

## **The complaint**

Mr N complains about the way ReAssure Life Limited has administered his protection policy. He says it has made multiple errors when providing information about the premiums and benefits of the policy and he has lost faith in the firm to correctly pay any claim.

## **What happened**

In 1994, Mr N took out a whole of life cover policy with critical illness with Skandia Life.

Since taking it out, responsibility for administering Mr N's policy has moved between several companies, and from around 2020, ReAssure took over as policy providers.

Over several years, but particularly since 2023, ReAssure has made a number of errors when providing Mr N with information about his policy. This includes incorrect information about indexation and impact of reviews on the premiums due and the sum assured of the policy. He has also faced problems with the correct premiums being collected and other errors given about the terms of the policy.

During this period Mr N raised a number of concerns with ReAssure. It admitted errors were made, apologised and offered compensation as part of a number of complaint responses it issued.

In April 2024, ReAssure again apologised for the errors that had been made over the last year or so and confirmed Mr N had been paid £1,650 in compensation over the period in recognition of what had happened.

Mr N remained unsatisfied with the responses he had received from ReAssure and referred his complaint to this service for an independent review. He said he had no confidence in ReAssure and does not trust it to pay the sum assured amount in the event of a claim. He requested a full refund of premiums he's paid with interest.

When we started investigating the complaint, a further error was identified regarding an incorrect 2024 policy review sent to Mr N in May 2024. ReAssure agreed to pay Mr N a further £200 in compensation after discussions about this error with our investigator.

Following this the investigator issued his assessment. He acknowledged that ReAssure's errors had caused Mr N significant impact. Overall, he found the additional £200 on top of what had already been paid to Mr N was fair compensation. He acknowledged Mr N was very concerned about the policy going forward, but felt sufficient assurance had been given.

Mr N responded to the assessment and rejected the new offer. In summary he said:

- The compensation that he received in the past reflects the errors ReAssure had made up to March 2024. ReAssure has broken its promises that no more errors will happen in the future.
- He believes it has deliberately tried to deceive him and the letters he has received as an explanation for errors have later turned out to be wrong.

- All this has put a real strain on his mental health. He feels completely ignored and ReAssure has continued with its errors.
- He thinks the further £200 offer is derisory. As a compromise he would be willing to accept a refund of premiums (plus interest) from the date ReAssure took over administering the policy.

Following this, in September 2024, ReAssure made a further error in a letter it sent to Mr N. It provided incorrect information about his premiums and the benefits on the policy. When he queried this information it sent another letter, but this again had incorrect information within it. Another error was also made in respect of the information about indexation. This further exasperated the situation. Mr N again requested his premiums be returned as he has lost faith in ReAssure's ability to administer the policy correctly.

Following discussions with the investigator, ReAssure accepted the further errors and said it had paid Mr N another £1,000 in compensation. It confirmed it has paid Mr N £2,650, but had not paid the additional £200 it agreed to following the investigator's assessment as Mr N didn't accept this.

Mr N remained unsatisfied and despite the assurances given he doesn't think the issues are resolved. He reiterated that he has lost confidence in ReAssure's ability to honour any future claim and believes errors will persist. He further explained the situation has severely impacted his mental health, causing ongoing stress and disappointment.

As no resolution could be reached, Mr N asked for an ombudsman to make a decision on his complaint.

### **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 not detailed everything that's happened and just summarised the background, but I have considered all the information provided by Mr N to show where ReAssure has made errors when communicating with him alongside the explanation. It is clear there has been a catalogue of errors in the information provided to Mr N about his policy over the last few years. This includes problems with indexation, information about reviews, and what the policy premium and benefits are. There have also been instances where ReAssure said it had corrected mistakes only for further issues to happen. At times the information given to Mr N has been contradictory. It is clear there has been a significant number of errors made by ReAssure over a sustained period.

ReAssure has accepted the service provided to Mr N has been poor and it has apologised and offered compensation. I understand the total compensation that has been offered over the whole period up to now is £2,850 (although £200 of this has not been paid).

In order to decide whether this level of compensation is fair, I've considered the impact of ReAssure's errors on Mr N.

Mr N has explained he has been put through a tremendous amount of stress and is very worried about his mental health because of this. He explains he spent many hours on the phone and had to contact ReAssure over 30 times to raise concerns about the information he was receiving. He has also expressed frustration with the contradictory explanations he has been given, and this has made him question the honesty of the staff he has been dealing with. He says the whole situation has led to him losing complete faith in ReAssure, and he is now very worried about what might happen should a claim need to be made on the

policy. He says he didn't have any problems with the policy over the initial years he was paying into it, and it was only after it was transferred to ReAssure the issues started.

Having considered this impact, I think a substantial award is warranted. ReAssure's mistakes have caused Mr N sustained distress spanning over several years and even continued while the complaint was being investigated by our service. He has also explained that the situation is impacting his mental health, and he has spent a considerable amount of time dealing with the issues he's found. The continuous and multiple errors led to Mr N's faith in ReAssure to support him diminish. He is clearly concerned about the cover and values the potential pay out from his policy. I've considered the appropriate compensation in the round, and although Mr N has received a series of payments from ReAssure, I think it is better to consider everything and then look at whether the total compensation paid is fair and reasonable in all of the circumstances. ReAssure has paid a significant amount of compensation, so I'm satisfied it does appreciate the extent of the impact on Mr N.

The compensation offered totals just under £3,000. In my view this amount fairly reflects the impact of the errors on Mr N. While there clearly has been a significant impact in Mr N, I find this level of compensation to reflect the severity of what's happened and in line with our approach in the circumstances. I'd like to reassure Mr N, I have considered everything he has told us – including the impact on his health and why he has lost faith in ReAssure to administer his policy correctly going forward. Having done so, I find the compensation agreed is sufficient to resolve the complaint based on everything that has happened up to date. This means ReAssure has made a fair and reasonable offer, and I won't be asking it to pay anything further (other than the remaining £200 that has yet to be paid).

While, I appreciate why Mr N has asked for a refund of premiums, I don't think this is the appropriate way to compensate him. Although he has encountered many problems with ReAssure's administration of his policy, he has still had cover in place during the period. So, I think it is reasonable for premiums to be collected. As I've explained above, I think compensation for the distress and inconvenience he has suffered is the appropriate way to put things right.

Going forward, I acknowledge Mr N is worried about further problems and how any potential claim may be dealt with. ReAssure has provided assurances to this service that notes have been left on its system to help its staff identify what has happened previously with Mr N's policy. I do understand why he feels uneasy about the potential for further problems in light of what's happened before. But it's not possible to compensate him for an event that has yet to happen. And if he encounters further problems with the administration of his policy prior to a claim event, he will need to raise these with ReAssure in the first instance.

### **My final decision**

ReAssure Life Limited has agreed to pay Mr N a total of £2,850 to settle the complaint and I think this is fair compensation in all the circumstances. It has confirmed £2,650 has already been paid, so I require it to pay the remaining £200 to Mr N to settle the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 11 July 2025.

Daniel Little  
**Ombudsman**