

The complaint

Mrs A complains to Phoenix Life Limited about how they've dealt with the problem of an old, rediscovered cheque.

What happened

In 2000, Mrs A took out an endowment plan with a 15-year term. When it matured in January 2015, Phoenix sent her a cheque for the proceeds amounting to just over £15,200. For some reason, that cheque was stopped and another issued in April 2015.

In 2024, Mrs A was organising some paperwork to do with her will and found the original cheque. She deposited it with her bank but it was returned unpaid, so she was encouraged to get in touch with Phoenix for it to be reissued.

Phoenix reviewed their limited records and explained that it appeared the first cheque issued in January 2015 had been stopped as Mrs A had let them know she would be out of the country for a couple of months. They said a second cheque was issued in April 2015 and had been cashed later that month.

Phoenix gave Mrs A some incorrect information about the cashing of that cheque – they gave bank details of where it was paid, but only later did Mrs A find that the details were instead where the payment came from, not where it went.

Phoenix didn't agree to reissue the cheque, so Mrs A made a complaint. Phoenix sent their final response letter in January 2025. They apologised for the incorrect information shared but weren't able to clarify where the cheque was cashed given the time that's passed. Phoenix offered Mrs A £200 in compensation – £150 for the confusion caused by the inaccurate information and £50 for the time it took them to send their final response.

Mrs A remained unhappy and asked for our help. One of our investigators had a look at what'd happened but he didn't agree Phoenix needed to reissue the cheque.

Mrs A was disappointed – she questioned why it was being assumed that the second cheque had been lost or intercepted, she also questioned why Phoenix had some details about the cheque being cashed, but not others. She also challenged Phoenix's comments about why the first cheque was stopped – she said their assertion that she was abroad for months wouldn't have been true as she worked in the public sector and simply wouldn't have had holiday allowance to travel for that long.

Mrs A felt the onus here ought to be on Phoenix – for them to prove the money was paid to her account – but instead it appeared they'd paid it to themselves. As things remained unresolved, the matter was referred for an ombudsman to consider.

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.

Firstly, I will say it's clear to me how strongly Mrs A feels about what's happened here. She quite rightly points out that she paid into an investment over the years and the result of her contract with Phoenix ought to be the proceeds of that policy. I agree with her on that point. But I'm afraid it doesn't follow that Phoenix ought to pay her the £15,200 now. I will explain why.

As I said above, in 2024 Mrs A found a cheque issued to her some nine years earlier in 2015. I accept her explanation that it was accidentally bundled up with her will when the paperwork was stored. What is less clear is why a second cheque was issued and who that was cashed by. That said, where the information I've got is incomplete, unclear or contradictory (as some of it is here) I must still make my decision, and to be sure to base it on the balance of probabilities. That is – what's more likely than not to have happened in all of the circumstances here, based on the available evidence.

In situations like this it's not unusual for there to be no record of what happened as the information has been legitimately destroyed over the passage of time. Businesses aren't expected to keep records forever and it's usual for them to be deleted after around six or so years. Sometimes skeleton records remain available, but they're often very limited in what we can glean from them.

From what I can see, Phoenix have tried to find out more about the payment sent to Mrs A. We know the first cheque arrived with her safely and was filed away. But we don't know much more about the second. Phoenix tell us that the skeleton record they do have shows it was cashed. I've seen this record which is a line from what Phoenix call their bank download – it shows which bank account number the cheque was cashed from, the amount and cheque number. They confirmed they don't have any further bank statements to provide any further information, such as the recipient bank details. So this is where the trail dries up.

The payment from Phoenix was quite a substantial one, and while I can understand how filing the cheque away meant it slipped Mrs A's mind around the time, I note she didn't query the absence of the payment at all over the next several years. That isn't Phoenix's fault, and the considerable length of time that elapsed before she finally contacted them meant that fuller records were no longer available. That wasn't Phoenix's fault either – many financial businesses would be in a similar situation.

All Phoenix can see now is that the cheque was cashed and the money left their account. Given the time that's passed, perhaps Mrs A did cash it into an account – after all, if it was intercepted it would have been difficult for a criminal to steal as it would have had to have been paid into an account in Mrs A's name. But this is something we do not know. All we do know is the payment was made and so in the absence of further records, I don't think Phoenix acted unreasonably in deciding not to reissue the cheque now.

It is unfortunate that hopes of further investigation were raised when Phoenix shared the bank account details of where the payment was sent, only to have been the account it was sent from. And I can understand Mrs A's frustration with the lack of further detail. But as I said above, I don't think it would be fair for me to find against Phoenix for not having the information from a decade ago.

Whatever the case may be – whether the cheque was intercepted, whether Mrs A has lost track of where she paid it in, or any other number of explanations – what's key is that it does appear Phoenix paid the proceeds out, and because of this it would be unfair to ask them to pay them again.

Lastly, I agree that Phoenix's mistakes when investigating the complaint only added to the confusion for Mrs A, but I am pleased to see they have offered her £200 to recognise this. I am not sure whether this has been paid or not, but if it hasn't, it's an award I'd endorse to acknowledge the impact this had during an already stressful time.

My final decision

Phoenix Life Limited have already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Phoenix Life Limited should pay £200, unless they have already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 23 October 2025.

Aimee Stanton
Ombudsman