

## **The complaint**

Mr K complains that ReAssure Limited gave him wrong information about his with profit policy when he arranged to extend it. He says he wouldn't have extended the policy if he'd been given the right information.

Mr K took out the policy with another business and it was that business who arranged to extend the policy. ReAssure took over that business in 2020 and is now responsible for the complaint.

## **What happened**

Mr K's policy was due to mature in November 2019, the date he'd originally selected as his retirement date. ReAssure wrote to him in July 2019 setting out his options. Mr K phoned ReAssure in November 2019 and had two conversations during which he gave instructions to extend the policy to his new selected retirement date of November 2024. He says he was told that, if he decided to take his benefits before the new selected retirement date, a market value reduction ("MVR") wouldn't be applied. But when he asked for a transfer value, ReAssure deducted an MVR.

ReAssure didn't uphold his complaint, saying that the MVR was discussed before Mr K decided to extend his policy. Our investigator agreed with ReAssure. Whilst call recordings weren't available, the investigator thought Mr K should've reasonably been aware, from the correspondence and statements he received, that an MVR would apply if he withdrew from the policy before the revised retirement date.

Mr K didn't agree. He said, in summary, that:

- The extension to the policy was made and agreed verbally. He should've been able to rely on the information he was given during the phone calls. It's not his fault that call recordings don't exist – all evidence should have been sent to ReAssure when it took over the business and ReAssure should have sent it all to us.
- ReAssure replied to his complaint to say that Mr K was happy with the resolution. He never agreed that he was happy that his complaint had been resolved.

## **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 find I have come to the same conclusion as the investigator for the following reasons:

I'm satisfied that the terms and conditions of the policy allow ReAssure to deduct an MVR if a policyholder decides to take their benefits before the selected retirement date. And I find

it's reasonably clear from the written information provided to Mr K – in regular statements, in the letter he received in July 2019 prior to his original selected retirement date, and in ReAssure's letter to confirm that the policy had been extended - that an MVR would be applied if Mr K chose to take his benefits before the extended retirement date.

For these reasons, I'm satisfied ReAssure acted reasonably and fairly in applying an MVR when Mr K asked for a transfer valuation before the extended selected retirement date.

Mr K says he was told by ReAssure over the phone that an MVR didn't apply during the extension period. Recordings of the calls aren't available and businesses aren't required to keep call recordings for a set period of time. ReAssure has provided the notes that were made at the time of the call, and I'm satisfied these do not show that Mr K was told an MVR wouldn't be applied. 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 think it's most likely that the MVR was discussed during the phone calls, but I've not seen evidence to show that Mr K was told an MVR wouldn't be applied during the extension period. It's clear a misunderstanding has arisen here. An MVR wouldn't be applied if Mr K took his benefits on the extended selected retirement date, and I think it's most likely this is where the misunderstanding arose. I can't hold ReAssure responsible for that misunderstanding. That's because I'm not persuaded it gave Mr K the wrong information. And I've found that its written correspondence was reasonably clear about when an MVR would be applied. And because ReAssure set out the position in its letter dated 13 November 2019 which was sent to Mr K's correct postal address.

Mr K says he didn't agree that ReAssure had resolved his complaint to his satisfaction. But ReAssure's letter dated 13 January 2023 says, *"I'm glad that I was able to resolve the matter for you and that you were satisfied with the outcome"*. Whilst I agree with Mr K that this was wrong, I don't find it makes a difference to the overall outcome of this complaint. I say that because, in the same letter, ReAssure told Mr K that he could refer his complaint to this service if he wasn't satisfied with the outcome. So he knew what action he could take if he wasn't happy that his complaint had been resolved.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 7 February 2024.

Elizabeth Dawes  
**Ombudsman**