReAssure has provided that information before on a 5% basis over 10 years and 44 years. But just because it had provided that doesn't in my view mean it needs to again. In practice the actual changes that will be offered are too uncertain and dependant on RPI, what increases the trustees accept or reject and the minimum and maximums that ReAssure can apply under the terms. In real terms then what the trustees are asking will differ too much from what will actually happen and anything ReAssure provide will be merely speculative and not something that the trustees could reasonably rely on assess the policy's affordability for them into the future. ReAssure has already provided them with something similar in the past which I think would in any event have already provided the trustees with the sort of information they want about the potential future costs of the policy.

As ReAssure isn't obligated to provide the projections requested, I won't be directing it to do so.

I do agree however that ReAssure took longer than it ought to have to explain to the trustees that it wouldn't provide the information requested. The trustees first asked for it in June 2024 but its letter to say that it wouldn't provide the projection wasn't sent until 6 August 2024. In my view that wasn't a reasonable period for ReAssure to provide that response in. I've also considered that ReAssure has also said it didn't always call back the trust's representatives when it said it would. I've considered the level of inconvenience caused to the trustees in how it handled those matters and I'm satisfied the level of service received does warrant compensation. But having considered the impact, I'm satisfied the £400 ReAssure already offered is fair where I'm satisfied it reflects the inconvenience the trustees experienced by having to follow up this request with ReAssure and the frustrations of thinking this information was something the firm would provide to make the affordability determinations the trustees were planning to make.

It follows then I won't be directing Aviva to do anything more than pay the £400 already offered if it hasn't done so already.

Lastly the trustees have raised concerns about how this policy was sold and the "total premiums to pay" projection not including any indexation increases. But I won't consider either of those matters under this complaint. This is because the sale was carried out by a broker and not ReAssure itself, and on around how ReAssure presented the total premium illustration at the point of sale, that wasn't raised as part of this complaint. As ReAssure hasn't yet had an opportunity to consider that and provide its final response, as the rules require, I can't consider that aspect in this decision. Should the trustees wish to pursue either that matter further they would first need to raise a further complaint against the responsible firm.

### **My final decision**

My final decision is that I'm satisfied the offer of £400 ReAssure Life Limited has already made is fair and reasonable in the circumstances. I direct ReAssure Life Limited to pay that amount to the trust if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J, Mr J, Mr P and Mrs S as trustees of the trust to accept or reject my decision before 3 February 2026.

Ken Roberts

**Ombudsman**