

## **The complaint**

Mr and Mrs W have complained that Capital Professional Limited, who were trading as Ascot Lloyd ('Capital'), failed to forward on premium reminder letters. As a result, their premiums for their longstanding life policy went unpaid and the policy lapsed.

## **What happened**

Mrs and Mrs W held their life policy, written in trust, since 1980. In July 2017 they wrote to the policy provider as they wanted to change the policy trustees. They also provided new address details but further confirmation from the trustees was required. In the meantime, Mr and Mrs W's old address was deleted from the policy provider's records.

Mr and Mrs W have told us that although they weren't aware of it, their policy was linked to a firm of financial advisers – Ascot Lloyds (Capital) – and the policy provider had written to that business five times. Mr and Mrs W wrote to Ascot Lloyd on 17 March 2020 asking why it had not forwarded the premium reminder letter and four further chaser letters received from the policy provider. They didn't receive any reply.

Remaining dissatisfied, Mr and Mrs W brought their complaint to the Financial Ombudsman Service.

Our investigator who considered the complaint didn't think it should be upheld. She said;

- She detailed the letters that had been generated by the policy provider. The last two of which were sent to Capital.
- Capital told us that the only commission or fees it received was in September 2017. There wasn't any client agreement for an ongoing service and the commission it did receive related to the setting up of the policy and not ongoing service.
- Capital had said it hadn't received any of the reminders sent in 2018 and if it had, those letters didn't provide a plan number it would have recognised.
- The investigator had seen a copy of the premium reminder letter sent to Mr and Mrs W in 2003. A copy was provided to Capital who wrote to remind Mr and Mrs W on 17 September 2003.
- The policy provider wrote to Mr and Mrs W in June 2016 advising the premium was due. This was paid by Mr and Mrs W and copies were sent by the policy provider to Capital.
- Both of those reminders listed Mr and Mrs W's name and address plus quoting the policy number ended 9545 which matched the names and policy number listed in correspondence in 2003 and 2016.
- But on balance, the investigator didn't think that Capital had received the two reminder letters of November and December 2018 so couldn't uphold the complaint.
- She did think the offer of £200 for Capital's failure to respond to their complaint was fair.

Mr and Mrs W were disappointed with the outcome. They said it would be difficult to prove that Capital had received the 2018 correspondence but if the business address was valid then on balance it was unlikely that it didn't receive any of the five letters. And Mr and Mrs W hadn't advised the policy provider of any change of address for Capital, so they presumed that Capital themselves had updated the policy provider about its change of address.

As the complaint remains unresolved, it has been passed to me 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.

Having done so, I have reached the same conclusion as the investigator, and broadly for the same reasons. I will explain why.

The crux of this complaint is whether Capital received the reminder letters. And if it did, would it be reasonable to conclude that it should have sent those reminders onto Mr and Mrs W.

It's clear there were issues with Mr and Mrs W's address. They had changed this in July 2017 and were told by the policy providers that it would need further confirmation from the trustees. In the meantime, Mr and Mrs W's old address was removed from the policy provider's system. But that is a separate issue which I am not considering here. However, I have seen evidence of a screenshot from the policy provider dated 8 August 2018 that the policy was;

'marked as Gone Away and the FA [financial adviser] is not authorised, so we are currently unable to chase for the premium arrears. Please can you begin the Gone Away process for this policy?'

The address details of the copy of the first reminder letter, dated 14 September 2018 shows the following;

'[Full names of Mr and Mrs W]  
Address Removed. Please See  
Policy Trace 29/08/2017.'

The second reminder sent on 5 October 2018 also had the same address information, as did the third chaser sent on 12 October. We asked the policy provider about this who confirmed that these three letters weren't sent to Capital. So, Capital couldn't have taken any action up until this point.

But clearly something happened on the policy's account sometime after 12 October 2018 as the fourth reminder letter dated 7 November 2018 was now addressed to the predecessor business of Capital with the comment 'Please forward this letter to your clients as we do not have an address'. Mr and Mrs W have said they hadn't advised the policy provider of any change of address for Capital, so Capital must have done this. I think that is likely and what I would expect to happen when one business takes over another and it has a relationship with the policy provider.

The final letter dated 12 December 2018 is addressed to Capital (the business having now changed) with the heading 'Please can you forward this letter to the client as we do not hold an up-to-date address for them'.

The investigator concluded that it was more likely than not that Capital didn't receive those letters. That was because there wasn't any evidence – such as postal records – that the letters ought to have been received by Capital or the predecessor business.

However, if I conclude it was more likely than not that Capital (and the predecessor business) received those two letters I would have to go on to consider what action, if any, it could or should have taken.

Mr and Mrs W had changed their address sometime around July 2017. But it seems unlikely that Capital was aware of this as Mr and Mrs W say they didn't know their policy was linked to a financial adviser. So, I think it's unlikely Mr and Mrs W would have thought or known to contact the financial adviser now linked to their policy as they weren't aware of its existence in the first instance.

Capital has said that it doesn't have any evidence that it had a client agreement with Mr and Mrs W for any ongoing service. It did however receive renewal commission for the policy in 2017 – which isn't an unusual arrangement as it related to the setting up of the policy – but after that it stopped – post renewal. So I need to consider whether there is anything that happened previously in the relationship between Mr and Mrs W and Capital that leads me to conclude that Mr and Mrs W could have expected Capital to have taken some sort of action if it had received the letters as Capital had acted in that way in the past and which would lead them to consider that was a reasonable expectation.

Capital's file for Mr and Mrs W only has two records. One relates to correspondence in 2003 and the other in 2016.

The 2003 correspondence is a letter dated 17 September 2003 sent by predecessor of Capital to Mr and Mrs W. That refers to it being contacted by the policy provider as the premium on Mr and Mrs W's policy was outstanding. I also note the policy provider wrote to Mr and Mrs W direct with the same information on 14 September 2003 so I even though it's clear at that point that Capital had taken some action on the account's behalf, by contacting Mr and Mrs W, they weren't solely reliant on Capital for the reminder.

The next correspondence is from August 2016. The policy provider copied (the predecessor business of) Capital into a letter it had sent to Mr and Mrs W on 10 August 2016 confirming receipt of their payment of the policy premium that had been due. That information was for Capital's records and didn't require to take any action.

So, the last proactive action that had been taken by Capital (or its predecessor business) had been in 2003 when it wrote to Mr and Mrs W after being prompted to do so by the policy provider. And bearing in mind that Capital didn't have an ongoing relationship with Mr and Mrs W, then I don't think it would be reasonable for Mr and Mrs W to have relied upon Capital to have reminded them if there was a premium due on their own life policy – albeit written in trust – for which they were sent reminders direct from the policy provider.

Even if Capital had received the letters from the policy provider in November and December 2018 it would have been clear to Capital that Mr and Mrs W had changed their address. Otherwise the policy provider wouldn't have had to send those letters which were headed 'Please forward this letter to your clients as we do not have an address'.

And Mr and Mrs W hadn't informed Capital of their new address so it wouldn't have known where to send those letters onto in any event. Mr and Mrs W have said that their old address is a family property and they would have received any correspondence that was sent there. But Capital wouldn't have known this. And I wouldn't have expected Capital to send those letters on to an address where – as far as it was aware – it was clear the recipients were no

longer living. So, I don't think there was any way Capital – even if had received those letters – could have forwarded those letters as it hadn't been made aware of Mr and Mrs W's new address.

Taking all of the above into account, I can't conclude that Capital has done anything wrong. There is no evidence that it has an ongoing servicing agreement with Mr and Mrs W to carry out any actions on their policy. And if it had received the two letters in November and December 2018 it wouldn't have known where to have sent them. It follows that I don't uphold Mr and Mrs W's complaint.

No doubt Mr and Mrs W will be disappointed with the outcome. I do appreciate the policy, the premiums which they have been paying for many years, has now lapsed. But I hope I have been able to explain how and why I reached the decision that I have.

When Mr and Mrs W wrote to Capital in 2020 no further action was taken by Capital as it said the address and plan number didn't match its records. But it did offer £200 for its non-response to the 2020 correspondence and the inconvenience this must have caused Mr and Mrs W. I think that offer is a reasonable one and a fair reflection of the inconvenience Mr and Mrs W would have been caused. If they haven't already done so, it is now for Mr and Mrs W to decide whether to accept that offer.

### **My final decision**

For the reasons given, I don't uphold Mr and Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 18 August 2023.

Catherine Langley  
**Ombudsman**