

The complaint

Mr L and Mrs L's complaint is about the maturity of their mortgage endowment policy with Countrywide Assured Plc. They are unhappy about the delays in the payment being made. As such, they would like Countrywide to reimburse the additional mortgage interest they have paid since November 2022, when they consider the maturity value should have reduced their mortgage balance.

What happened

Mr and Mrs L took out a joint mortgage endowment policy in 1999. The policy matured on 31 July 2023. Before it did, Countrywide sent Mr L and Mrs L a maturity pack to each of their addresses explaining what they needed to do to claim the maturity value.

On 18 August 2022 Mrs L called Countrywide to discuss the maturity and their mortgage. The agent explained that it would only deal with the maturity of the endowment policy. Mrs L wasn't happy with this response and asked for a call back from a manager.

Countrywide tried to call Mrs L back later that day, but it was unable to speak to her. It called again the following week. The telephone notes say that the policy was discussed along with information regarding Mr and Mrs L's mortgage.

Mr L and Mrs L were separately chased by Countrywide regarding claiming the maturity value, but it was not until toward the end of September 2022 that Mrs L contacted it again. She told Countrywide that she and Mr L wanted the maturity value paid to their mortgage lender and the necessary paperwork and a covering letter with the payment details would be provided.

On 10 November 2022 Mrs L called Countrywide again. She asked about completing the maturity payment form as she wasn't sure which section to use if they wanted the money to be paid to their mortgage lender. It was confirmed that the policy was not assigned, and so details of where Mrs L wanted the payment made should be put into the first section for unassigned policies. She went on to confirm that the lender had given her details of two accounts for the payment – one for a 'fast track' payment and one 'where I have to pay £30' – and that Countrywide would tell her which one it would use. She said she didn't know which was the best to use and asked Countrywide to tell her which one. Countrywide said that it couldn't tell her which account to pay the money into – it had to be her choice. Mrs L asked to speak to a manager and complained about the content of this telephone call. She also asked for confirmation in writing that Countrywide couldn't tell her which account to use.

Countrywide followed up the phone call of 10 November 2022 with a letter to Mrs L the following day. It said it was unable to advise her on which account the proceeds of the policy could be paid to. It went on to confirm that if she and Mr L wanted the money paid into an account other than the one the premiums had been paid from, they would need to provide either original or certified copies of bank statements for the nominated bank account.

Mrs L was called back by Countrywide on 11 November 2022 as she had requested. There was a discussion about which section of the form Mr L and Mrs L needed to fill in, given they

wanted the money paid to their mortgage. In this call Mrs L made it clear that the two account numbers she had been given by the lender were for 'fast track' or 'CHAPS' payments. She confirmed she'd decided to put the 'fast track' account details on the form. As this was the system Countrywide used for the payment that was eventually made, I don't think it needed to highlight that it used the system Mrs L was intending to provide account details for. Mrs L also set out her complaint and it was confirmed that the complaint was being logged. The call was followed up with another letter from Countrywide, which confirmed that as the policy was jointly owned, both policyholders had to complete the maturity paperwork and agree how proceeds were to be paid.

The maturity paperwork was received by Countrywide on 28 November 2022. The details provided were an account number that ended in 922 and a sort code ending in 85. With a reference consisting of the account number and first three letters of their surname.

On 2 December 2022 Countrywide wrote separately to Mr L and Mrs L to ask them to provide a bank statement for the receiving account that was dated within the previous six months. This was because the electronic identification process had failed.

Mrs L called Countrywide on 20 December 2022 because the maturity value hadn't been paid. Countrywide explained that the ID checks had failed and that it had written to her on 2 December 2022 about the issue. It explained what was needed and Mrs L asked that what had happened be confirmed in writing, along with its requirements. A letter was sent to her the same day.

On 28 December 2022 Mrs L has told us she called Countrywide for an update on the payment and asked if her lender had called to verify the account the money was to be paid to. She was told the lender had not contacted it.

On 16 January 2023 Countrywide wrote to Mrs L in response to the complaint. It confirmed it received the payment authorisation form on 28 November 2022. This indicated that online identification checks for Mr and Mrs L had failed. As such, it had written asking for a bank statement for the account they wanted the money paid into. While it acknowledged that Mrs L had told it she had not received this letter, Countrywide pointed out that she had been told what was needed in telephone calls of 20 December and 23 December 2022. As the required information had not been provided, Countrywide had been unable to make payment.

Countrywide also explained that as Mr and Mrs L's policy had not been assigned to their lender, it could not pay the maturity value to the lender. As such, it needed details of an account held in either or both of their names. A blank payment instruction form was enclosed for Mr and Mrs L to complete. It was highlighted that the account detailed in the relevant part of the form needed to be in the name of the policyowner(s). In light of this, Countrywide said it didn't consider it had delayed payment.

On the same day Countrywide also wrote to Mr L asking him to confirm he agreed to the payment being made to the bank account on the payment release form, as he hadn't initialled an alteration on the form. In addition, it asked him to provide the identification documentation it needed.

On 22 January 2023 Mrs L wrote to Countrywide and complained about the service she and Mr L were receiving. She set out the problems with the telephone calls of 10 November and 11 November 2022, what she considered to be the lack of knowledge of Countrywide's staff and the incomplete information she was given. This meant the maturity value was delayed in being paid out.

On 30 January 2023 Countrywide wrote to Mrs L and asked for an original or certified bank statement for the account they wanted the payment made to, which was dated within the last six months. It said alternatively, it could pay the maturity value into the account the premium was paid from.

On 11 February 2023 Mrs L sent Countrywide an original statement for the mortgage, which contained the account number. Mrs L said that the delay in paying the maturity value was unacceptable and she highlighted that it was costing her and Mr L money.

On 28 February 2023 Countrywide wrote to Mr L and Mrs L separately confirming the details of the account the payment had been made to, the amount and that it would take three to four working days to clear into the account.

On 1 March 2023 it was confirmed by Countrywide's finance department that the payment had not gone through as the account details were wrong. Countrywide's notes don't detail what was wrong with the account details provided.

On 3 March 2023 Countrywide tried to call Mrs L several times, but was unable to get through. As such, it wrote to Mrs L asking her to call it. On the same day Countrywide received a letter of complaint from Mrs L. It called her on 9 March 2023 to get some more detail about the calls she'd had with it.

Countrywide wrote to Mrs L following the complaint in a letter of 22 March 2023. It said that it had delayed responding to the complaint until payment had been made. However, the payment had been returned as the account details had been unacceptable. As Mrs L has said she couldn't provide any further information, and she had referred the complaint to the Financial Ombudsman Service, Countrywide said it would wait for us to contact it.

Mr L and Mrs L weren't satisfied with Countrywide's responses and asked us to consider their complaint. One of our investigators did so, but he didn't recommend it be upheld. Mr L and Mrs L asked for the complaint to be referred to an ombudsman.

I asked for some further information from Countrywide. It confirmed that it can pay a lender when a policy is not assigned if the policyholders instruct it to do so and they provide a copy of their mortgage statement to evidence the ownership of the account.

In addition, Countrywide provided a copy of a recent letter from Mr L and Mrs L's mortgage lender confirming payment details:

- CHAPS – account number ending in 922, sort code ending in 83 and a reference of Mrs L's initial and surname.
- Faster Payment System– account number ending in 437, sort code ending in 85 and a reference of the mortgage account number and Mrs L's initial and surname.

Countrywide used the Faster Payment System account details when it paid the maturity value to the lender in on 12 June 2023.

I issued a provisional decision on 16 August 2023, in which I set out my conclusions and reasons for reaching them. Below is an excerpt.

'I have listened to the telephone conversations between Mrs L and Countrywide that happened in November 2022 before the maturity forms were returned. Mrs L wanted Countrywide to answer two questions:

- *How to fill in the maturity payment form, given they wanted the money paid to the*

mortgage.

and

- Which payment system Countrywide would use to make the payment, so that she could put the right account details on the form.

Having listened to the conversation of 10 November 2022, I am satisfied that Mrs L was given the right information about the assignment status of the policy and was told to complete the correct section of the form. However, I don't think she was clear in her questioning about the payment system that would be used and so which of the two account numbers should put on the form. Given what she said to Countrywide, I don't think its response about choice of account for the money to be paid to was unreasonable, especially as she had mentioned repaying loans that had been taken on top of the mortgage. It appears that the combination of these facts meant the person she was talking to thought there were different options for where the payment was to be made, rather than different details for the same end location depending on which system would be used.

In the conversation the following day I think it was clear what Mrs L was talking about in relation to the two payment systems. She specifically mentioned CHAPS and although she referred to the Faster Payment System as fast track, I think Countrywide would reasonably have understood what she was referring to. Countrywide didn't tell Mrs L which system it would use, but I don't think it needed to in the circumstances. She confirmed she'd put the Faster Payment System account details on the form, which is the system Countrywide eventually used to make the payment. The information given to her about filling in the form was again correct.

I now turn to the maturity payment form. I have looked at the details for payment that were contained in the form. Unfortunately, Mr L and Mrs L appear to have mixed up the account details for the two systems. They documented the sort code and reference for the Faster Payment System account but the account number for CHAPS. In light of this, I can't find that Countrywide was responsible for the payment failure at the end of February 2022, as no matter which system Countrywide used, the payment would have failed because of the incorrect combination of account and sort code.

I have considered the timescales involved following the maturity payment forms being received by Countrywide on 28 November 2022. It appears that the identification checks were attempted and failed within a few days, and Countrywide asked Mr L and Mrs L separately for the documentation it needed to progress the maturity payment within a week of the form being received. While I note that Mrs L has said she didn't receive the letter sent to her, I note that Mr L has not said the same. In addition, it would appear both letters were correctly addressed and so likely to have been delivered.

I also note that Mrs L was told about Countrywide's requirements in a telephone call three weeks later. Countrywide also chased the information, but it was not until 11 February 2023 that it received the mortgage statement it needed to move things forward.

The payment was attempted two weeks later and failed because of the wrong sort code on the form. It appears that Mrs L was asked for account details again after this, but she apparently declined to provide anything further to Countrywide. While I can understand that Mrs L was feeling frustrated by the situation and with what she saw as unnecessary delays, it is for a policyholder to provide payment details. Although she believed she had provided the correct information to allow the payment to be made, that was not the case. It was not Countrywide's role to seek out the information that Mrs L refused to provide it with. However,

that is what it did. I don't know when it did so, but that is irrelevant, given it didn't have to do so at all.

Overall, I am not persuaded that Countrywide delayed the payment of the maturity value of Mr L and Mrs L's endowment policy. As such, I can't require it to reimburse any of the mortgage interest that was paid after the maturity date of the policy.'

Countrywide did not respond to my provisional decision, but I am satisfied that it received it as it was sent to an email address previously corresponded from.

Mr L and Mrs L didn't accept my conclusions, but provided no further evidence or comment on the merits of the complaint.

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 reviewed the file again in its entirety and I have revisited my provisional decision. Having done so, and in light of no further evidence having been provided, I have not changed my conclusions.

My final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr L and Mrs L to accept or reject my decision before 24 October 2023.

Derry Baxter
Ombudsman