

The complaint

Mr and Mrs T complain how Countrywide Assured Plc (Countrywide) administered their reviewable whole of life (RWOL) assurance policy, and it not providing them with information about the policy they requested.

What happened

Mr and Mrs T took out a RWOL policy in April 1984 provided by a firm Countrywide has since taken over. For ease I'll refer to the actions of that firm as if they were Countrywide's given it's responsible for the actions of that firm. The policy was sold through an independent broker and so Countrywide isn't responsible for how it was sold to Mr and Mrs T.

The policy was originally taken out for a sum assured of £15,000 for a premium of £11.76. The premium increased gradually over time with those increases becoming more significant in recent years. In 2024 when Countrywide explained to Mr and Mrs T that their premium would need to increase to £101.66 to sustain the sum assured, Mr T asked the firm for information about the policy to help him understand why this was happening. As there was no response to that request and as they felt the policy wasn't being fairly administered, they complained to Countrywide.

Initially Countrywide didn't issue a final response, and as the time limits for it to do so had passed Mr and Mrs T referred their complaint to our service to consider further. Countrywide did later issue a final response where it said it had recently explained in a phone call the basis of the reviews and apologised for the delays in providing the requested policy information. To resolve matters around the late provision of the policy information Countrywide said it would pay them £300 into the account the premiums were paid from to recognise the inconvenience caused.

One of our Investigators looked into Mr and Mrs T's complaint but didn't uphold it. He explained that Countrywide had set out the reviewable nature of the policy in its terms and conditions and while it hadn't evidenced clear information had been given about the reviews that took place, he didn't think Mr and Mrs T would've done anything differently had clearer information been given.

Mr and Mrs T didn't agree, feeling our Investigator was relying on hindsight to speculate what they would've done. In their view they would've surrendered the policy earlier had they known the premiums could increase as they did. They also suggested that units should've been sold earlier to reduce the level of future increases earlier, and that assurances given to them in 1991 by the firm who brokered their policy hadn't been taken into account. Our Investigator considered what Mr and Mrs T said but didn't change his view of their complaint.

As an agreement couldn't be reached, Mr and Mrs T asked for an Ombudsman to decide their complaint. I issued a provisional decision setting out that I wasn't intending to uphold the complaint for similar reasons to our Investigator, but to also address a matter I hadn't seen our service had yet provided an opinion on.

In my provisional decision I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, to direct Countrywide to take any compensatory action in this complaint I first need to find on the balance of probabilities that it fell below its obligations to Mr and Mrs T. And where it did so, that failing detrimented Mr and Mrs T. If I were to make such a finding I can direct Countrywide to put Mr and Mrs T in the position they would be in had what went wrong not happened. Our service can also award compensation but only an amount reflecting the distress and inconvenience incurred by Mr and Mrs T.

There is limited information about this policy and given the passage of time since 1984 when it was taken, it isn't unreasonable there isn't more available to me about it.

The type of policy Mr and Mrs T took out was a RWOL policy. These policies tend to work by using the premium to pay for life cover and to use what's left over to build an investment pot to be drawn from when the premium can no longer sustain the cost of life cover alone, which increases with age. Overtime the aim is that the investment pot grows enough to cover the additional life costs into the long term, ideally for the rest of the policyholder's life. But when it can't, which can occur when the costs of life cover increases above the premium, changes may be required to sustain the policy. Reviews are carried out at set intervals to see how the policy is performing and where change is needed, the firm would usually recommend increasing the premiums or reducing the level of cover provided.

Countrywide has provided what it says are the original policy terms and having read those, I'm satisfied it had explained to Mr and Mrs T's that their policy worked in this manner. In particular section C of the policy says:

"3. Policy Review

On the fifth policy anniversary and every five years thereafter the Company will review the policy and after taking into account the actual unit performance over the period and any other relevant factors will recommend a minimum level of premium for the following five years. If the current premium is below the recommended level the Policy Owner may choose to continue to pay the current premium but if so there is a risk that units will run out and the following paragraph will then apply [that the sum assured will reduce and can continue to reduce at each review]."

I understand what Mr and Mrs T had said, and provided some evidence around, that the firm who sold them this policy had told them the premium would be stable and that the surrender value would increase over time. But I can't consider what that firm told them as those comments were made by a firm Countrywide has no responsibility for. Countrywide's obligations to them were to explain the working of the policy, which I think its terms demonstrate it did.

It follows then I'm satisfied Countrywide gave Mr and Mrs T sufficiently clear information that their policy was reviewable, and that meant it would only guarantee the initial levels for five years. And that afterwards they may need to increase the premium or reduce the amount of cover the policy provided, depending on the outcome of those regular reviews.

While Countrywide can make changes in that manner, to do so fairly it would've needed to provide Mr and Mrs T with enough information about the position of the policy in a clear, fair and not misleading way. I say this because in meeting the regulator's requirements around this firms needed to ensure that they provide policyholders with sufficient information for them to be able to make an informed decision about what changes to make on their policy, and how this might affect it in the future, before it's too late for them to do anything about it.

I think there was an imbalance of knowledge between Countrywide and Mr and Mrs T around how significant the changes would likely be in the future to sustain this policy. Given Countrywide's position in the market and information from its own customer base for these policies, I think it would be reasonable to say it ought to have known the likely extent of increases that might be needed in the future, to either the sums assured or the premiums that would need to be charged, and that these would soon become significant.

The evidence provided about the premiums paid and the costs of life cover in each policy year shows the cost of life cover exceeded the premiums being paid by the time the April 2007 review would've been due. Given this "tipping point" is a critical juncture of this policy I would expect Countrywide, in meetings its regulatory obligations, to have given Mr and Mrs T clear warning about the future prospects of their policy and provided them with enough information to understand the impact of any decisions they make. In my view that would reasonably include information about the longer term forecasts on the costs of life cover, the value of the investment pot, and how changes in premium and the sum assured could impact how long their policy could continue for.

Countrywide hasn't been able to evidence what Mr and Mrs T would've seen following the reviews of their policy, the options given to them and whether they were given the sort of information I've described above. But given the passage of time since 1984 when this policy was taken out, it isn't unreasonable Countrywide can't provide all of the earlier reviews but those carried out more recently reasonably ought to be available for me to determine whether clear, fair and not misleading information was provided to them at those reviews. The policy terms do however refer to there being only a short term outlook for the reviews, specifically saying actions would be recommend to sustain the policy for only the next five years. I don't know how that term changed over time but as I've not been provided with any other evidence to say otherwise, on balance I think it's likely that short term outlook would mean the reviews wouldn't have included information about the long term outlook I think it fairly ought to have. It follows then I think it's likely Countrywide didn't provide Mr and Mrs T with clear, fair and not misleading information when the policy was reviewed.

However, whether Countrywide provided information in keeping with its obligations or not, in my view, I'm not persuaded Mr and Mrs T would've taken any different action to accepting the premium increases as they did. I say this because in determining this complaint I need to decide what I think would've most likely happened had Mr and Mrs T been given information about their policy in the manner I've suggested above. In doing that I've thought about the reasons they took this policy out, what they tended to do when the policy was reviewed, it's encashment value and the responses Mr T gave to questions our service put to him about that.

Having considered all of that in the whole, in my opinion, the most likely outcome is Mr and Mrs T would've opted for the policy to maintain the sum assured at the increased premium. In reaching that conclusion I've considered that the policy was taken out to provide a cash sum on death to provide some financial security to their

family, a need I've not seen has gone away. By accepting the increased premiums as Mr and Mrs T did supports my thoughts that the policy providing cover for that reason was still important to them. I've also considered whether surrendering the policy for its cash value but the evidence demonstrates the policy at the relevant times had little, and sometimes no, cash value. I can't fairly conclude then surrendering was likely a realistic option given their need for the policy remained and they would likely still see value retaining the policy for the sum assured it offered. By agreeing to those premium increases, I'm satisfied that more likely demonstrates Mr and Mrs T placed more value on retaining this policy than surrendering it for little to no value. Responding to our service's questions about what he likely would've done, I've not seen Mr T's responses ought to reasonably lead me to another conclusion as his comments are consistent with what I've said above.

In response to our Investigator's outcome Mr and Mrs T said too much emphasis was put on what would've happened in hindsight, and understandably they may say I've done the same. But as I've explained above I have to consider on the balance of probabilities what I think is most likely. And here for the reasons given above I think that would be that the policy would've been retained on the increased premium. It follows then I don't intend to uphold this part of their complaint.

Mr and Mrs T have also said in their submissions they think Countrywide ought to have sold more units earlier. I understand the point being made here but the policy terms don't function in that way. My reading of the relevant part is that units are sold if the premium is insufficient to cover the life cost, which is typical of these policies as the capital growth is targeted earlier in the life of the policy to give it the longest time to grow to create a larger pot to subsidise the future costs. In my view then that doesn't impact what I've already said about how Countrywide administered their policy.

Lastly, I've considered how Countrywide handled Mr T's request for information about the policy. The firm says Mr T first requested this information in April 2024 and he'd chased its response three times in the following months, with another request for other information also taking place in July. Countrywide agrees that it failed to respond on each of those occasions until it issued its final response in January 2025, some eight months later, in which it says the requested information was enclosed with it. I don't think it was fair the firm took this long to provide information Mr T was entitled to ask for relating to his policy. In my view Mr T having to chase that information at a time when he wanted to understand why the policy was changing in the manner it was caused him frustration and inconvenience, which would become more aggrieved each time he chased Countrywide's response.

Countrywide has already offered £300 to compensate Mr and Mrs T for the impact this delay had on them. I'm satisfied that offer fairly reflects the frustration and inconvenience caused where that information was provided much later than it ought to have leading to Mr T having to take the time to contact the firm on multiple occasions, which would reasonably cause a fair degree of frustration. I think the offer already made fairly reflects the impact that had on Mr and Mrs T.

If Countrywide hasn't paid that amount in this matter then it should. If it has then I don't intend to direct it to do anything more to resolve Mr and Mrs T's complaint."

Neither Mr and Mrs T or Countrywide responded to my provisional 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.

Having reviewed the matter again, I've not seen to change the outcome or my reasoning in my provisional decision.

It follows then as I've not seen to depart from the conclusions I reached in my provisional decision, my final decision is what I said in my provisional decision above.

Putting things right

Countrywide had already offered Mr and Mrs T £300 to compensate them for the impact the above delay had on them. For the same reason as I set out in my provisional decision, I'm satisfied that offer fairly reflects the frustration and inconvenience caused.

It's unclear if Countrywide has paid that amount already to Mr and Mrs T. If it hasn't then I direct Countrywide Assured Plc pay Mr and Mrs T £300, including anything already paid to them in resolution of this matter. If it has already paid that amount to them then I don't require it to do anything more.

My final decision

My final decision is that Countrywide Assured Plc settle the complaint as I've set out above if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 10 December 2025.

Ken Roberts
Ombudsman