

The complaint

Mrs S (in her capacity as trustee) and Mr S (as the plan holder) complained that ReAssure Life Limited failed to reduce the premiums for Mr S's life policy when Mr S asked them to do this in 2020.

Another person was also appointed as a trustee so we needed their consent to enable us to look into this complaint, which was provided. But it has mostly been the plan holder Mr S who has dealt with this complaint, so I'll mainly refer just to Mr S throughout.

To put things right, Mr S wants ReAssure to refund the excess premium amounts he paid, over and above the premium he had wanted to pay after October 2020, before the policy was amended in May 2022.

Although the policy was taken out with a predecessor business, ReAssure is now responsible for the complaint, so I'll just refer to ReAssure as the business concerned in order to keep things simpler.

What happened

Mr S took out a life policy with ReAssure in November 1995 and he paid a monthly premium which provided a sum assured in the event of his death and cover in the event of total permanent disability. The policy was reviewable and over the years there were various policy changes, including the premiums and the amount of benefit payable.

Mr S asked ReAssure for a quote to reduce his cover and ReAssure wrote to Mr S on 25 September 2020 with projections and new costings. ReAssure provided figures showing that his current position was that he'd need to pay £1,062.45 for a sum assured of £300,000, payable in the event of his death or an earlier critical illness. Or Mr S could opt to reduce cover to £200,000 and pay a monthly premium of £713.27.

ReAssure said Mr S didn't need to do anything if he changed his mind and he didn't want to reduce his premium and cover but that he needed to tell ReAssure within the next 30 days if he wanted to amend his policy. ReAssure said he could let them know his decision in a number of different ways:

- a free phone call to ReAssure's head office on the number they provided
- by signing and posting a letter
- by signing and faxing a letter (ReAssure gave the fax number).

Mr S has provided me with a copy of a letter dated 5 October 2020, signed by himself and Mrs S as trustee, in which he confirms that he wanted the reduced benefit of £200,000 with a monthly premium of £713.27. It also mentions that he enclosed ReAssure's Review Form, which I've also seen, showing he wanted to revise his cover to the lower amount.

Mr S didn't realise until April 2022 that ReAssure was still collecting a monthly premium of £1,062.45. He wrote to ReAssure to say that they had both overlooked this and he asked

ReAssure to amend the policy as he'd requested from October 2020 and return the excess payment he'd made.

ReAssure said that as they did not receive any response after issuing projections to Mr S in September 2020, the decrease did not take place and so premiums would not be able to be refunded. ReAssure asked Mr S to confirm if he still wished to proceed with the decrease.

Mr S said this wasn't satisfactory. When he complained to ReAssure, they didn't uphold his complaint, saying that when no response had been received from Mr S after ReAssure wrote to him in September 2020, ReAssure had maintained his cover and would have honoured any claim during that period. So they weren't willing to refund any premiums.

Mr S brought his complaint to us and one of our investigators looked into what happened.

Our investigator didn't feel he had seen enough to be able to uphold Mr S's complaint. In brief summary, he mainly said that there was no proof ReAssure had received Mr S's instructions to reduce cover, so he couldn't say that ReAssure had done anything wrong and they couldn't be expected to refund anything to Mr S.

Mr S disagreed with our investigator. There has been extensive further correspondence and our investigator considered the additional points made by Mr S, but he wasn't persuaded to change his view.

The complaint came to me to decide. I issued a provisional decision.

What I said in my provisional decision

Here are some of the main things I said.

I sympathise with Mr S. I appreciate how strongly he feels about this complaint and I can understand that what's happened has been upsetting and frustrating for him. I want to assure Mr S that I've carried out an independent review and considered everything he has told me. But having thought about everything I've seen and been told by both parties, I've independently reached the same overall conclusions as our investigator. I'll explain why I say this.

We provide an informal complaints handling service and this is reflected in the way I've approached the complaint. It's part of my role to identify and concentrate on the core issues I need to address in order to reach a fair outcome. This means I won't necessarily mention everything Mr S has brought to my attention and I've summarised and expressed his concerns in my own words. But I will comment on everything that makes a difference to the outcome of the complaint.

In order to uphold this complaint about ReAssure, I would need to see enough evidence to show that they did something wrong or acted unfairly or unreasonably in some way.

The key part of Mr S's complaint, as I understand it, is that he feels let down by ReAssure because they didn't reduce his cover when he wanted this to happen in 2020.

The matter for me to decide is whether I'm persuaded ReAssure received the letter Mr S sent on 5 October 2020 when he told them to go ahead with the reduced cover – which would have meant he'd be paying a reduced premium.

I must look at all the available information and decide what I think is most likely on a balance of probabilities. This means making some reasonable assumptions where there's only limited information. And I must be impartial.

My starting point is to assume that when I see a copy of a letter which is correctly addressed, and I'm told it was sent, that it's likely to have been received by the recipient. And I have no reason to doubt Mr S when he says he posted his letter dated 5 October 2020.

But ReAssure said they have no record of receiving that letter from Mr S and I can see the copy he's provided doesn't show his letter was properly addressed to ReAssure. I say this because it looks like he didn't include ReAssure's name as the addressee. And the building he sent his letter to appears to have housed other businesses – it wasn't just occupied by ReAssure. So by omitting ReAssure's name, it's likely that Mr S's letter wouldn't have actually been delivered. I think this could explain why ReAssure didn't receive Mr S's 5 October 2020.

I am also aware that there were problems with postal deliveries throughout 2020 when the pandemic impacted on Royal Mail and there were ongoing problems with the post in October 2020, which got worse over the next couple of months in the run up to Christmas. There's always a chance that post can go astray and I think it's fair to say that there was a more than usual likelihood that items sent in the post around this time were at risk of going missing, and particularly if they were incompletely addressed.

On balance, I don't think it's likely that ReAssure received Mr S's 5 October letter. So I don't find that ReAssure made any error or that it acted unfairly or unreasonably when it failed to carry out instructions it didn't receive.

I can't fairly hold ReAssure responsible for any possible problems with postal deliveries or other matters outside ReAssure's control. And there were various ways Mr S could have communicated his instructions, for instance by phoning ReAssure. I don't think ReAssure made it difficult for Mr S to get in touch or that it was unreasonable for ReAssure to expect to hear back from Mr S within 30 days if he'd wanted to make a policy amendment.

Looked at overall, I find that ReAssure was reasonably entitled to assume, as they said they would if nothing was heard back from Mr S, that he had changed his mind and decided not to reduce cover.

The fact that Mr S and one of his trustees has assured me that I can be certain that Mr S posted the 5 October letter isn't enough of a reason for me to uphold his complaint because this isn't good enough evidence overall in these particular circumstances to prove that ReAssure received the letter.

On balance, I don't find that the available evidence is enough to support Mr S's complaint that ReAssure must have received his letter and mishandled things at their end. And as long as Mr S was paying the higher premium, he was entitled to the higher benefit amount. In these circumstances, I can't say that the policy wasn't providing him with full value throughout so this isn't a reason for me to uphold his complaint.

I appreciate that Mr S may still disagree with what I've said. So perhaps it's helpful if I also mention here that even if I did think that ReAssure had received Mr S's letter (and to be clear, I don't think that, because the balance of the evidence doesn't support me making such a finding) the ombudsman approach is to look at how both sides played a part in what happened.

We expect consumers to take reasonable steps themselves to limit the impact of things going wrong. So I would need to keep in mind that Mr S could have seen from his bank statements at the time (as he did later) that he was still paying the higher premium. This would have suggested to him much sooner that the policy change he wanted to make hadn't happened. Mr S's 5 October letter refers to '*sky rocketing*' premiums and he says his financial situation means taking a reduced benefit at a lower premium is '*essential*'. So I would have reasonably expected Mr S to keep a close eye on the premiums being taken over the next couple of months to make sure ReAssure had put in place the policy amendments he'd instructed it to make.

And even if he'd overlooked doing that, the next annual statement for the policy ought to have alerted Mr S to the fact that no policy amendments had been made.

With all these considerations in mind, I would be unlikely to find it fair to attribute to ReAssure loss that Mr S could reasonably have mitigated by taking steps himself to avoid paying as much in premiums.

The investigator mentioned that another reason for not upholding this complaint was that one of the trustees hadn't signed the necessary declaration on the policy amendment forms. This has generated a lot of correspondence and whilst Mr S and the trustee concerned both say they are sure that the trustee's appointment was terminated, there's a lack of paperwork to show that they're right about this. But I don't need to make any findings on this point because this isn't why I'm not upholding the complaint. And it makes no difference to the outcome of this complaint whether or not all the people who were ever trustees were trustees throughout or for only part of the time. So I don't need to say more about this. Although if there's nothing in writing to show that a former trustee is no longer involved, then Mr S might want to speak to ReAssure about completing a deed of amendment to formally remove an inactive trustee, to avoid this issue being a problem in future.

To sum up, everything I've seen and been told by both parties leads me to the conclusion that I haven't seen enough overall to be able to say that ReAssure has done anything wrong here or acted towards Mr S in a way that wasn't fair and reasonable.

So I can't uphold this complaint or award the compensation Mr S would like me to.

I hope that setting things out as I've done is helpful and even though this isn't the outcome Mr S hoped for, he will at least feel that his complaint has been fully considered by the Financial Ombudsman Service.

What the parties said in response to my provisional decision

Mr S disagreed with my findings. He sent me detailed representations which I very briefly summarise here.

He said that he wrote 'ReAssure Life Ltd' on the envelope, followed by the rest of the address details. So his view was that, on a balance of probabilities, his letter of 5 October had reached its destination, but wasn't acted upon by ReAssure.

Mr S said that Reassure was wrong to say that he should have used other options such as telephone or faxing the letter when he believed that his 5 October letter had been delivered and wrong to say that the address in his letter was incomplete.

He repeated to me that he hadn't opened bank statements during the pandemic for fear of infection and because he was preoccupied with the impact of COVID on a close family member living overseas.

ReAssure has sent no further information.

The deadline for responses has now passed so I think it's reasonable for me to proceed with my review of this 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'd like to thank both parties for all the information that has been provided about this matter and Mr S for responding to my provisional decision.

I appreciate that Mr S feels strongly about what happened and he holds a different view to me. But I haven't been provided with any new information that changes what I think about this case. I'd already considered the main points he mentioned again when thinking about my provisional decision and addressed all the points raised which had a bearing on the outcome.

In conclusion, I can't say with any certainty exactly what happened to Mr S's 5 October letter. In cases like this, where the evidence is incomplete, inconclusive, or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I don't doubt that Mr S is certain about everything he's told me. But the other evidence I've seen doesn't show me that it's more likely than not that he's right – so that's not enough for me to be able to uphold this complaint. What I've seen is that ReAssure's name wasn't shown on his typed letter as I would have reasonably expected to see if he'd used the full address details.

He's said that the policy number would have indicated that the letter's final destination was ReAssure. But I don't think anyone else opening the letter (if that's what happened) would have had any particular reason to identify this reference was a ReAssure plan number.

Taking into account that ReAssure has said it has no record of having received this letter, as I must do in order to be fair to both parties and keeping in mind the wider circumstances at the time, which suggest it was plausible that the letter didn't reach ReAssure, I can't safely conclude that ReAssure received Mr S's 5 October letter.

I noted what Mr S said about not opening his bank statements, but this doesn't change anything. Given that he had access to information that would've alerted him sooner to the fact that the policy hadn't changed, it's fair to say that he could have taken steps that were potentially open to him to mitigate any loss. There is a reasonable expectation that consumers should do this and so this would be a factor if I upheld the complaint and redress was a consideration. But to be clear, I mentioned this in my provisional decision only to help explain why, even if I were to uphold the complaint (which I didn't do) it would be unlikely to result in the outcome Mr S was hoping for. It makes no difference overall.

After taking carefully into account everything that's been said in response to my provisional decision, and as no further comments have been received that change what I think about this case, I still think it's fair not to uphold this complaint for the reasons I explained in my provisional decision. I hope that this additional explanation will help provide an assurance that my decision reflects the ombudsman approach to determining complaints fairly and reasonably, taking into account the available evidence and applying the test of balance of probabilities.

My final decision

For these reasons, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs and Mr S to accept or reject my decision before 4 December 2023.

Susan Webb
Ombudsman