

The complaint

Mrs S has complained that Reassure Limited (“Reassure”) failed to pay her the full proceeds of a matured endowment policy held in joint names with her husband. She has said Reassure has ignored its own Payment Release form where she instructed that 100% of the policy proceeds be paid to her sole account. She’s also said that because she had paid all the policy premiums herself the proceeds should be given to her in entirety.

What happened

Mrs S with her husband Mr S (not a part of this complaint) held an endowment policy linked to a mortgage. In 2008 they separated. In 2020 the policy matured with a value of just over £25,000.

Upon receiving notification of this along with the payment release forms Mrs S completed the forms instructing Reassure to pay her 100% of the maturity value.

However in October 2024 Mrs S received only half of the quoted full maturity value, just over £12,000 plus interest. Being unhappy with this she challenged Reassure explaining that Mr S had nothing to do with the policy since their separation in 2008 nor had he paid any of the premiums since that time.

Mrs S explained that for these reasons she believed she was entitled to receive the full maturity value of the policy.

Reassure investigated Mrs S’ complaint. It explained that as the policy was held in joint names it was obliged to only pay her half of the maturity value as the other half was due to the other policy holder regardless of whether that person had paid the premiums or not. It also said that it had nothing on its files that stated the maturity payment was to be paid in any different way. However, it did accept that when Mrs S initially queried why she hadn’t been paid the full amount instead of answering her question Reassure had sent her a letter about tax liabilities. And so to recognise this error it paid her £150 direct into her bank account.

Mrs S wasn’t happy with this outcome and so referred her complaint to this Service where it was assessed by one of our investigators. He was of the view that the complaint couldn’t be upheld for similar reasons as Reassure had set out.

Mrs S didn’t agree with the assessment. So as no agreement could be reached the complaint has been 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 agree with the outcome reached by the investigator – that the complaint cannot be upheld.

I've taken into account relevant: law and regulations; regulatory rules; guidance and standards; codes of practice; and (where appropriate) what I consider to have been good industry practice at the relevant time.

Where the evidence is incomplete or inconclusive I've reached my decision based on the balance of probabilities – in other words, on what I think is more likely than not to have happened given the available evidence and wider circumstances.

The matter in dispute is the maturity payment of the endowment policy. Despite it being held in joint names Mrs S believes she should be paid the full amount of the maturity value predominantly because she was the one who had maintained the premiums since 2008. However despite what Mrs S has said and how strongly she feels about this matter this isn't how the maturity payments of such policies work.

Without any legal agreement amending the policy terms or transferring the beneficial interest of it to just one person, signed and agreed by all parties concerned any policy provider is obliged to make the maturity payments in line with the policy's terms and conditions. In this case the policy was set up as a joint policy so at inception the maturity payment was always going to be split 50/50 – this is something both Mr and Mrs S should have been aware of.

It is irrelevant if only one person has paid the entirety of the premiums. If this was something that Mrs S felt strongly about then she could have legally amended the policy with the help of a solicitor and Reassure.

Furthermore, it is also irrelevant if the joint policy holder can't be traced at the time of maturity. This doesn't mean that the full maturity value defaults to the policy holder that is present. It simply means that the 50% share of the maturity value gets held by the policy provider until the missing policy holder can be found.

As I said this is the scenario unless a separate legal instrument is in place that changes how the payments should be made. But for this policy nothing like this exists. I appreciate that Mrs S has provided a document which she thinks acknowledges that Mr S was only ever going to get a small proportion of the maturity value since the point of the separation but these are not official legal documents and so can't be relied upon. Nor does it appear that anything like this or even a conversation took place with Reassure at the relevant time explaining that changes to how the maturity payment should be made.

Therefore, in view of this, Reassure had no choice but to act in accordance with the terms and conditions of the policy and pay the maturity value to both the policy holders. If it had done anything different it would be in breach of contract.

I know Mrs S has raised further concerns about not knowing that Reassure had paid Mr S or indeed had any dealings with him regarding the maturity payment. But these points are separate to this complaint, and it would be wrong for me to address those points when Reassure has not had a chance to respond.

I have also seen that Mrs S seems to have been told by the previous policy provider that she had no need to move the policy into her sole name some years ago but I can't comment on what a business that is not party to this complaint may or may not have done.

Ultimately Reassure hasn't done anything wrong in paying the maturity proceeds to both her and Mr S by way of a 50/50 split. No legal instructions were given to Reassure to do anything different therefore it was bound to act in line with the policy's terms and conditions, which I am satisfied it did.

My final decision

For the reasons set out above my final decision is that I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 23 April 2025.

Ayshea Khan
Ombudsman