

The complaint

Mr W complains that Phoenix Life Limited (Phoenix) are continuing to take premiums on his four Whole of Life policies when he's already paid more in premiums than the total sum assured.

What happened

The background to this complaint is well known to all parties so I'll just give a brief overview here.

Between 2006 and 2010, Mr W took out four whole of life policies. The sum assured and monthly premium due was different for each individual policy but the total premium he was (and is still) paying totalled £59. And similarly, the total sum assured, payable upon Mr W's death is fixed at £6,275.

The policies were bought by Mr W on a direct sale basis and no advice was given by Phoenix. Mr W was sent full terms and conditions on application and acceptance of the policy.

In September 2024, Mr W complained to Phoenix that he had already paid more into the policies than the sums that would be payable upon his death. Mr W thought that he shouldn't have to continue to pay the full premium but rather keep the sum assured and pay a reduced premium, or make the policies paid up.

Phoenix didn't uphold the complaint. It explained how the policies were designed which meant a customer could pay more, or less, in premiums than the sum assured, depending on the date of the customers death.

Mr W wasn't satisfied with this response so brought his complaint to this Service.

Our Investigator reviewed the information and didn't think Phoenix had done anything wrong. She thought the terms and conditions of the policies were clear and so wouldn't be asking Phoenix to do anything more.

Mr W was still not happy and so the complaint has been passed to me for 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 carefully read the submissions available it's clear that Mr W is not suggesting there was any error made by Phoenix regarding the sale of the policies.

Rather his complaint is that he is still paying for a policy which will pay him on death less than he's already paid into – and this excess will continue to grow until the policy is settled

upon his death. Furthermore, if he stops paying his premiums then he would lose all the benefits currently payable upon his death. Mr W feels this is fundamentally unfair.

I can understand Mr W's frustration. He feels he now must continue to make payments simply to maintain a fixed future benefit which is likely to depreciate over time due to inflation.

However, I also accept points made by Phoenix that the very nature of a Whole of Life Policy is that a customer might pay more, or less, in premiums than the sum that is paid out. This is entirely dependent on the time between the policy's inception and the date of the customer's death.

Having said that I think it's important to stress my role in this complaint isn't to assess the nature of Whole of Life Policies but is limited to deciding if Phoenix have done anything wrong in its administration of Mr W's policies. And I don't think it has.

Phoenix has continued to collect the agreed monthly premiums and I've seen no evidence that there is any suggestion that the full sums assured payable won't be honoured on Mr W's death. Under the terms and conditions of the policies this is what Phoenix is obliged to do.

If Mr W wishes to discuss the nature of Whole of Life Policies with the industry regulator, the Financial Conduct Authority, then he of course is free to do so. But that isn't something that is part of my role here.

In summary, while I understand Mr W's frustration, I don't think Phoenix have done anything wrong in the way it has administered his policies, so I won't be asking it to do anything more.

My final decision

For the reasons stated above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 August 2025.

Ben Castell
Ombudsman