

The complaint

Mrs C and Mr S complain that two life policies they held jointly cannot be located by Phoenix Life.

What happened

Mrs C and Mr S have said they took out two policies (SA57339G and SA616443E) with Cornhill in October 1989 with premiums of £30 and £80 per month respectively which were paid until August 1992.

Mr S has explained that he lost track of these policies as they had migrated to other providers making it hard to follow until recently when he contacted Phoenix Life.

In his submission to our service Mr S explained that due to his marriage to Mrs C ending, payments into these policies stopped in August 1992.

When Mr S contacted Phoenix Life, he was told that he would have been contacted in 1992 to inform him that the policies were going to lapse; they were unable to provide any information about them. So, in February 2025 Mr S complained thinking they ought to have held some value.

Phoenix Life responded to the complaint on 24 February 2025 explaining that they were able to locate the plans. They said as both policies had lapsed for over six years, which meant that other than the policy numbers, they were unable to locate any further information. Phoenix Life further explained that notification would have been sent to Mr S telling him that payments were being missed, followed by notifications that the policies had lapsed. The complaint response went on to say that as the plans had lapsed for over six years, they were no longer required to keep this information in line with the regulator – The Financial Conduct Authority's recommendations. This was the reason why they were unable to locate any other information on the policies and why they had no value.

Unhappy with Phoenix Life's response Mr S referred the complaint to our service. Our investigator reviewed the complaint and determined it was not one they could uphold.

Our investigator explained that there was limited evidence available due to the passage of time since the policies lapsed and as such it was difficult to say exactly what had happened. They had been able to see system notes from Phoenix Life which showed at least one of the policies had a direct debit cancellation letter dated August 1992. Based on what they had seen our investigator was persuaded that the policies lapsed due to non-payment of premiums and no evidence had been provided to suggest any value would be retained. Mr S responded to the assessment explaining that it was not explained that these policies would lapse and that no evidence has been provided to the contrary. He felt strongly that the migration of the policies to new providers, made it impossible for him to keep track.

In response to Mr S' response, our investigator issued further findings. They explained that Allianz Cornhill Insurance Plc's ('Cornhill') policies were not migrated to another provider

until 2005, so it was unclear why Mr S was unable to locate them during the 13 years they had remained with Cornhill following the lapse.

They also felt it was unreasonable to expect the policies to remain in place after such a long period of time with no premiums being paid and felt it was unlikely that a provider would reinstate a policy after several years of premiums being unpaid.

Ultimately their assessment of the case remained unchanged.

Mr S was unhappy with the response and asked for the complaint to be considered by an ombudsman.

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 think it's important to state that due to the passage of time not all the paperwork has been available for me to review. As the policies lapsed in 1992, I do not consider this unreasonable. Where the information is limited or incomplete I've had to make my decision based on the balance of probabilities. In other words what I think is more likely than not to have happened.

Mr S explained in his submissions to our service that payments into these policies were stopped in August 1992. I have also seen the evidence from Phoenix Life's system showing a direct debit mandate cancellation notice was sent in August 1992 in relation to policy SA57339G. Combined with Mr S's submission, I'm persuaded that it was Mr's intention to stop paying in to the policy and that notification was sent the direct debit had been cancelled.

Although there is no system information concerning policy SA616443E I think it is more likely than not that this policy also had the direct debits cancelled and that notification was sent confirming this.

Phoenix Life has provided screen shots showing that a search was conducted in both Mr S and Mrs C's names. The search showed that both Mr S and Mrs C held two policies (SA57339G and SA616443E) and that both had lapsed.

As there is insufficient evidence to show exactly what has happened, I must make a determination on what I think is likely to have happened in the circumstances. I'm persuaded that Mr S and Mrs C made the decision to stop paying in to the policies and I think it's likely that they were contacted by the provider at the time to confirm the cancellation of direct debit mandates. I also think it's likely that notices were sent out explaining that the policies would lapse and that is ultimately what appears to have in line with standard industry practice at the time. I have not seen any compelling evidence to suggest these notices were not sent.

Like our investigator, I have also considered the timeline of when the policies migrated. From my own research I have found out that Cornhill policies were migrated to Britannic in early 2005. Britannic's policies were subsequently migrated to Phoenix Life in 2006. This would mean that Mr S and Mrs C's policies had remained with Cornhill for 13 years after the direct debits had stopped being paid. As such, I'm not persuaded that Mr S did not have a reasonable opportunity to locate the policies as they were with the same provider during that time.

It follows then that I do not consider it unreasonable Mr S was not contacted when Cornhill's business was incorporated into another provider as premiums for both policies had not been paid for over 10 years.

Ultimately, I'm persuaded that the decision to stop paying into the policies came from Mr S and Mrs C in 1992 and that Mr S has sufficient opportunity to contact the provider in the following 13 years to enquire about them.

As I've not seen any evidence to show that the policies have retained a financial value, I do not consider it fair to ask Phoenix Life to make any payment in this regard.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr S to accept or reject my decision before 22 October 2025.

Rob Croucher
Ombudsman