

The complaint

Mrs T's complained about the delays she experienced when trying to cash in the whole of life policy she held with Phoenix Life Limited.

Mrs T has been represented in the complaint by a financial adviser. References in my decision to comments and submissions by Mrs T include those made by the adviser on her behalf.

What happened

The history of the matter is well known to the parties so I won't go into great detail here. But, in brief, Mrs T (then Mrs C) and her husband bought a whole of life policy many years ago. The policy is now administered by Phoenix. Mr C passed away in 2019 and Mrs T has remarried.

In 2024, Mrs T decided she wanted to cash in the policy so she contacted Phoenix. Over the following months she had difficulty contacting them to get the information she needed. Letters were sent to the wrong address. Despite requiring Mrs T to submit her marriage certificate, confusion was caused because Phoenix sent correspondence for her to sign as Mrs C. Phoenix also lost the marriage certificate. And it was almost a year before she received the settlement.

Mrs T complained. Phoenix accepted they'd delayed in dealing with the surrender and acknowledged it was this which led to her employing an adviser. They said they hadn't returned her marriage certificate because it was a copy, not the original – so had been destroyed in line with their data protection policy. And they said that, because their delay had affected the claim process, they'd conduct a loss assessment once the claim was completed. In respect of their shortcomings, Phoenix sent Mrs T a cheque for £400 compensation. But they said they wouldn't pay the whole of her adviser's invoice – only the proportion which could be attributed to additional work caused by their delays.

Mrs T wasn't satisfied with Phoenix's resolution and brought her complaint to the Financial Ombudsman Service. When they were notified of this, Phoenix reviewed how they'd dealt with her complaint and offered to pay Mrs T a further £500 compensation, as well as £20 for her to obtain a replacement marriage certificate. And they confirmed they'd complete a loss assessment at the end of the claim and would consider reimbursing her adviser's fee, if the adviser provided a breakdown of the additional work caused by the delays.

Our investigator reviewed all the information provided by both parties and concluded that Phoenix's offer of a total of £920, together with a loss assessment and consideration of the adviser's fee, was a reasonable way to resolve the complaint.

Mrs T didn't agree with our investigator's conclusion. So the matter's been passed to me to make a final 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 don't think Phoenix need to do more than they've already offered to resolve Mrs T's complaint. I'll explain why.

But Mrs T's comments on the investigator's view mean I think I should first clarify what I can consider. I can only look at what's happened, and consider redress, in relation to her own complaint. So, while I understand why she'd feel strongly about the matter, I can't consider, or comment on, whether Phoenix's systems and processes are fit for purpose.

Nor can I consider any complaint made after Phoenix sent its final response to the matters brought to our service, or any complaint that hasn't yet crystallised. Mrs T has expressed some scepticism that the loss assessment Phoenix promised to complete would be dealt with properly, or would reimburse any losses she suffered as a result of Phoenix's delay. I understand why the history of her dealings with Phoenix would lead her to feel that way.

I understand Mrs T has now received the settlement amount. It's not clear whether that includes any sum due following the loss assessment. But, if Mrs T has any concerns about that, that's something she'd need to raise with Phoenix as a new complaint. The Financial Ombudsman Service can only become involved where a customer has raised their concerns with a business and the business has had the opportunity to address them.

What I can look at is the delays and customer service failings that have occurred since Mrs T contacted Phoenix in early 2024. It's not disputed that those occurred. What's in issue is how much compensation Phoenix should pay Mrs T. So I've focused on what I think is a reasonable amount.

Guidance on when we might compensation awards is set out on our website. We can make an award for financial losses, for distress and inconvenience, or for both.

In this case, I don't think it's appropriate for me to consider an award for financial losses because, as I've explained above, I've no evidence that the loss assessment – which would form a large part of any claim for loss – has been completed.

I'm aware that Mrs T has employed an adviser. But that was her choice. Phoenix have said that they will look at reimbursing any increase in the adviser's fee which resulted from their poor service, if they're provided with a breakdown to consider. I think that's fair. But I don't think it's fair or reasonable to say Phoenix should cover the entirety of the adviser's costs.

That leaves an award for distress and inconvenience. Only an eligible complainant can receive a distress and inconvenience award. Here, that's Mrs T. So I can't take into account any inconvenience suffered by her adviser in their dealings with Phoenix.

Our guidance says we may make an award of up to £750 where mistakes have caused:

"...considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months, but it could also be fair to award in this range if a mistake has a serious short term impact."

I think this summary describes the circumstances in which Mrs T has found herself. So I can't say the £920 Phoenix have offered her is unfair. And, while they should pay Mrs T any

amount of their offer which remains outstanding, I don't think Phoenix need do more than that to resolve her complaint.

My final decision

For the reasons I've explained, I think Phoenix Life should pay Mrs T any balance of the £920 compensation they've previously offered her which remains outstanding.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 25 July 2025.

Helen Stacey
Ombudsman