DRN-6046815

The complaint

Mr M complains that Phoenix Life Limited have been unable to demonstrate that they paid him the maturity proceeds of an investment that he previously held with them.

What happened

Mr M took out an Abbey Life Security Plan on 8 June 1979 for a term of 35 years, which had a maturity date of 8 June 2014. Abbey Life's business was later absorbed by Phoenix. Mr M is concerned that the proceeds of the policy may never have been paid out and that Phoenix Life have been unable to confirm what happened at maturity.

After raising a number of queries with Phoenix and not receiving a satisfactory response, Mr M decided to formally complain to them. In summary, he said he was unhappy that Phoenix had been unable to provide details of the investment's policy status, its maturity value and whether any settlement had been made.

After reviewing Mr M's complaint, Phoenix concluded they were satisfied they'd done nothing wrong. They also said, in summary, that having searched their archives, they could find no record of the investment plan. Phoenix also explained that they were only obligated to hold records for six years after a relationship ended so given the time that had elapsed since the plan matured, they were unable to shed any further light on what happened to the proceeds.

Mr M was unhappy with Phoenix's response, so he referred his complaint to this service. In summary, he said:

- He was concerned that the proceeds of his policy may never have been paid out.
- His complaint had not been investigated or handled properly.
- Phoenix Life had failed to comply with their regulatory obligations to resolve complaints within the required timescales.

To put things right, Mr M said that:

- He wanted Phoenix to pay the full settlement value, with interest, or if they can prove the policy did pay out at maturity – evidence of this, including documentation to confirm premium histories, discharge forms, payment records, payee details and any returned or unpresented cheques.
- In either scenario, he also feels they should pay compensation for the distress and inconvenience caused by failing to act upon clear evidence provided, repeatedly requesting information already supplied and exceeding the eight-week deadline for complaints without providing a resolution.

The complaint was then considered by one of our Investigators. He concluded that Phoenix hadn't treated Mr M unfairly. He also said, in summary:

- As the policy matured in 2014, if the proceeds were paid out, then the records would no longer be relevant to either party. So, it's not unusual that Phoenix Life haven't retained the records for a further 11 years.

- In regard to the GDPR article, it would also be reasonable to say that if the proceeds of the policy were paid out in 2014, then the obligations have been fulfilled, and would've been proven discharged when Mr M received the funds. On balance, the fact information *hasn't* been retained is persuasive evidence that the funds were paid out.

- We would expect records to be kept for a reasonable amount of time, which is generally six years. We wouldn't expect a business to retain records for decades after a policy has come to an end.

- The policy had a set maturity date, which Mr M would've been aware of from the policy documents he provided to our service. If the funds weren't received on or shortly after the maturity date, it's reasonable to suggest he would've raised concerns at the time. This also suggests to our Investigator that it's more likely than not that the maturity proceeds were received – or that the policy was surrendered prior to maturity.

Mr M, however, disagreed with our Investigator's findings and then asked the Investigator to pass the case to an Ombudsman for 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.

I have summarised this complaint in less detail than Mr M has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mr M and Phoenix in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding Mr M's complaint - I'll explain why below.

In weighing up the evidence, it's important to be clear that the absence of historic policy records doesn't, in itself, prove that the proceeds were paid, nor does it indicate wrongdoing. But when assessing what's more likely than not to have happened, the absence of records has to be considered alongside other factors, such as industry-standard retention practices, the passage of time and the lack of any contemporaneous indication from Mr M in 2014 that the maturity value hadn't been received. Taken together, these factors help me determine the most likely scenario.

From what I've seen of the evidence presented to me, Mr M held an Abbey Life Assurance Policy called a 'Security Plan'. The documentation from the time states that the basic premium was £12.12 each month, of which £11.62 would be allocated to units in their Abbey Series 4 Property Fund. The plan also benefited from 'waiver of premium' (which covers the monthly payment if Mr M was unable to work). Given the policy document shows the contract had a term of 35 years, it strongly points to it being an endowment assurance policy, rather than a 'whole of life' protection plan. I also don't believe the plan was a pension (as suggested by Mr M in his email to this service of 5 February 2026) given the paperwork states the plan is an 'Assurance Policy'. That means it wouldn't benefit from guaranteed annuity rates or necessitate lump sum entitlement calculations as he has suggested.

The documents refer to an 'Assurance Policy', which points towards an endowment-type plan. While such plans were commonly used with interest-only mortgages at the time, I can't be certain of the original purpose here. But, to be clear though, my decision does not turn on the precise categorisation; it turns on the evidence available now and what's more likely than not given the passage of time and retention norms.

Given Mr M's multiple house moves and changing borrowing needs over the decades, it's plausible the policy ended before 2014. I don't place determinative weight on that possibility; rather, I rely on the absence of any contemporaneous concern, the time elapsed, and industry-standard retention practices when deciding what's more likely than not.

This, combined with the considerable time that has passed and the lack of any indication that Mr M raised concerns at or shortly after the maturity date, strengthens my view that the policy ended in the ordinary way, either through a maturity payout or earlier closure. Whilst Mr M states that he held the policy document in a safety deposit box at a local bank and forgot about its existence, he wouldn't necessarily need the policy document if the plan was lapsed prior to its maturity.

Mr M has explained that his 2014/2015 self-employed tax return doesn't show any lump-sum receipts, and he relies on this to suggest the Phoenix policy didn't mature or pay out. I've taken that into account. But the tax-treatment of assurance or endowment-type plans depends on a range of factors, including the specific terms of the policy and whether it met HMRC's qualifying rules at the time. As I don't have the full policy schedule or contribution history, I can't say with certainty whether this particular plan would have been declarable on a tax return. So, while I understand why Mr M sees the absence of an entry as significant, it carries limited evidential weight here. It doesn't reliably show that no proceeds were paid in 2014, particularly given the age of the policy and the limited documentation now available.

Phoenix have carried out reasonable retrospective searches of their archived systems. It is not unusual that records from 2014 or earlier would no longer exist given industry retention norms. From those searches, Phoenix haven't been able to confirm when the policy was 'closed' and they're unable to confirm if the direct debit was stopped during the course of the plan or whether it ran to maturity. That's because, they say, given the passage of time that's elapsed since that date, they simply don't hold any records about the policy. But, just because Phoenix doesn't have any information about the plan dating back to either its inception or the maturity, this doesn't mean that they've done something wrong, that's because firms are only required to hold onto information for as long as is necessary, which is normally around six afters after the relationship has ended. But in any event, they must follow the rules set out by the relevant data protection laws and Information Commissioner's Office which, from what I've seen here, Phoenix have done. I'm satisfied Phoenix's retention position is not, in itself, evidence of unfairness in this case.

It's also relevant to note that Phoenix's obligations at the time the policy would have ended were governed by the Data Protection Act 1998. Like the current regime, this legislation

required firms to keep personal data only for as long as was necessary for the purpose for which it was held. It did not require businesses to retain files indefinitely or for decades after a customer relationship had ended. So, the fact Phoenix no longer holds information from the early 2010s is consistent with the retention standards that applied at the time.

I also need to consider that if the plan had lapsed or been surrendered at some point before 2014, the records associated with that outcome would equally no longer be held today. So, the absence of evidence does not point clearly to any one scenario. Instead, it supports the broader position that whatever the policy outcome was, whether a payout at maturity or an earlier closure, it happened many years ago and Phoenix is no longer required to retain the records that would evidence it.

I recognise that the uncertainty about what happened to this policy has been genuinely distressing for Mr M, and I understand why he has pursued this matter for clarity. It is regrettable that the records no longer exist to provide a definitive answer. But equally, whilst Phoenix has not been able to provide any evidence about what happened to the policy, neither has Mr M and it's entirely possible that that plan could have lapsed shortly after inception, meaning that there would've never been any payments collected. My decision must be based on the evidence available to me, and on what that evidence shows is more likely than not to have happened. And, as I've not seen any evidence to persuade me that Phoenix have treated Mr M unfairly, it therefore follows that I'm not upholding his complaint.

Although I appreciate that the way Phoenix communicated with Mr M has added to his frustration, our service can only consider complaints about the original financial product or service itself. We cannot require a business to pay compensation solely because a customer feels the complaints process was slow or unsatisfactory. My focus must remain on what happened with the policy, not on how the subsequent correspondence was handled.

My final decision

I'm not upholding Mr M's complaint and as such, I won't be instructing Phoenix Life Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 March 2026.

Simon Fox
Ombudsman