

The complaint

Mrs P is the appointed administrator of her late husband's, Mr D's, estate. She complains on behalf of the estate about Phoenix Life CA Limited's handling of the claims against Mr D's, policies. Although this particular complaint is made by the estate, for ease, where I refer to Mrs P below, I do so in the context of her taking action on behalf of the estate.

The business responsible for dealing with this complaint was previously registered under the name of Sun Life Assurance Company of Canada (U.K.) Limited. So that's the entity Mrs P will be more familiar with. However, throughout this decision, I'll refer to the correct current registered name of Phoenix Life CA Limited (Phoenix).

What happened

The events leading to this complaint are well known to the parties. So, I don't intend to refer to everything that happened. Instead, I'll mention key events to provide relevant context.

Mr D held three separate policies with Phoenix. He sadly died on 29 October 2020 at the age of 62.

Mrs P appointed a firm of solicitors (I'll refer to them as R) to settle matters on behalf of the estate. R notified Phoenix of Mr D's death on or around 6 November 2020.

In a letter to R dated 10 November 2020, Phoenix set out the information it needed to settle claims against the policies, including letters of administration. Phoenix recognised that such letters can sometimes take time to obtain. It suggested R should send any other information it had in the meantime and then forward the remainder on receipt.

Phoenix received some information in March 2021. But there were then delays in the supply of the remaining information, despite Phoenix making some attempts to chase things up. Around February 2022, Mrs P apparently became aware that following some intervention by the Solicitors Regulation Authority (SRA), R was no longer involved in the administration of Mr D's estate. That seems to account, to some extent, for the delays in further information being provided.

Mrs P subsequently appointed W, another solicitors' firm, to take over matters. In a letter dated 5 September 2022, W told Phoenix that it was helping with the administration of Mr D's estate. It asked Phoenix for information surrounding Mr D's policies and supplied a certified copy of his death certificate. It seems Phoenix received the letter a week or so later. Phoenix contacted Mrs P on or around 5 October 2022 to let her know it had been approached by W. Mrs P gave her authority for contact to be made directly with W. Phoenix then wrote to W on 12 October 2022 to ask for more information, including letters of administration.

W supplied some information to Phoenix in November 2022, but that didn't include letters of administration.

W chased Phoenix during January 2023 regarding settlement of the claims.

Phoenix noted around March 2023 (after being contacted by Mrs P) that it was still waiting for letters of administration.

In late March 2023, Phoenix indicated to Mrs P that as the claims had been ongoing for over two years, it would need to deduct tax when making payments.

A formal complaint was lodged.

In May 2023, Phoenix sent a further request for letters of administration and a death claim settlement form.

On 25 May 2023, Phoenix responded to the complaint. Again, it said it needed to see the letters of administration. However, in respect of other delays on its part, it said it was willing to add interest once the claims were settled.

Dissatisfied with Phoenix's actions, Mrs P first wrote to the Financial Ombudsman Service in August 2023 (we received her letter in early September 2023) at which point claims against the policies payable to the estate still hadn't been settled. As far as Mrs P was concerned, if Phoenix had settled the claims within two years', tax wouldn't have been due. So, she expected Phoenix to compensate the estate for its losses.

In mid-October 2023, letters of administration were granted to the estate. It's not completely clear when Phoenix first received this documentation to enable it to settle the claims made by the estate.

In January 2024, Phoenix said it had paid the following amounts:

Plan	Claim value	Tax deducted	Interest paid	Total paid
2	£60,711.26	£27,320.07	£3,243.44	£36,634.63
3	£2,214.46	£1,217.95 ¹	£118.26	£1,336.21

Mrs P contacted the Financial Ombudsman Service again. She appeared to accept, by that point, that the delay in letters of administration being granted was likely to have been a factor in Phoenix not settling the claims sooner. However, she maintained that Phoenix hadn't acted appropriately overall. She said the upshot of Phoenix's delays was that there had been a combined loss to the estate of £28,538.02 (£27,320.07 + £1,217.95).

One of our Investigators considered the complaint, but he didn't think Phoenix needed to take any further action. In short, he said that Phoenix was waiting for letters of administration before it could pay out on the policies. He noted that those were requested on 12 October 2022 and Phoenix continued to request them until about 26 June 2023 (as I mentioned above, they were eventually granted in mid-October 2023). The Investigator was satisfied that the bulk of the delay wasn't Phoenix's and felt the two-year deadline for settling the claim would likely have been missed anyway. Given that and the fact Phoenix had, amongst other things, paid simple interest of 8% in recognition of other delays, the Investigator didn't think it needed to do anything more.

Mrs P didn't accept the Investigator's opinion. She asked an Ombudsman to consider the matter afresh. In doing so, she reiterated that Phoenix was responsible for unacceptable

¹ These are the figures quoted in Phoenix's letter however it appears to have incorrectly transposed the figures. It seems the tax deducted figure should be 45% of the claim value, which is £996.51. Albeit the total paid figure appears correct.

delays; misinformation and general poor handling of the matter. The complaint has been passed to me to decide.

My provisional decision

I sent the estate and Phoenix my provisional decision on 18 July 2025. I've included the relevant extracts below.

"I fully understand the concerns that Mrs P has expressed. And I imagine that at a time when things were already difficult following Mr D's death, they were likely made worse by the delays and issues she encountered when trying to make claims against his policies.

Mrs P does now appear to accept that to some extent, payment of the policies was affected by the delay in the letters of administration being granted. But it's apparent from what she's also said that she thinks Phoenix was responsible for other delays and general poor handling of the claims. I've thought about all of this very carefully.

As far as settlement of the claims is concerned, I'm satisfied that Phoenix was required to request the information that was relevant to complete that process. And as Phoenix itself acknowledged, obtaining letters of administration can take time. I don't know exactly when it received the letters of administration. But I can see that those weren't granted until 16 October 2023, which was almost three years after Mr D sadly died. Therefore, even if there had been no delays on Phoenix's part, as a key document that was required to settle the claims wasn't even issued until 16 October 2023, I'm satisfied Phoenix wouldn't have been in a position to settle the relevant claims within two years of it being notified of Mr D's death.

I note that Phoenix mentioned, in a letter dated 24 January 2024, (when settling the claims payable to the estate) that those policies wouldn't generally attract inheritance tax. I haven't necessarily taken that to mean that no tax at all will be due. This is something that Mrs P may wish to speak to HMRC about. But if it transpires that tax is rightly due against these policies, for the reasons I've outlined above, I can't fairly say that's something Phoenix is responsible for.

However, it's evident Phoenix recognised, even though it wasn't responsible for the delay in letters of administration being granted, that it still held onto the funds due to the estate for longer than was expected. I say that because, it added late payment interest to the payments when settling the claims. I think that was a reasonable step for Phoenix to take in the circumstances. Therefore, as things stand, I'm not intending to direct Phoenix to do anything more in connection with this particular complaint".

Responses to my provisional decision

Phoenix accepted my provisional decision without making any further comments.

Mrs P suggested that only one policy, not two, were payable to the estate. And therefore, that two policies were payable to her directly as the beneficiary. Again, I've addressed the beneficiary policies in a separate decision, so here, I'll only focus on the policies payable to the estate.

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.

Notwithstanding Mrs P's previous comments to this Service that the estate had suffered total losses of £28,538.02 (the combined losses of £27,320.07 + £1,217.95 from two policies) in response to my provisional decision she seemed to suggest that only one policy was payable to the estate as the other two were payable to her directly. She hasn't given me any other evidence, beyond her comments, to support that position.

I thought carefully about what Mrs P said. It's not clear to me whether her position stems, on reflection, from the initial (albeit incorrect) advice that Phoenix gave her that only one policy was payable to the estate. In any event, it might be helpful to explain that before I issued my provisional decision, I asked Phoenix further questions about the policies and whether Mr D completed beneficiary forms before he died. Although Phoenix didn't respond until after I'd issued my provisional decision, its response generally reflected the provisional conclusions I'd already reached.

Part of the reason for asking further questions was that I noted policy two *could* be paid under trust to a beneficiary where the appropriate nomination forms had been completed and received by Phoenix. However, I hadn't seen any evidence to suggest that Mr D had completed a nominated beneficiary form before he died. Phoenix responded that Mr D hadn't returned a beneficiary form in connection with that policy, so in those circumstances the proceeds were paid to the estate. And it was for that reason that letters of administration were needed. That doesn't seem unusual to me and reflects my understanding of what often happens.

Concerning plan three, I noted the terms and conditions also indicated that the proceeds were generally payable to the estate. However, they also seemed to suggest that a nominated beneficiary could be accepted in appropriate circumstances. Again, I asked Phoenix about this. In response, Phoenix again confirmed that Mr D hadn't returned a beneficiary form in relation to this policy either, so the proceeds were also paid to the estate.

Phoenix added that as scheme administrator of the plan, it has absolute discretion to decide who can receive payment of any death benefits that arise, so the proceeds from the above policies were paid to the estate taking that into account. That accords with my understanding of what generally happens when it comes to the payment of benefits – particularly when no beneficiary has been nominated. And in that respect, I don't find Phoenix's response unusual.

In summing up, there's no new evidence or comments that would cause me to change what I said in my provisional decision. So, my decision remains that Phoenix has already taken reasonable steps to put things right in relation to this particular complaint. I'm not therefore intending to direct Phoenix to do anything more.

My final decision

Phoenix Life CA Limited has already taken reasonable steps to resolve this particular complaint. So, I'm not intending to direct it to take further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr D to accept or reject my decision before 25 September 2025.

Amanda Scott
Ombudsman