

The complaint

Mr S complains about the sale of his reviewable whole of life policy by ReAssure Limited (ReAssure). He says he was never aware that his premiums could increase as significantly as they did following a recent policy review.

What happened

In December 1986, Barclays Bank (who ReAssure are now responsible for in respect of the liability for the sale) sold Mr S a reviewable whole of life policy. The initial premium was £21.10 per month for a sum assured of £30,000.

The policy was reviewed after the first ten years, then every five years thereafter until Mr S reached 70, at which point it would be reviewed annually.

The outcome of the reviews carried out in 2006, 2011 and 2022 resulted in premium increases which Mr S accepted. In October 2023 the policy failed a review again. This time the premiums needed to increase from £54.05 to £132.90 to maintain the sum assured of £30,000, otherwise the amount of cover would be reduced to £19,802 if Mr S didn't change his monthly premium.

Mr S complained to ReAssure in April 2024 saying the premium increase meant he was either having to increase the premium to avoid the reduction in the sum assured, or he would be forced to surrender the policy at a figure well below what he has contributed in premiums.

ReAssure responded to his complaint but said it had been made too late. Mr S didn't agree and referred his complaint to this service for an independent review.

In June 2025, an ombudsman issued a decision on our jurisdiction to consider the complaint. The decision was the complaint was made in time and the complaint was passed back to the investigator to look into the merits.

The investigator issued an assessment but didn't uphold the complaint. In summary she said:

- The policy appears appropriate as it provides valuable protection.
- While the premiums increased dramatically in 2023, the policy is reviewable and designed to be reviewed after a certain number of years to ensure the premiums are enough to provide the level of life cover. As customers get older, the cost of providing the life cover increases, as the insurer starts to take on more risk. A number of different factors such as the size of the investment pot, current mortality rates and the investment performance impact the changes required after review.
- As the policy was reviewable ReAssure hasn't done anything wrong by reviewing the policy. It wouldn't be fair to expect ReAssure to accurately predict the outcome of policy reviews held almost 30 years in the future.

Mr S didn't accept the conclusions. In summary he said:

- The liability for mis-selling attached to the policy is with Barclays. In purchasing the portfolio from Barclays, ReAssure clearly knew that it was buying defective policies at a massive discount. The due diligence exercise would have discovered the fact that the policies being acquired were not fit for purpose and smacked of wholesale mis-selling.
- Mis-selling refers to selling policies using false claims about future performance or by not disclosing important information. Banks have used the passage of time as a fallback defence, often citing missing paperwork when disputes arise. The reason for the lack of paperwork is that it was never issued, but in the 1970s and 1980s, no one cared as the financial institutions regulated themselves albeit in their own interests.
- The outcome outlined favours ReAssure largely on the basis that it followed process rather than the history and deficiencies of the policy itself.
- Within the correspondence provided at the start of the policy there was no specific indication given as to what the monthly premiums could increase to, and they already have by 600% for his policy. Barclays mis-sold the policy on the basis that they did not give any clear indication about the extortionate future premiums.

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'd like to be clear that I'm only considering the sale of Mr S's policy in my decision. I note from his submissions he has provided comments about the administration of the policy and things that happened post sale, if Mr S intends to pursue these concerns they would need to be raised separately.

Although, Mr S has been clear that the policy was sold to him by Barclays, for the purpose of my decision ReAssure is the business responsible for the mis-selling complaint. This is because ReAssure has accepted the liability for the sale of the policy, which was completed by Barclays after it acquired Barclays Life's book of policies – including Mr S's.

Mr S's policy was sold to him in 1986. So, the sale occurred prior to the introduction of the Financial Services Act on 29 April 1988. When reaching my decision, I need to consider the sale in the context of the obligation placed upon a firm when selling policies at the time.

Essentially, firms had three basic legal obligations:

- A duty not to make negligent mis-statements.
- A duty (if the representative gave advice) to advise with reasonable skill and care.
- A duty to disclose material information, if the representative gave information.

The duty to advise with reasonable skill and care meant there was a need for the adviser to ensure that the policy was appropriate for the consumer's needs and circumstances at that time.

There is limited information relating to how this policy was sold. This isn't surprising considering that the event happened nearly 40 years ago. I have reviewed the available documentation – this includes the application, policy schedule and policy conditions, alongside the recollections Mr S's has provided.

It isn't clear whether advice was provided or not to Mr S. But I note that the application indicates he was a staff member and a bank official at the time. I also note he was aged in his mid-30's and was married.

From the information I have available it does appear the policy was a 'reasonable degree of fit' for Mr S. He does have a need for life cover, so I haven't seen anything that would suggest it wasn't appropriate for him. So even if I accept advice was given to him, I haven't found reason to say this could be considered inappropriate.

I've read the policy conditions, and they do set out that the policy is reviewable. They also explain the possibility of the sum assured being reduced, and the circumstances of why that might happen at review. Similarly, it explains that the premium may need to be increased (as determined by the actuary) to maintain the existing sum assured.

So, I haven't found that there was misleading information given about the reviewable nature of the policy, and the fact changes may be required in the future after reviews – including premium increases. So, I'm satisfied material information was disclosed to Mr S, and I haven't seen evidence to say Barclays made negligent mis-statements.

I acknowledge the event that prompted Mr S to make a mis-selling complaint was the outcome of the 2023 review. He wasn't expecting the size of the increase in premium and says he was given no awareness that this could happen. But the fact the policy has required such a large increase, doesn't mean it was mis sold at the outset. The outcome of future reviews was unknown at the time of sale – the need for premium increases depends on a multitude of factors including policy performance and the cost of cover. I also haven't seen anything that would suggest Mr S was told there was a limit to how much the premium could increase by. When considering Barclays's obligations at the time of sale, I don't think the evidence supports there has been a failing in how it was sold to Mr S.

I recognise Mr S is upset at the prospect of such a large increase in his premiums, and this will come as a disappointment, but I don't think this policy was mis-sold.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 November 2025.

Daniel Little
Ombudsman