

The complaint

Mr P and Mrs P on behalf of The P Trust complain about ReAssure Limited. They are unhappy about how ReAssure handled their withdrawal request and how documents were dealt with in support of this.

What happened

Mr P and Mrs P set up a discounted gift trust several years ago that I have referred in my decision as The P Trust. They arranged this at the time with Legal & General, through Nationwide Building Society. The responsibility of administering their trust was then passed by Legal & General to ReAssure.

In December 2023, Mr P and Mrs P received an annual statement from ReAssure, and within it showed a surrender value. In March 2024, Mr P and Mrs P requested the surrender value again, and a few days later, ReAssure confirmed a figure to them.

Mr P and Mrs P then submit withdrawal forms along with supporting documents to ReAssure in April 2024, but a month later in May 2024, ReAssure said to them that they could not surrender the policy held within the Trust, according to the rules that established it.

Mr P and Mrs P then asked ReAssure to return the supporting documents they had submitted. Mr P and Mrs P then complained about this and raised further concerns about what had happened.

ReAssure responded to Mr P and Mrs P on behalf of The P Trust's complaint several months later. They said the surrender value shown on annual statements were generated through their system and included in all policies it administers, regardless of whether they are held in trust or not. They explained that documents sent into them were scanned and then destroyed after 90 days in line with their retention policy. They said the document Mr P and Mrs P sent in was a copy of the policy schedule and not an original trust deed. ReAssure confirmed the trust cannot be removed, collapsed or altered. ReAssure offered £200 as a goodwill payment for poor service and delays in it responding to Mr P and Mrs P.

Mr P and Mrs P were unhappy with ReAssure's response, so they referred their complaint to our service.

An investigator looked into Mr P and Mrs P's complaint. He said he agreed ReAssure could improve how it communicates information on its annual statement, but he didn't feel they misled Mr P and Mrs P or acted unfairly.

The investigator said the terms of the trust were clearly provided and accepted by Mr P and Mrs P. He said the policy held in trust could not be surrendered or accessed during the settlors lifetime. He concluded ReAssure acted correctly in declining the surrender request and he didn't think they had suffered any financial loss here.

The investigator said Mr P and Mrs P said they sent an original copy of the trust certificate and requested its return, whereas ReAssure said it received and scanned in a copy of the

policy schedule. He said he had not seen enough evidence that the original trust deed document was destroyed. He finally concluded the £200 payment made by ReAssure was fair and reasonable in the circumstances.

Mr P and Mrs P were not in agreement with the investigator's view and made 8 points regarding their complaint, that they would like me to consider. These are:

- Documents were destroyed at the 30-day mark and not after 90 days as ReAssure claim. They were wrong to do this and for not admitting their mistake.
- Following submission of their claim to withdraw funds ReAssure confirmed the fund value (on 4 March 2024). This would indicate their claim was being processed.
- Do ReAssure need a production of a death certificate to release the trust funds to the beneficiaries?
- What is meant by ReAssure and / or the investigator stating subject to all other requirements being met? What are these?
- They believe ReAssure did realise it had made a mistake by destroying the original trust deed and are hiding behind their assertion that the document they destroyed was a copy.
- Statements showing surrender values when the actual product does not allow for such is poor and misleading.
- The document ReAssure claim was a copy, was the one given by Legal & General to them at inception. They had no other document (except a photocopy they sent into our service)
- ReAssure indicated they can supply copies of the policy schedule if needed. If they do it must include reference to the destruction of the original trust deed and that the new document safeguards the beneficiaries.

ReAssure replied to our service about Mr P and Mrs P's comments. They said they had apologised for the mix up with the documents being destroyed and paid £200 compensation for it. They said the document was a copy of a policy schedule and not an original trust deed.

ReAssure reiterated again that the policy in trust could not be surrendered, and that they put that in the statement to reflect the value in the policy. They said a death certificate of the remaining settlor would trigger the ability to release the funds. They said clients would need to also meet identification and banking requirements. They said they were happy to issue Mr P and Mrs P with another copy of the policy schedule. They explained that the surrender value shown reflected the underlying policy value and not any amount available to withdraw under the trust.

Because the parties are not in agreement, Mr P and Mrs P on behalf of The P Trust's complaint has been passed to me, an ombudsman, to look into.

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 have independently reviewed Mr P and Mrs P on behalf of The P Trust's complaint and have arrived at the same outcome as the investigator, for broadly the same reasons. I will explain why.

Were ReAssure's actions fair and reasonable, when it rejected Mr P and Mrs P's withdrawal request?

Mr P and Mrs P received an annual statement that showed a surrender value of a bond they held in a discounted gift trust. They requested an up-to-date surrender value and then decided to make a withdrawal. They provided supporting documents including what they have said were the original trust deeds. Their withdrawal request was rejected by ReAssure and I have looked into all of this to see whether their decision was fair and reasonable or not.

The bond is held in a discounted gift trust originally set up by Mr P and Mrs P with Legal & General, the previous administrators. This type of trust is designed in a way that the settlors can't access the capital during their lifetimes. Its purpose is inheritance-tax planning, and the trust terms – which Mr P and Mrs P accepted when they set it up – restrict any form of capital withdrawal surrender except in very limited circumstances.

Because of that structure, the trustees have no power to surrender the bond or access the capital while either settlor remains alive. So, it is not surprising that ReAssure refused the request, as it would have gone against the trust's operating rules. So, I don't think ReAssure acted unfairly by declining the surrender request.

I also don't think the appearance of a surrender value on the annual statement alters that position. ReAssure has explained – and I accept – that these values appear on all bond statements as standard wording generated by their system, irrespective of whether the bond is held in trust. I agree this could have been presented more clearly by ReAssure but the presence of a surrender value on a statement does not create a right of access where the trust prevents it.

I think ReAssure were correct to reject Mr P and Mrs P's withdrawal request and by doing so adhered to the rules of the trust. With that in mind, although it could have been clearer with how it communicated with Mr P and Mrs P, I don't think anything related to what I have just said, created any financial loss for them. I note, ReAssure has paid some compensation already, and on balance, I don't think it needs to do anything further with regards to the annual statement, that caused this initial confusion.

What happened when Mr P and Mrs P sent in supporting documents and did ReAssure act unfairly when it handled these?

I've read what has been said by both parties carefully, and it has been difficult to ascertain what happened here because there is a clear disagreement about what happened. Mr P and Mrs P said they sent ReAssure the original trust deed as part of their withdrawal pack and the firm has destroyed it. They said they sent the document that was given to them originally by Legal & General when they set the trust up.

ReAssure on the other hand has consistently throughout maintained that it received and scanned in a copy of the policy schedule, not the original trust deed, and that the document destroyed can be replicated at any time. There has also been a disagreement about when the document was destroyed.

There's no definitive evidence either way that proves what was enclosed in the envelope and sent in by Mr P and Mrs P. I've carefully considered both accounts of what happened, but on the available evidence, I can't reasonably conclude that ReAssure destroyed an original trust deed. I've just not seen enough to draw that conclusion.

That said I note that the trust deed remains valid and binding whether the provider holds an original copy or not. Trustees are normally expected to retain the trust deed themselves, and I would normally expect ReAssure to return such a document if it was sent into them in error or otherwise. Even if the original deed had been mislaid, a copy is sufficient for legal and administrative purposes. So, even though I don't know what has happened here

regarding the original trust deed, or if there's existence of copies, this disagreement between the parties hasn't caused any financial detriment to Mr P and Mrs P or affected the trust's integrity.

So, in conclusion, I don't uphold Mr P and Mrs P's complaint here. I can't reasonably conclude matters have occurred in the way they have explained and even if they did, I don't think it has caused them detriment or affected the way the trust will be run in the future.

Have ReAssure treated Mr P and Mrs P fairly in the way it has communicated with them and dealt with their complaint?

I do think ReAssure could have communicated more clearly on many of the issues Mr P and Mrs P have brought to our service.

ReAssure could have been clearer in making its position known and the reasons why it did what it did, and it could have done so in a timelier fashion. This understandably prolonged Mr P and Mrs P's concerns and left them unsure as to what happened and the reasons why.

ReAssure has acknowledged much of this and paid £200 in recognition that it could have done better. I think the payment fairly reflects the inconvenience it has caused, and so I don't think it needs to do anything further.

I appreciate Mr P and Mrs P will be disappointed with my decision, and I acknowledge the strength of their feelings in the submissions provided. But based on everything I have read and the findings I have given, I don't think ReAssure need to do anything more than it has done already. It follows, that I don't uphold Mr P and Mrs P on behalf of The P Trust's complaint.

My final decision

My final decision is that I do not uphold Mr P and Mrs P on behalf of The P Trust's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask The P Trust to accept or reject my decision before 18 December 2025.

Mark Richardson
Ombudsman