

The complaint

Ms C and Mrs M have complained – in their capacity as trustees of the C Trust – that Utmost Life and Pensions Limited delayed payment of the proceeds of two life insurance policies following the death of their mother. And they didn't add interest to the settlement when it was paid.

The trustees have been supported in the claim by a firm of solicitors. References to comments and submissions made by the trustees include those made by the solicitors on their behalf.

What happened

Ms C's and Mrs M's parents – Mr and Mrs C – bought two joint life insurance policies during their lifetimes. Mr C passed away in 2009. When Mrs C passed away in 2022, the trustees submitted claims to Utmost for the sums assured to be paid out to them.

Utmost acknowledged the claim in December 2022 and advised the trustees what documentation they'd need to see to pay the claim. This included the grant of probate for Mrs C's estate.

The trustees pursued payment of the policy proceeds throughout 2023 and 2024. Utmost continued to request the documents they'd asked for in December 2022. The last document – the sealed grant of probate – was received by Utmost in early August 2024. Utmost paid the policy proceeds to the trustees 10 days later.

The trustees complained. They said the policy proceeds were unrelated to probate but were payable on the second death. So they should have been paid upon receipt of Mrs C's death certificate. And they said Utmost should pay 8% interest on the settlement amount, because Utmost had unreasonably delayed payment.

Utmost rejected the complaint. They said this was a large claim, and couldn't be accepted just on the basis of the death certificate. They'd requested documents to ensure payment was made in line with the policy terms and conditions. They'd made their requirements clear over the course of the claim. And they said payment had been made promptly once those requirements were satisfied.

Utmost said there was no contractual requirement that they pay interest. They said they could do so at their discretion – but would only consider this when there were delays for which they were responsible.

The trustees weren't satisfied with Utmost's response and brought the complaint to the Financial Ombudsman Service. Our investigator reviewed the available information and concluded Utmost didn't need to do anything more to resolve it. She was satisfied Utmost's requests for information were reasonable to ensure they made payment in line with the policy terms. And, while she acknowledged the claim did take a long time, she didn't think that Utmost had delayed it.

The trustees didn't agree with our investigator's view. So the matter's been passed to me to make 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.

Having done that, I'm not upholding the trustees' complaint. I'll explain why.

I acknowledge the strength of the trustees' feeling in this matter. The policies – which were identical, with Ms C named as beneficiary of one policy and Mrs M the beneficiary of the other – were put in place to pay out when the second of their parents died. So I understand it was frustrating that Utmost required more information and documentation before releasing funds.

But insurers are allowed to make checks before paying over policy proceeds to ensure they're paying the right people. That's particularly so in cases like this, where they are paying over hundreds of thousands of pounds.

In this case, the policy documents themselves set out to whom payment will be made. The policy schedules say:

<i>To whom Sum Assured is payable</i>	<i>The Grantees or the person or persons deriving title under them as the Trustee or Trustees for the time being hereof</i>
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Mr and Mrs C were the grantees. When Mrs C died, the "person or persons deriving title under them" were her executors. So I'm satisfied it was reasonable for Utmost to require documentary evidence of the executors' identity before they made payment.

And I'm satisfied that evidence – the grant of probate - wasn't provided to Utmost until early August 2024. It's not clear why it wasn't provided sooner, as it is dated October 2023 and Utmost sent the trustees' representative letters repeating what they needed in November 2023, May 2024, and June 2024. But I am satisfied that delay wasn't Utmost's fault.

Nor, for broadly the same reason, can I say they should pay the trustees interest. We think it's reasonable for insurers to review claims they receive, to satisfy themselves the claims are legitimately made - and come from the people entitled to make them. That's what Utmost were doing when they requested the grant of probate. Once they received that confirmation, they paid the claims in less than two weeks. I think that was reasonable. And so, while I acknowledge the trustees will be disappointed with my decision, I don't think Utmost need to do any more to resolve the complaint.

My final decision

For the reasons I've explained, I'm not upholding the complaint Ms C and Mrs M have made about Utmost Life and Pensions Limited in their capacity as trustees of the C Trust.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Mrs M as trustees of the C Trust to accept or reject my decision before 18 July 2025.

Helen Stacey
Ombudsman