

The complaint

Mrs Q is unhappy with the service received from Countrywide Assured Plc including that it has delayed making monthly benefit payments under her income protection insurance policy and has underpaid her.

Although Mrs Q is being represented in this complaint, for ease, I've referred to her throughout.

What happened

In early 2024, Mrs Q contacted Countrywide about receiving an underpayment of the benefit in light of her reported earnings in her tax returns.

Countrywide was contacted again shortly after as Mrs Q didn't receive the monthly benefit (paid in arrears) due for February 2024, and subsequently didn't receive the monthly benefits due in March and April 2024.

She also asked for information about the other live policies she holds with Countrywide and how these will be impacted when her income protection policy ended in April 2024. She said she needed this information so that she could decide if she wanted the other insurance policies to continue beyond the maturity date of the income protection policy. Despite further communications with Countrywide, Mrs Q didn't receive a reply.

When Mrs Q was finally able to speak with a representative of Countrywide in early May 2024, she says that she was told that it was having significant issues making policy payments and there was a backlog of several months it was working through.

Shortly after, Mrs Q says that she received a payment from Countrywide to reflect the monthly payments due to her for three months.

However, she says she still hadn't received answers to her queries about the other policies she held, and Countrywide owed her money from underpayments in light of more recent tax documents.

Countrywide didn't provide a substantive response to the concerns she raised so she brought a complaint to the Financial Ombudsman Service.

Despite repeated requests and being chased by our investigator, Countrywide didn't provide any information for us to consider as part of our investigation into Mrs Q's concerns.

So based on the limited information available, our investigator upheld Mrs Q's complaint. Countrywide didn't reply. So the complaint was passed to me to consider everything afresh to decide.

I issued my provisional decision and explained why I was intending to direct Countrywide to do something different than our investigator recommended. An extract of this is set out below.

.....
Countrywide has an obligation to handle claims fairly and promptly.

There is limited available information relating to this complaint. Mrs Q has provided her account of what's happened and some letters she sent to Countrywide in 2024. Countrywide has provided no information despite repeated requests.

So, having considered Mrs Q's submissions, and in the absence of receiving anything else from Countrywide to the contrary, I accept what she says. That is:

- under the policy, Countrywide has underpaid her £630 for 2022/2023 ('the first underpayment') and £351.91 for the 2023/2024 ('the second underpayment').
- Countrywide hasn't responded to correspondence asking questions about the other insurance policies she holds with Countrywide, despite repeated requests.
- Countrywide failed to pay her the monthly benefits due under the policy to be paid over three separate months: February to April 2024.

From the information available, I'm satisfied that by way of letter dated 25 February 2024, Mrs Q provided Countrywide with relevant tax documents to assist it with recalculating the benefit due to Mrs Q which resulted in the first underpayment. And further tax documents were enclosed with her letter dated 14 May 2024 to enable it to calculate the second underpayment.

I think it's fair and reasonable to assume that if Countrywide had promptly considered this information, it could've made payment of the first and second underpayments two weeks after the date of both letters. So, I think it would be fair and reasonable for Countrywide to pay simple interest at a rate of 8% per year on the first and second underpayments.

I'm also satisfied that Mrs Q was put to significant upset, frustration, confusion and trouble by the poor service she's received from Countrywide including not responding to her correspondence, not receiving three months of benefit when she should've and not promptly dealing with the recalculations in light of the tax documents provided and reimbursing her the underpayments from previous policy years.

Due to the non-payment of monthly benefits, Mrs Q says that she was concerned that there may have been fraudulent activity on her policy. I can understand why she believed this was a possibility when thinking of the reasons why payments hadn't been made and not receiving responses from Countrywide. And that she only felt assured having finally spoken to a representative at Countrywide in May 2024 and receiving payment of the three months of benefits. I think the impact on Mrs Q would've also been exacerbated by Countrywide failing to respond to her concerns.

As the three months of benefits (due between February to April 2024) has been paid, I can't ask Countrywide to pay interest from the date on which each payment was due to the date on which the monthly payments were made. However, I have taken the more general impact this had on Mrs Q, including being without regular payments under the policy for three months.

I'm satisfied that £500 compensation fairly reflects the distress and inconvenience she experienced.

.....
I invited both parties to provide any further information in response to my provisional decision.

Countrywide responded, accepting my provisional decision.

Mrs Q also replied. In summary she says because Countrywide hasn't responded to her multiple requests for information about the other policies, she's been prevented the opportunity to make considered decisions about them. Although she can't be sure without the requested information, she says it's likely that she would've terminated the remaining policies in April 2024 when the policy which is the subject of this complaint ended.

If Mrs Q decides to terminate the active policies upon receipt of the further information she's been waiting for from Countrywide, Mrs Q asks that I direct Countrywide to promptly terminate the policies and ensure that she's not disadvantaged (financially or otherwise) by the delay in any maturing policies (a decision which she says she would've been in a position to make much earlier if she'd promptly received information when she first requested it).

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've taken into account the responses to my provisional decision. I understand the assurance Mrs Q seeks particularly given her experiences with Countrywide to date, not responding to communications.

However, I'm unable to make the future directions she's requested as there are too many variables. However, I would remind Countrywide that it should act fairly and reasonably, and I would reasonably expect it to promptly and proactively engage with Mrs Q about the outstanding information requests.

If after she receives information about the other policies from Countrywide, Mrs Q chooses to bring those to an end (and she feels that she would've done so earlier had she received the information when first requested), she would be able to raise those issues with Countrywide to investigate in the first instance. And if she's unhappy with its response, she may be able to bring a further complaint to the Financial Ombudsman Service about that.

As Countrywide has said it accepts my provisional decision and Mrs Q hasn't raised any objections, I'm satisfied that there's no compelling reasons for me to depart from my provisional findings. For this reason and for reasons set out in my provisional decision (an extract of which appears above and forms part of this final decision), I uphold the complaint I've been asked to determine.

Putting things right

Within 21 days from the date on which the Financial Ombudsman Service notifies Countrywide that Mrs Q accepts this final decision I direct it to pay Mrs Q:

- the first underpayment together with simple interest at a rate of 8% per year from two weeks after her letter dated 25 February 2024 to the date the first underpayment is paid*;

- the second underpayment together with simple interest at a rate of 8% per year from two weeks after her letter dated 14 May 2024 to the date the second underpayment is paid*;
- £500 compensation for distress and inconvenience.

I also direct Countrywide to provide the requested information about the other insurance policies she holds with it and how they are impacted (if at all) by the income protection policy ending.

*If Countrywide considers it's required by HM Revenue & Customs to take off income tax from any interest paid, it should tell Mrs Q how much it's taken off. It should also give her a certificate showing this if she asks for one. That way Mrs Q can reclaim the tax from HM Revenue & Customs, if appropriate.

My final decision

I uphold Mrs Q's complaint and direct Countrywide Assured Plc to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Q to accept or reject my decision before 26 March 2025.

David Curtis-Johnson
Ombudsman