

The complaint

Mrs M complains Countrywide Assured Plc hasn't followed her instruction with regards to amending the beneficiary on her life policy. She also disputes the type of cover that it says her policy provides.

What happened

In May 2007, Mrs M took out a life cover policy with Direct Line (now taken over by Countrywide), which was due to pay out on her death. The policy was placed in trust with the trustee being Mrs M's husband, and her daughter the beneficiary of the trust.

Sadly, Mrs M's husband passed away in 2021.

In 2022, Mrs M first gave notice to Countrywide that her husband had passed away. Over the next two years she made attempts to amend the beneficiary on the policy as she didn't want the proceeds paid to a trust but rather directly to her daughter. Countrywide sent her forms to change the trustee on the policy, but Mrs M didn't return these as she didn't want the policy to be held in a trust.

In June 2024, Mrs M raised a complaint with Countrywide about the way it had dealt with her attempts to amend the policy. She didn't recall the policy being put in trust and just wanted the policy to be amended so that her daughter was the beneficiary.

Countrywide responded. In summary it said:

- It has not provided a good quality service on some occasions. It didn't confirm that Mrs M's daughter is recorded as the nominated beneficiary on this policy in a timely manner. To say sorry for the distress and inconvenience it caused, it arranged to make a payment of £150 to Mrs M's bank account.
- It is unable to remove Mrs M's husband as a trustee on the policy without sight of his Death Certificate. And a deed of appointment will need to be completed for her daughter to be added as an additional trustee on the policy.
- Its letter dated 31 January 2024, explains why the policy needs to remain in trust for the funds to not form part of Mrs M's estate, and it also explains why it would be beneficial to appoint a new trustee and what will happen if a claim is made without a new trustee being appointed.

The complaint was referred to this service for an independent review. Mrs M maintained that she wanted her daughter added as the beneficiary of the policy and not added as a trustee, and she wasn't aware that it was held in trust. She also disputed that she took out a term assurance policy that would only provide cover for a fixed period, and said she took out whole of life cover.

One of our investigator's looked into the complaint, but she didn't think it should be upheld. In summary she was satisfied that the policy is a level term assurance and was put into trust for the benefit of Mrs M's daughter with her late husband as trustee. And Countrywide is therefore entitled to ask for the information they requested according to the Trustee Act of 1925.

Mrs M didn't accept the investigator's assessment. In summary she said:

- In order to set up a trust another party has to be involved. She did not involve anyone else in the process of setting up the policy. At no time was she told this was a policy in trust as I would have sought the legal position.
- She has a professional qualification relating to life assurance products, so knows the difference between whole of life cover and a term assurance.
- Countrywide has merely stated what they believe to be the situation with no proof.

As no agreement could be reached, the complaint has been passed to me to reach 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.

At the outset I think it is worth acknowledging that there is limited evidence available from when the policy was originally set up. So, where there isn't full information and the facts are disputed, I need to decide on the balance of probabilities what's most likely to have happened.

Mrs M disputes the information provided by Countrywide about how the policy was set up, specifically that it was put into trust and the type of cover she agreed. Countrywide says it doesn't hold any of the original documentation from when the policy was taken out with Direct Life. It says its records indicate it was taken out on an execution only basis without advice. It has provided systems records to show what information it holds about the policy as well as some sample documentation to show the type of policy confirmation it says Mrs M would have received at commencement.

Firstly, I've considered whether Countrywide has treated Mrs M fairly when dealing with her attempts to amend the beneficiary on the policy. It is clear that Mrs M has made several attempts to amend the policy since losing her husband, and it seems her priority was to ensure that her daughter would be able to receive the benefits from any policy pay out with minimal hassle.

Countrywide has been consistent through its communications since 2022, that the policy is held in trust, and this impacts the way in which amendments can be made to the policy. Although it has conceded it hasn't always been as clear in its communications as it should be regarding the beneficiary of the policy. Countrywide says a new trustee is required to make amendments. But Mrs M disputes that the policy was ever put in trust and has questioned the process to establish a trust.

There is limited evidence to show that Mrs M agreed for the policy to be put in trust, but I've reviewed the evidence Countrywide has provided to support its position. The systems record for the policy show, amongst other details, the life assured, the trustee, and the date the trust was established. Mrs M hasn't provided any point-of-sale documentation to indicate that what Countrywide is saying is incorrect. So, on balance, it does seem the policy has been held in a trust from the outset.

While Mrs M has questioned whether it would be possible to set up a trust without her receiving legal advice and having two trustees, based on my experience, it is likely she could have set up a trust to hold this type of policy without separate legal advice. At the time this type of arrangement wasn't something I would consider to be unusual, particularly where the

trust was set up to just hold a life policy. It was fairly common for a policy of this type to be put into trust, particularly in order to mitigate a tax liability for the estate.

Overall, I haven't found that Countrywide has treated Mrs M unfairly in the requests for documentation it has made to add an additional trustee in order to make amendments to the policy. It has accepted it could have provided clearer information at times, and this has caused some frustration and inconvenience to Mrs M. I note it has paid her £150 in compensation to recognise this. I agree this is fair and reasonable in the circumstances.

If Mrs M requires the trust to be dissolved, she may wish to seek independent advice to establish her options.

The other main issue that Mrs M disputes with Countrywide is about the type of cover she holds. She claims that she took out a whole of life policy. Countrywide say the cover she took out is a term assurance policy, that pays a fixed amount and has an end date in 2032. Mrs M says she works in the industry and holds professional qualifications, so she understands the different types of cover.

As Countrywide doesn't hold any of the original sales documentation, it has provided a sample of the type of policy confirmation Direct Line would have sent to Mrs M which describes the cover as a term assurance policy. It says this was the same type of cover that was provided on all of the ex-Direct Line policies it is responsible for. It has also shown data from its systems that record the policy as a term assurance.

The investigator did ask Mrs M to provide any documents she had retained, to support that her policy was providing whole of life cover. But I haven't seen that she has provided anything. She says it should be for Countrywide to provide the evidence to support its position.

While Countrywide hasn't been able to provide original sales documents, I think the evidence it has provided supports Mrs M took out a term assurance policy in 2007. The balance of evidence supports its position, and Mrs M hasn't provided me with anything to persuade me that this is incorrect. So, I haven't found reason to uphold this part of the complaint.

I acknowledge this will come as a disappointment to Mrs M, but I don't require Countrywide to do anything further.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 17 July 2025.

Daniel Little
Ombudsman