<u>Ombudsman Decision</u>
<u>CIFO Reference Number: 25-000523</u>
<u>Complainant: Mr C</u>
<u>Respondent: Utmost Worldwide Limited ("Utmost")</u>

The complainant, who I will refer to as Mr C, complains in summary about a lack of transparency (especially in respect of charges), poor customer service, and failure on the part of Utmost to provide critical investment information. He has also complained that Utmost wrongly issued a Chargeable Event Gain (or CEG) certificate.

Background

In June 2006 Mr C applied for and took out a Vision Plan with Generali (which later became Utmost). The Vision Plan is a long-term life assurance and investment product. Mr C's application indicates that he intended to keep the Plan for 18 years and to invest US$1,250 a month – that is, a total of US$270,000.

In the event, Mr C did not invest that much. Utmost's records show that the last monthly premium of US$1,250 was paid in November 2008 and that the last payment which Mr C made to the Plan was US$150 in May 2016. The total paid over the 18 year term of the Plan was US$47,100.

In January 2020 Mr C made a partial surrender of the Plan, when he received a payment of US$25,462.38. Mr C then made a full surrender in March 2024, as a result of which he received a further payment of US$56,614.90. That meant that he had received US$82,077.28, amounting to a net gain of US$34,977.28.

Utmost issued a CEG reflecting the difference between the total which Mr C had paid into the Plan and what he had received in January 2020 and April

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[1] Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

2024. It provided the same information to HMRC, as Mr C was by this time resident in the UK, having been living overseas when he took the Plan out.

Following the surrender of the Plan, Mr C says that he sought further information about it, as he had done while it was still live. In particular, he wanted to understand why, after the Plan had been running for nine or ten years, the fees appeared to double. He asked Utmost to provide him with a figure for the total fees which had been charged. Initially, Utmost said it could not provide that figure; when it did, however, Mr C noted that the fees charged were only slightly less than the total premiums he had paid. Mr C sought an explanation.

Utmost responded to Mr C's queries in a letter dated 14 October 2024. Mr C remained dissatisfied and continued to query the way in which the Plan had operated and how the fees had been charged. Utmost sent a further letter dated 5 June 2025. Mr C said that Utmost had still not properly answered his questions and referred the matter to this service.

Utmost acknowledged that there had been some delays in dealing with Mr C's concerns and offered to pay him £300 in recognition of that. It did not accept however that there was any lack of transparency or that it had not provided Mr C with the information he had requested.

I considered what had happened. Having done so, I indicated to Mr C that I was unlikely to uphold his complaint. I said that I believed that Utmost's letters of 14 October 2024 and 5 June 2025 explained as clearly as was reasonably possible how the Plan operated and how the fees were calculated. I did not believe it was appropriate for me to explain the Plan in detail, not least because Utmost had done so. I did, however, make the following observations:

– The Vision Plan's fees are calculated on the basis that the Plan holder will maintain the level of premiums indicated at the start of the Plan.
– If the Plan holder chooses to increase the premiums, charges will be calculated by reference to the highest premium chosen; but they will not reduce if the monthly premium is reduced.
– Mr C had paid US$47,100 into the Plan. If he had maintained his initial premium of US$1,250 a month, he would have paid in US$270,000 over the 18-year term and, as a proportion of the total investment, the charges would have been much lower.

- Because some of the units in the Plan are set aside to meet future charges, the amount that can be taken from the Plan before maturity is reduced.
- Administration Fees are deducted by taking units which were invested in the early years of the Plan. At the point of deduction, those units might be worth more or less than when they were purchased. But they only cost the Plan holder the sum initially invested – whatever their value when deducted.

I think it's important to stress that these observations were intended to draw Mr C's attention to the most relevant parts of Utmost's explanations, not to add to or clarify them. I took the view that Utmost's explanations were sufficient.

I noted too that there might be ways of calculating fees which were easier to understand. I said however that it is not for CIFO to tell a financial services provider how to structure its products, still less how it should have done so 20 years ago. Neither could I say that the fees were too high, simply because the total charged was nearly the same as the sums which Mr C had paid into the Plan. I was satisfied however that fees had been charged in line with the terms of the Plan.

I also noted that Mr C was unhappy that a CEG certificate had been issued. I was satisfied however that Utmost had issued the certificate in line with its obligations to HMRC and that it accurately reflected what had happened. If Mr C thought he had been wrongly charged capital gains tax as a result, he could take that up with HMRC.

In conclusion, I said that I thought Utmost's offer of £300 was fair and reasonable in all the circumstances, and I recommended that Mr C accept it.

Mr C did not accept my preliminary conclusions. He remained of the view that his legitimate questions had not been properly answered. He specifically drew my attention to the fact that he had not been charged for the partial surrender in 2020, but charges had been levied on the full surrender in 2024. I put that point to Utmost and forwarded its response to Mr C. That response said:

"*When a partial surrender request is sent, no fees and charges amount are debited at the time, as the plan remains open. Should a full surrender request be submitted, any amounts that would have been due for fees and charges are debited at this point before the surrender proceeds are released.*"

I said that I thought that explanation, along with the unit movement statement for the period from 1 March to 30 April 2024 (which I also sent to Mr C) adequately clarified the position.

Because it has not been possible to resolve Mr C's complaint through my preliminary assessment, I have reviewed the matter from the outset before issuing this final decision.

Findings

I have considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint.

Although Mr C says that he believes he has suffered financial loss here, in the form of additional fees charged, I do not believe that to be the case. I believe that fees and charges have been applied in line with the account terms. It may be that the over-charging which Mr C believes he has identified is accounted for by the deduction of units from the Plan at a value higher than when they were purchased. That is, however, how the Plan terms say fees will be taken.

Mr C's primary concern, however, seems to be about Utmost's explanations and answers to his queries. If I thought that those explanations were inadequate, I could require Utmost to reconsider and improve on what it had already told Mr C. Alternatively, I could seek to clarify them myself, based on my understanding of the Plan terms.

In this case, however, I remain satisfied that Utmost has addressed Mr C's queries as clearly as can reasonably be expected. In saying that, I acknowledge that the Plan is a complex product with an unusual charging structure. As I have said though, it is not for me or CIFO to tell providers of financial services products how to structure those products. It is of course open to Mr C to seek independent advice and a professional clarification of the Plan and Utmost's explanations of it, should he wish to do so.

I have also not changed my view about the CEG certificate. As I say, if Mr C believes it should not have been issued and that he has as a result paid tax which he should not have paid, he can take that up with HMRC.

Final Decision

For these reasons, my final decision is that I do not uphold Mr C's complaint or make any award. I simply leave it to him to decide whether, on reflection, he wants to accept Utmost’s offer of £300, assuming it is still open for acceptance.

Mike Ingram
Ombudsman

Date: 20 May 2026